

FINDINGS
of the
HASKELL CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

HORSE CREEK WIND, LLC

Comptroller Application Number 1065

RESOLUTION AND FINDINGS OF FACT
of the
HASKELL CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
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STATE OF TEXAS §
 §
COUNTY OF HASKELL §

PREAMBLE

On the 29th day of September, 2015, a public meeting of the Board of Trustees of the Haskell Consolidated Independent School District (the “Board”) was held to solicit input from interested parties on the application by Horse Creek Wind, LLC (“Horse Creek Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Horse Creek Wind for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Evaluation under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Haskell Consolidated Independent School District makes the following Findings regarding the Application:

On or about the 26th day of March, 2015, the Board of Trustees for the Haskell Consolidated Independent School District received an Application for Appraised Value Limitation on Qualified Property from Horse Creek Wind, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the construction of a wind turbine electric generation facility (the “Property”). See Application, Tab 4 (as amended), attached hereto as Attachment A. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. Thereafter, on behalf of the Applicant, the District submitted Amendments to the Application, including: Amendment No. 001 on April 28, 2015 (revised Schedule B), and Amendment No. 002 on June 15, 2015 (revised maps). The Comptroller acknowledged receipt of the Application on or about April 10, 2015, and issued its notice of completeness by letter dated June 18, 2015, the Application Review Start Date. The District, on behalf of the Applicant, also submitted to the Comptroller Amendment No. 003 on August 5, 2015 (revised project description pages, maps, job waiver

letter and schedules). The Application and Amendments Nos. 001, 002 and 003 are collectively referred to as the “Application.” A copy of the Application and Comptroller letter of June 18, 2015 are attached as Attachment A.

The Texas Taxpayer Identification number for Horse Creek Wind, LLC is 32055858131. Horse Creek Wind is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

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

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

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

The Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller’s Office caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on September 11, 2015 that the Application be approved (the “Certification”). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

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

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

After receipt of the completed Application, the District entered into negotiations with Horse Creek Wind regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. Some of the terms

agreed to by the parties were at variance with specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code §9.1055(e)(1). At the specific direction of the Comptroller's Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted.

During the Agreement negotiations, the Applicant increased the total project size from 200 MW, as stated in the Application, to 230 MW, as described in Exhibit 3 of the Agreement. *See* Attachment H. The Applicant indicated to both the District and the Comptroller that this change was due to technology upgrades by the turbine's manufacturer. These upgrades allow for a power curve adjustment better suited to wind conditions in the project area, and increase the capacity of each turbine from 2.0 MW to 2.3 MW. The Applicant further indicated that the technology changes do not impact the estimated taxable values or financial analysis models. *See* copy of September 15, 2015 letter from Applicant regarding project size attached to these Findings as Exhibit K.

The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* *See* copy of September 17, 2015 Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I. In November, 2014, the Texas Comptroller's Office announced its intention to modify Comptroller Form 50-286 and to permit amendments to existing agreements including the Agreement for which these Findings are being made. To date, no new form 50-286 has been issued.

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

Board Finding Number 1.

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

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

Determination required by 313.025(h)

- Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
- Sec. 313.024(b) Applicant is proposing to use the property for an eligible project [renewable energy electric generation].
- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and [will] pay all jobs created that are not qualifying jobs a wage that exceeds the

county average weekly wage for all jobs in the county where the jobs are located.

* * *

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

See Attachment C.

Board Finding Number 2.

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

In support of Finding Number 2, the Certification states:

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

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

Attachment B - Tax Revenue over 25 Years

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

[see tables on next pages]

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$51,064	\$51,064	\$0	\$0
Limitation Period (10 Years)	2017	\$216,274	\$267,338	\$1,785,523	\$1,785,523
	2018	\$216,274	\$483,612	\$1,625,973	\$3,411,495
	2019	\$216,274	\$699,886	\$1,479,165	\$4,890,660
	2020	\$216,274	\$916,160	\$1,344,086	\$6,234,746
	2021	\$216,274	\$1,132,434	\$1,219,805	\$7,454,551
	2022	\$216,274	\$1,348,708	\$1,105,446	\$8,559,996
	2023	\$216,274	\$1,564,982	\$1,000,230	\$9,560,227
	2024	\$216,274	\$1,781,256	\$903,412	\$10,463,639
	2025	\$216,274	\$1,997,530	\$814,332	\$11,277,971
	2026	\$216,274	\$2,213,804	\$732,362	\$12,010,333
Maintain Viable Presence (5 Years)	2027	\$873,214	\$3,087,018	\$0	\$12,010,333
	2028	\$803,809	\$3,890,827	\$0	\$12,010,333
	2029	\$739,947	\$4,630,774	\$0	\$12,010,333
	2030	\$681,182	\$5,311,956	\$0	\$12,010,333
	2031	\$627,116	\$5,939,072	\$0	\$12,010,333
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$577,358	\$6,516,429	\$0	\$12,010,333
	2033	\$531,573	\$7,048,003	\$0	\$12,010,333
	2034	\$489,438	\$7,537,441	\$0	\$12,010,333
	2035	\$450,670	\$7,988,110	\$0	\$12,010,333
	2036	\$414,988	\$8,403,098	\$0	\$12,010,333
	2037	\$382,154	\$8,785,252	\$0	\$12,010,333
	2038	\$351,942	\$9,137,193	\$0	\$12,010,333
	2039	\$324,134	\$9,461,328	\$0	\$12,010,333
	2040	\$298,536	\$9,759,864	\$0	\$12,010,333
	2041	\$274,986	\$10,034,849	\$0	\$12,010,333

\$10,034,849

is less than

\$12,010,333

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Horse Creek Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	5	12	17	\$200,000	\$776,563	\$976,563	\$83,923	-\$15,259	\$99,182
2016	125	212	337	\$5,000,000	\$14,287,109	\$19,287,109	\$1,647,949	-\$564,575	\$2,212,524
2017	5	25	30	\$185,000	\$3,232,969	\$3,417,969	\$297,546	\$221,252	\$76,294
2018	5	15	20	\$185,000	\$2,256,406	\$2,441,406	\$244,141	\$236,511	\$7,630
2019	5	9	14	\$185,000	\$1,646,055	\$1,831,055	\$221,252	\$244,141	-\$22,889
2020	5	5	10	\$185,000	\$1,401,914	\$1,586,914	\$198,364	\$244,141	-\$45,777
2021	5	5	10	\$185,000	\$1,035,703	\$1,220,703	\$167,847	\$190,735	-\$22,888
2022	5	1	6	\$185,000	\$791,563	\$976,563	\$144,958	\$167,847	-\$22,889
2023	5	1	6	\$185,000	\$669,492	\$854,492	\$129,700	\$160,217	-\$30,517
2024	5	1	6	\$185,000	\$669,492	\$854,492	\$152,588	\$137,329	\$15,259
2025	5	7	12	\$185,000	\$669,492	\$854,492	\$137,329	\$137,329	\$0
2026	5	3	8	\$185,000	\$425,352	\$610,352	\$122,070	\$114,441	\$7,629
2027	5	(1)	4	\$185,000	\$303,281	\$488,281	\$76,294	\$68,665	\$7,629
2028	5	(1)	4	\$185,000	\$59,141	\$244,141	\$76,294	\$45,776	\$30,518
2029	5	(5)	0	\$185,000	\$59,141	\$244,141	\$68,665	\$76,294	-\$7,629
2030	5	(3)	2	\$185,000	-\$185,000	\$0	\$53,406	\$45,776	\$7,630
2031	5	(7)	-2	\$185,000	-\$429,141	-\$244,141	\$15,259	\$22,888	-\$7,629
2032	5	(9)	-4	\$185,000	-\$673,281	-\$488,281	\$7,629	\$15,259	-\$7,630
2033	5	(7)	-2	\$185,000	-\$673,281	-\$488,281	\$15,259	-\$45,776	\$61,035
2034	5	(9)	-4	\$185,000	-\$1,161,563	-\$976,563	-\$38,147	-\$61,035	\$22,888
2035	5	(13)	-8	\$185,000	-\$1,405,703	-\$1,220,703	-\$53,406	-\$76,294	\$22,888
2036	5	(13)	-8	\$185,000	-\$1,649,844	-\$1,464,844	-\$106,812	-\$129,700	\$22,888
2037	5	(13)	-8	\$185,000	-\$1,649,844	-\$1,464,844	-\$99,182	-\$175,476	\$76,294
2038	5	(13)	-8	\$185,000	-\$1,893,984	-\$1,708,984	-\$106,812	-\$190,735	\$83,923
2039	5	(15)	-10	\$185,000	-\$1,649,844	-\$1,464,844	-\$122,070	-\$213,623	\$91,553
2040	5	(17)	-12	\$185,000	-\$2,870,547	-\$2,685,547	-\$167,847	-\$251,770	\$83,923
2041	5	(15)	-10	\$185,000	-\$2,382,266	-\$2,197,266	-\$167,847	-\$274,658	\$106,811
							\$2,998,350	\$129,700	\$2,868,650
							\$12,903,499	is greater than	\$12,010,333

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

See Attachment D.

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted information at Tab 12 (as amended) to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. According to the Applicant, the industry standard requires approximately seven (7) full time positions for a project with 100 turbines, which is less than the requirements of §313.051(b). A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. Applicant intends to install approximately 65 turbine in Haskell CISD. Applicant reported in its Application that it would create a total of seven (7) jobs, five (5) of which are qualifying jobs within Haskell CISD, to service and support a wind farm with 100 turbines. See Attachment K. This is consistent with industry standards reported by Applicant.

See Attachments A and D.

Board Finding Number 4.

The Applicant will create seven (7) new jobs, five (5) within Haskell CISD, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3).

See Attachments A, D and I.

Board Finding Number 5.

The ability of the Applicant to locate the proposed wind energy facility in another state or another region of this state is significant because of the highly competitive marketplace for economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas.

See Attachment C.

In support of Finding Number 5, the Economic Impact Evaluation states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the Horse Creek Wind, LLC decision to invest capital and construct the project in this state. This is based on information available,

including information provided by the applicant. Specifically, the comptroller notes the following:

**Note: This project was originally submitted to the Comptroller on November 10, 2014 and assigned application number 1039. Application 1039 was owned by New Generations Power Texas, LLC. In mid-December 2014 the Comptroller's office was notified of the sale of the project to Lincoln Clean Energy and application 1039 was withdrawn. Lincoln Clean Energy submitted a new application January 13, 2015 [sic] under Horse Creek Wind, LLC.¹*

- Horse Creek Wind, LLC has entered into a number of contracts related to the project, including long-term lease options agreements with area landowners, a limited-notice-to-proceed contract with a construction contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.
- In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2014. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.04% of total estimated investment for the project. The work was done in the Munday CISD portion of the project area.
- Per the applicant, the completion of this minor amount of PTC qualification work does not legally or financially commit it to construction of the project.
- The applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics.
- Per the applicant, the appraised value limitation is critical to the ability of the Project to move forward as currently sited.
- A National Electric Contractors Association article dated March 26, 2014 notes construction for the two-phase project began December 11, 2013, making the wind farm eligible for a Federal Renewable Energy Production Tax Credit.

See Attachment D.

¹ The Comptroller misstates the date the Application was submitted. Horse Creek Wind submitted its Application to the District on March 26, 2015, and the District, in turn, submitted the Application to the Comptroller on April 7, 2015. See Attachment A.

Board Finding Number 6.

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

See Attachments A and D.

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, McDowell & Brown, LLC estimate in the District's Financial Impact Report, based on Horse Creek Wind's Application, that the project would add \$185,116,722 to the tax base at the peak investment level for the 2017 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Table 4 of Attachment D. In addition, the projected revenue gains from the proposed Agreement would be approximately \$62,000 per year from the 2016-17 school year through the 2029-30 school year. See Attachment H at Section 6.2.A; see also Table VI of Attachment E.

Board Finding Number 8.

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

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

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Haskell CISD.

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

Board Finding Number 9.

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

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
2015-2016	1.170	0.049	0	0	0	0
2016-2017	1.170	0.040	55,249	0	0	0
2017-2018	1.170	0.021	2,165,866	1,931,866	(1,237,592)	694,273
2018-2019	1.170	0.021	1,993,239	1,759,239	0	1,759,239
2019-2020	1.170	0.022	1,834,399	1,600,399	0	1,600,399
2020-2021	1.170	0.023	1,688,248	1,454,248	0	1,454,248
2021-2022	1.170	0.023	1,553,781	1,319,781	0	1,319,781
2022-2023	1.170	0.000	1,430,049	1,196,049	0	1,196,049
2023-2024	1.170	0.000	1,316,210	1,082,210	0	1,082,210
2024-2025	1.170	0.000	1,211,457	977,457	0	977,457
2025-2026	1.170	0.000	1,115,076	881,076	0	881,076
2026-2027	1.170	0.000	1,026,387	792,387	0	792,387
2027-2028	1.060	0.000	855,957	0	0	0
2028-2029	1.170	0.000	869,690	0	0	0
2029-2030	1.170	0.000	800,594	0	0	0
2030-2031	1.170	0.000	737,012	0	0	0
2031-2032	1.170	0.000	678,515	0	0	0
Totals			19,331,728	12,994,711	(1,237,592)	11,757,118

Board Finding Number 10.

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

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

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.170	0.049	0	0	0	0
2016-2017	1.170	0.040	55,249	0	0	0
2017-2018	1.170	0.021	2,165,866	1,931,866	(1,237,592)	694,273
2018-2019	1.170	0.021	1,993,239	1,759,239	0	1,759,239
2019-2020	1.170	0.022	1,834,399	1,600,399	0	1,600,399
2020-2021	1.170	0.023	1,688,248	1,454,248	0	1,454,248
2021-2022	1.170	0.023	1,553,781	1,319,781	0	1,319,781
2022-2023	1.170	0.000	1,430,049	1,196,049	0	1,196,049
2023-2024	1.170	0.000	1,316,210	1,082,210	0	1,082,210
2024-2025	1.170	0.000	1,211,457	977,457	0	977,457
2025-2026	1.170	0.000	1,115,076	881,076	0	881,076
2026-2027	1.170	0.000	1,026,387	792,387	0	792,387
2027-2028	1.060	0.000	855,957	0	0	0
2028-2029	1.170	0.000	869,690	0	0	0
2029-2030	1.170	0.000	800,594	0	0	0
2030-2031	1.170	0.000	737,012	0	0	0
2031-2032	1.170	0.000	678,515	0	0	0
Totals			19,331,728	12,994,711	(1,237,592)	11,757,118

Board Finding Number 11.

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

Board Finding Number 12.

The Applicant (Taxpayer Id. 32055858131) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity. See Attachments A, B and C.

Board Finding Number 13.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

Board Finding Number 14.

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

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

Board Finding Number 15.

The Applicant's change to the total project size in the description of Qualified Property in Exhibit 3 of the Agreement is due to technology upgrades by the turbine's manufacturer. These upgrades allow for a power curve adjustment better suited to wind conditions in the project area, and increase the capacity of each turbine from 2.0 MW to 2.3 MW. Applicant has not changed the estimated taxable values in the Application, and therefore neither the School Finance Analysis from McDowell & Brown nor the Comptroller's Economic Impact Evaluation are affected. Further, the Comptroller has approved the Agreement with this change. See Exhibits I and K.

Board Finding Number 16.

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

Board Finding Number 17.

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

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

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

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

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

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

[the remainder of this page is intentionally left blank]

Dated this 29th day of September, 2015.

Haskell Consolidated Independent School District

By Joey Thomas
Signature

Joey Thomas Board President
Printed Name and Title

Attest:

By Debbie L. Earles
Signature

board secretary
Printed Name and Title
Debbie L. Earles

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Certification Letter
D	Comptroller Economic Impact Evaluation
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2014 ISD Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's September 17, 2015 Agreement Review Letter
J	Job Waiver Request
K	Applicant's September 15, 2015 Letter regarding Project Size



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 18, 2015

Bill Alcorn
Superintendent
Haskell Consolidated Independent School District
605 N. Avenue E.
Haskell, TX 79521

Dear Superintendent Alcorn:

On April 10, 2015, the Comptroller's office received from Haskell Consolidated Independent School District (Haskell CISD) an application from Horse Creek Wind, LLC for a limitation on appraised value (App #1065).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on June 18, 2015.

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

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

Should you have any questions, please contact Stephanie Jones with our office. He can be reached by email at Stephanie.jones@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-4591, or direct in Austin at 512-463-4591.

Sincerely,

A handwritten signature in black ink that reads "Korry Castillo". The signature is written in a cursive style.

Korry Castillo
Director
Data Analysis & Transparency

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Declan Flanagan, Horse Creek Wind, LLC

Will Furgeson, Lincoln Clean Energy, LLC
Wes Jackson, Cummings Westlake, LLC

HORSE CREEK WIND, LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO HASKELL CISD**

Comptroller Copy

TAB 1

Pages 1 through 9 of application.



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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

March 26, 2015

Date Application Received by District

Bill

Alcorn

First Name

Last Name

Superintendent

Title

Haskell CISD

School District Name

605 N. Avenue E.

Street Address

605 N. Avenue E.

Mailing Address

Haskell

TX

79521

City

State

ZIP

940-864-2602

940-864-8096

Phone Number

Fax Number

balcorn@haskell.esc14.net

Mobile Number (optional)

Email Address

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

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Audie</u> First Name	<u>Sciumbato</u> Last Name
<u>Attorney</u> Title	
<u>Underwood Law Firm, P.C.</u> Firm Name	
<u>806-364-2626</u> Phone Number	<u>806-364-9368</u> Fax Number
	<u>audie.sciumbato@ulaw.com</u> Email Address
<u>Mobile Number (optional)</u>	

4. On what date did the district determine this application complete? April 7, 2015
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Declan</u> First Name	<u>Flanagan</u> Last Name
<u>CEO</u> Title	<u>Horse Creek Wind, LLC</u> Organization
<u>401 N. Michigan Avenue, Suite 501</u> Street Address	
<u>401 N. Michigan Avenue, Suite 501</u> Mailing Address	
<u>Chicago</u> City	<u>IL</u> State
<u>312-237-4700</u> Phone Number	<u>60611</u> ZIP
<u>Mobile Number (optional)</u>	<u>dflanagan@lincolnclean.com</u> Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

<u>Will</u> First Name	<u>Furgeson</u> Last Name
<u>Development Director</u> Title	<u>Lincoln Clean Energy, LLC</u> Organization
<u>101 W. Sixth St., Suite 608</u> Street Address	
<u>101 W. Sixth St., Suite 608</u> Mailing Address	
<u>Austin</u> City	<u>TX</u> State
<u>512-767-7464</u> Phone Number	<u>78701</u> ZIP
<u>Mobile Number (optional)</u>	<u>wfurgeson@lincolnclean.com</u> Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Wes Jackson
 First Name Last Name
 Partner
 Title
 Cummings Westlake, LLC
 Firm Name
 (713) 266-4456 (713) 266-2333
 Phone Number Fax Number
 wjackson@cwlp.net
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Horse Creek Wind, LLC
 2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32055858131
 3. List the NAICS code 221115
 4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

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

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Haskell County & Knox County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Haskell CAD
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: Haskell County, \$0.5825 81% <small>(Name, tax rate and percent of project)</small>	City: <small>(Name, tax rate and percent of project)</small>
Hospital District: Haskell Hospital, \$0.2363 81% <small>(Name, tax rate and percent of project)</small>	Water District: Rolling Plains GCD, \$0.018121 100% <small>(Name, tax rate and percent of project)</small>
Other (describe): Haskell WD #1, \$0.18 81% <small>(Name, tax rate and percent of project)</small>	Other (describe): See Munday CISD Application <small>(Name, tax rate and percent of project)</small>
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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

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

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

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

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

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2014
(year)

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

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

4. What is the number of new qualifying jobs you are committing to create? 5

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

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

6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

a. Average weekly wage for all jobs (all industries) in the county is 615.00

b. 110% of the average weekly wage for manufacturing jobs in the county is 708.00

c. 110% of the average weekly wage for manufacturing jobs in the region is 820.00

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 36,837.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 37,000.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No

12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No

13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)

3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$5,000 application fee to Haskell Consolidated Independent School District.

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

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

TAB 3

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

See Attached

TAB ITEM 3 (cont.)

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

1. Horse Creek Wind, LLC is a Delaware limited liability company formed on December 8, 2014. Horse Creek Wind, LLC has not been required to file a franchise tax report to date.
2. Horse Creek Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 802115561, in the Office of the Secretary of State. Taxpayer number 32055858131.
3. Horse Creek Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 801318039, in the Office of the Secretary of State. Taxpayer number 32042627284.
4. Contact information for Horse Creek Wind, LLC is as follows:

Contact: Will Furgeson

Phone: (512) 767-7464

Email: wfurgeson@lincolnclean.com

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

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC) and Financial Institutions
This report MUST be signed and filed to satisfy franchise tax requirements

Tcode 13196 Franchise

Taxpayer number										Report year				
3	2	0	4	2	6	2	7	2	8	4	2	0	1	4
Taxpayer name LINCOLN CLEAN ENERGY, LLC ("LCE")										<input type="checkbox"/> Blacken circle if the mailing address has changed.				
Mailing address 401 N MICHIGAN AVE., STE. 501										Secretary of State (SOS) file number or Comptroller file number 0801318039				
City CHICAGO			State IL		ZIP Code 60611		Plus 4							

You have certain rights under Chapter 552 and 559, Government Code, to review, request and correct information we have on file about you. Contact us at 1-800-252-1381.

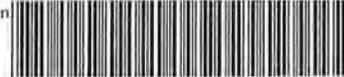
Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office

Principal place of business

Please sign below!

Officer, director and manager information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or managers change throughout the year.



SECTION A Name, title and mailing address of each officer, director or manager.

Name DECLAN FLANAGAN		Title CEO	Director <input checked="" type="radio"/> YES	Term expiration m m d d y y	
Mailing address 401 N MICHIGAN AVE., STE. 501		City CHICAGO		State IL	ZIP Code 60611
Name ROBERT CRAIG		Title CFO	Director <input type="radio"/> YES	Term expiration m m d d y y	
Mailing address 401 N MICHIGAN AVE., STE. 501		City CHICAGO		State IL	ZIP Code 60611
Name		Title	Director <input type="radio"/> YES	Term expiration m m d d y y	
Mailing address		City		State	ZIP Code

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation or limited liability company (SEE ATTACHMENT FOR LCE'S SUBSIDIARIES)	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation or limited liability company	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of 10 percent or more in this entity or limited liability company.

Name of owned (parent) corporation or limited liability company	State of formation	Texas SOS file number, if any	Percentage of ownership
---	--------------------	-------------------------------	-------------------------

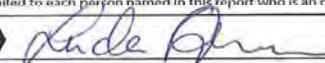
Registered agent and registered office currently on file (see instructions if you need to make changes)

Agent: Blacken circle if you need forms to change the registered agent or registered office information.

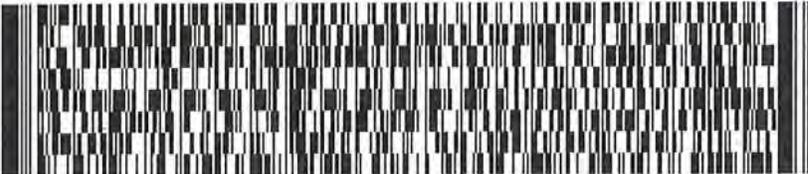
Office: City State ZIP Code

The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

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

sign here  Title **ACCOUNTING MGR** Date **10/30/2014** Area code and phone number **(312) 237-4705**

Texas Comptroller Official Use Only



VE/DE PIR IND





Texas Franchise Tax Public Information Report

Taxpayer number: 32042627284
Report year: 2014
Taxpayer name: Lincoln Clean Energy, LLC

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of 10 percent or more.

<u>Name of owned subsidiary</u>	<u>State of formation</u>	<u>Texas SOS file number, if any</u>	<u>% of ownership</u>
NJ Oak Solar Finco, LLC	Delaware	N/A	100%
Monument Power, LLC	Delaware	N/A	50%
Lincoln Clean Energy Development, LLC	Delaware	N/A	100%
Shawnee Energy Center, LLC	Delaware	N/A	100%
Rockwood Energy Center, LLC	Delaware	0802018903	100%
TX Windwood Wind, LLC	Delaware	0801608903	100%
Electra Wind, LLC	Delaware	0802064901	100%



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Franchise Tax Account Status

As of: 03/16/2015 11:32:59 AM

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

[Obtain a certification](#) for filings with the Secretary of State.

HORSE CREEK WIND, LLC	
Texas Taxpayer Number	32055858131
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	12/09/2014
Texas SOS File Number	0802115561
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



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Franchise Tax Account Status

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LINCOLN CLEAN ENERGY, LLC	
Texas Taxpayer Number	32042627284
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	09/13/2010
Texas SOS File Number	0801318039
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Franchise Tax Account Status

As of: 03/30/2015 04:40:25 PM

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LINCOLN CLEAN ENERGY DEVELOPMENT, LLC	
Texas Taxpayer Number	32053519677
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
 Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/19/2014
Texas SOS File Number	0801955105
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST. SUITE 900 DALLAS, TX 75201



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Franchise Tax Account Status

As of: 03/16/2015 11:40:10 AM

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TX WINDWOOD WIND, LLC	
Texas Taxpayer Number	32048186160
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
 Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/07/2012
Texas SOS File Number	0801608903
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



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Franchise Tax Account Status

As of: 03/16/2015 11:41:08 AM

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



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Franchise Tax Account Status

As of: 03/16/2015 11:42:10 AM

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TX NAZARETH SOLAR, LLC	
Texas Taxpayer Number	32053632850
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/31/2014
Texas SOS File Number	0801962036
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN STREET SUITE 900 DALLAS, TX 75201



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Franchise Tax Account Status

As of: 03/16/2015 11:43:03 AM

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ROCKWOOD ENERGY CENTER, LLC	
Texas Taxpayer Number	32054494920
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/30/2014
Texas SOS File Number	0802018903
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



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Franchise Tax Account Status

As of: 03/16/2015 11:43:59 AM

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

[Obtain a certification](#) for filings with the Secretary of State.

SHAWNEE ENERGY CENTER, LLC	
Texas Taxpayer Number	32055394756
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/10/2014
Texas SOS File Number	0802081029
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

TAB 4

Detailed Description of the Project

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

Horse Creek Wind, LLC (Horse Creek) is requesting an appraised value limitation from Haskell Consolidated Independent School District (ISD) for the Horse Creek Wind Project (the "Project"), a proposed wind powered electric generating facility in Haskell and Knox Counties. The proposed Haskell CISD Project (this application) will be constructed within the Haskell County Reinvestment Zone, Exergy No.1 that was established by Haskell County on 3-1-2012. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of 200 MW, with 130 MW located in Haskell CISD and the remaining 70 MWs to be located in Munday CISD (Munday CISD portion is not included in this application). The exact number of wind turbines and size of each turbine could vary depending upon ongoing wind and siting analysis, manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current plans are to install 2.0 MW GE turbines with an estimated 65 turbines located in Haskell CISD. Horse Creek is also constructing generation tie line in Haskell CISD which is estimated to be approximately 3 miles in length. The Applicant requests a value limitation for all materials and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electric substation, transmission line and associated towers, and interconnection facilities.

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

**NOTE:* The map in TAB 11 shows the potential locations of the turbines within Haskell CISD boundaries for 65 turbines, however, the final number is dependent upon ongoing negotiations with power purchasers and factors mentioned above.

TAB 5

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

Horse Creek Wind, LLC (“Horse Creek”) is a Delaware limited liability company. Horse Creek has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving almost \$1 billion in capital investment in some of the largest electricity markets in the United States (including Texas, California and New Jersey).

Horse Creek has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a construction contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014869 and completed the amount of PTC qualification work required for the project to qualify for the federal income tax PTC, which expired on December 31, 2014 and has not been renewed at the time this application was submitted. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.04% of total estimated investment for the project. This work was done in the Munday CISD portion of the project area. The Applicant’s completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project.

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

TAB 6

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

- | | |
|----------------------------------|--------|
| 1) Haskell County | - 81% |
| 2) Haskell CISD | - 65% |
| 3) Haskell Hospital District | - 81% |
| 4) Haskell Water District #1 | - 81% |
| 5) Rolling Plains GCD | - 100% |
| 6) Knox County | - 19% |
| 7) Munday CISD | - 35% |
| 8) Knox County Hospital District | - 19% |

TAB 7Description of Qualified Investment

Horse Creek Wind, LLC plans to construct a 200 MW wind farm in Haskell and Knox Counties.

This application covers all qualified property within Haskell CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Approximately sixty-five (65) will be located in Haskell CISD. For purposes of this application, the Project anticipates using 2.0 MW turbines manufactured by GE. Horse Creek is also constructing approximately 3 miles of generation transmission tie line that will be in Haskell CISD.

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

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

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

TAB 8

Description of Qualified Property

(See Tab 7)

TAB 9

Description of Land

See Attached

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Tab 9 Attachment

LEGAL DESCRIPTIONS OF LEASED LAND

Section	Block	Survey	Abstact Number	County
9		H. & T.B. RR Co.	171	Haskell
		R.G. Watson Survey No.414	406	Haskell
		Mary Crittenden Survey No.214	112	Haskell
		C. & M. RR Company Survey No.3	449	Haskell
		W. Gaines Survey	586	Haskell
25	46	H. & T.C. RR Co.	265	Haskell
26	46	H. & T.C. RR Co.	1143	Haskell
26	46	H. & T.C. RR Co.	768	Haskell
		H. & T.C. RR Co. Survey No.27	250	Haskell
10	46	H. & T.C. RR Co.	928	Haskell
4		C. & M. RR Company	997	Haskell
15	46	H. & T.C. RR Co.	252	Haskell
9	46	H. & T.C. RR Co.	251	Haskell
10	46	H. & T.C. RR Co.	928	Haskell
		H. & T.C. RR Co. Survey No. 26	1107	Haskell
		Waco Manufacturing Company Survey No.1	480	Haskell
		Samuel Chance Survey No. 206	102	Haskell
12	46	H. & T.C. RR Co.	923	Haskell
12	46	H. & T.C. RR Co.	1029	Haskell
25	46	H. & T.C. RR Co.	265	Haskell
		M.C. McGregor Survey No.5	706	Haskell
5		G.J. Bowles Survey	677	Haskell
12	46	W. Murchison Survey	1027	Haskell
11	46	H. & T.C. RR Co.	249	Haskell
5		C.T. and M.C. Railroad Company Survey	730	Haskell
6		L.P. Jones Survey	1024	Haskell
		Waco Manufacturing Company Survey No.2	755	Haskell
		Waco Manufacturing Company Survey No.2	736	Haskell
1	46	H. & T.C. RR Co.	878	Haskell
2	46	H. & T.C. RR Co.	1049	Haskell
7	46	H. & T.C. RR Co.	253	Haskell
		Day Land and Cattle Company Survey	731	Haskell
8	46	H. & T.C. RR Co.	909	Haskell

Tab 9 Attachment (continued)

Abstract #	Level 1	Level 2	Level 3	Level 4
	Survey Name (L1)	Block #	Survey #	Survey Name (L4)
20713	BIRD, M	<null>	124	<null>
207102	CHANCE, S	<null>	<null>	<null>
207111	COLLAM, G G	<null>	<null>	<null>
207143	GILPIN, E	<null>	<null>	<null>
207159	HARRISON, J	<null>	<null>	<null>
207169	HAMMOND, J	<null>	173	<null>
207248	H&TC RR CO	46	35	<null>
207254	H&TC RR CO	46	19	<null>
207292	H&TC RR CO	<null>	99	<null>
207303	KING, L T	<null>	<null>	<null>
207308	LANIER, B	<null>	125	<null>
207314	MURPHY, E	<null>	<null>	<null>
207342	PEW, T	<null>	<null>	<null>
207354	RIGGS, H	<null>	<null>	<null>
207369	STRODE, W	<null>	<null>	<null>
207370	STEPHENS, J M	<null>	<null>	<null>
207386	TRAVIS, W B	<null>	<null>	<null>
207411	WALTERS, J	<null>	<null>	<null>
207430	WINTERS, C	<null>	<null>	<null>
207449	C&M RR CO	<null>	3	<null>
207469	I&GN RR CO	<null>	<null>	<null>
207578	H&TC RR CO	<null>	34	CHRIESMAN, O W
207640	H&TC RR CO	46	20	WORSTER, L W
207659	KEAGHEY, W S	<null>	9	<null>
207680	CASNER, J	<null>	<null>	<null>
207707	MORTON, F M	<null>	7	<null>
207710	PITNER, T E	<null>	<null>	<null>
207731	DL&C CO	<null>	<null>	<null>
207733	HARELL, H T	<null>	<null>	<null>
207734	HILDRETH, E Y	<null>	<null>	<null>
207753	HILL, J M	<null>	50	<null>
207947	H&TC RR CO	<null>	100	ROSE, J F
207961	STONE, S	<null>	<null>	<null>
207986	CT&MC RR CO	<null>	10	PITNER, T E
2071006	H&TC RR CO	46	36	MORTON, F M
2071007	H&TC RR CO	46	30	MORTON, F M
2071028	H&TC RR CO	46	34	ROBERTS, L W
2071070	BROWN, W A	<null>	13	<null>
2071076	H&TC RR CO	1	100	COOKE, J H
2071079	H&TC RR CO	46	36	GILES, A J
2071093	BROWN, W A	<null>	13	COOKE, J H
2071141	BROWN, W A	<null>	13	<null>
2071144	BROWN, W A	<null>	13	<null>

TAB 10

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

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

TAB 11

Maps that clearly show:

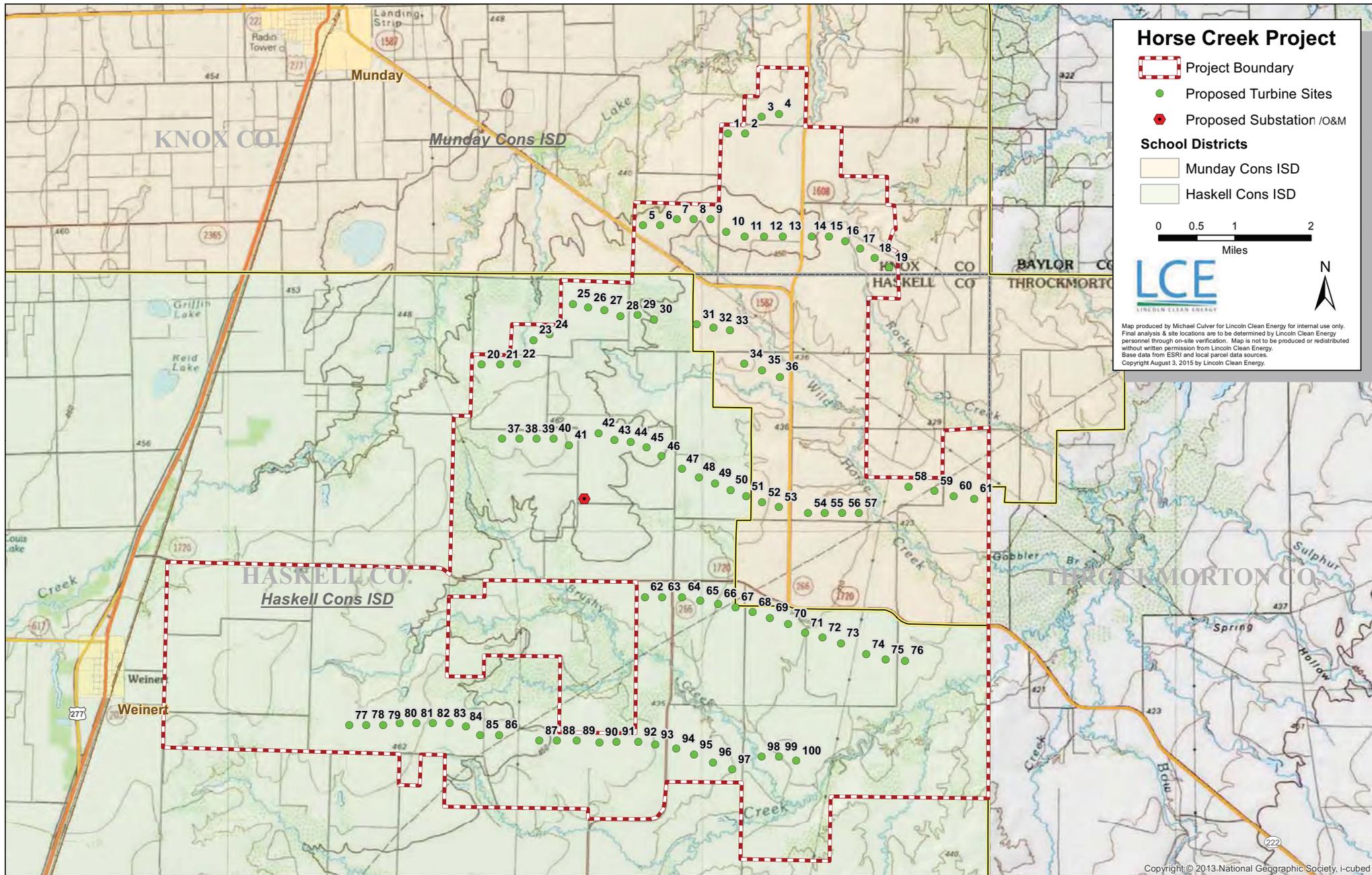
- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

11 d) THERE IS NO EXISTING PROPERTY

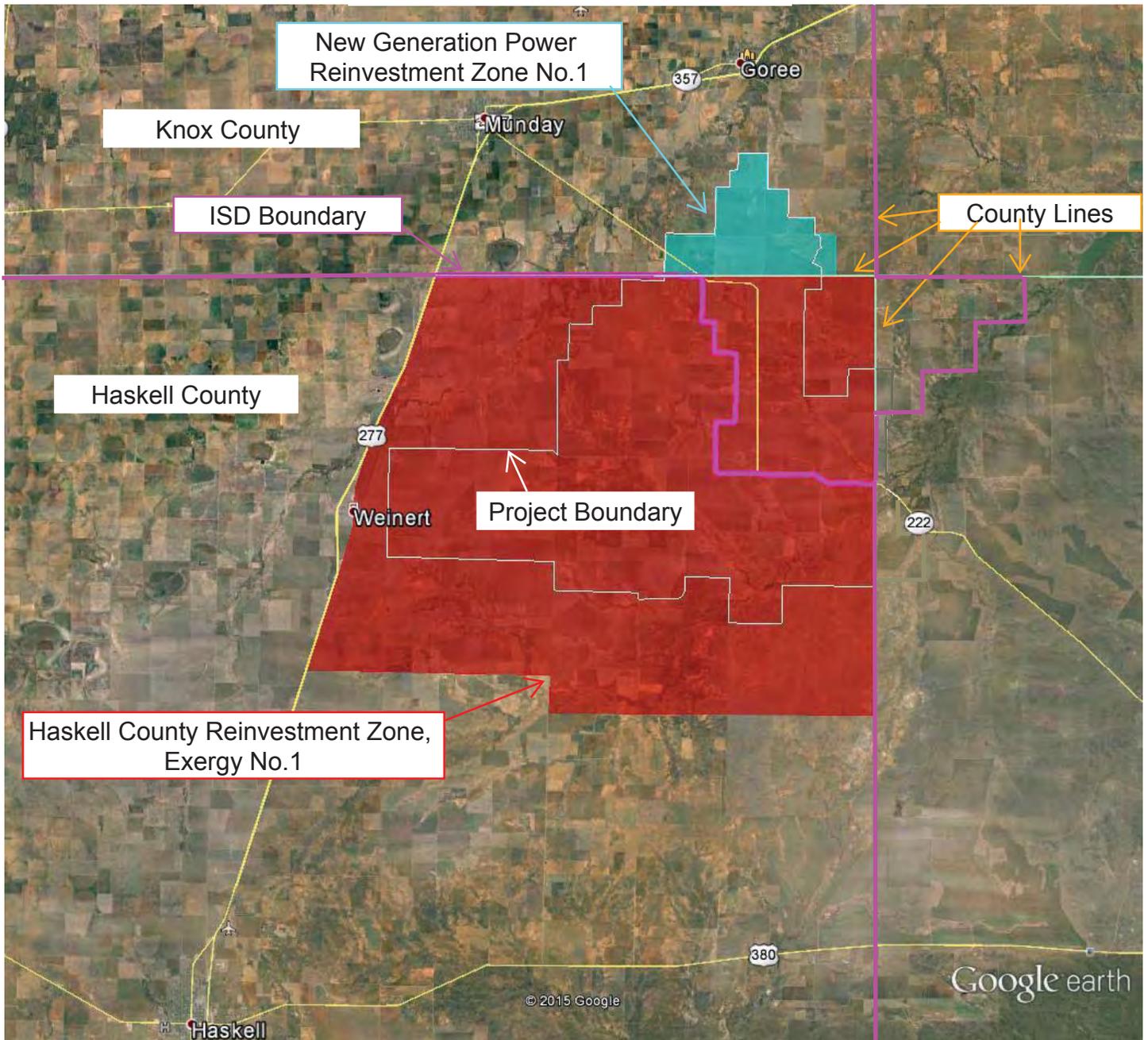
11 e) THERE IS NO LAND

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11b & c) Location of Qualified Investment & Property



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11 F) Reinvestment Zone within Vicinity Map showing Proposed Project Boundaries

TAB 12

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

See Attached



August 3, 2015

Superintendent Bill Alcorn
Haskell Consolidated Independent School District
605 N. Avenue E
Haskell, TX 79521

Re: Chapter 313 Job Waiver Request

Dear Superintendent Alcorn,

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that seven (7) employees would be needed to operate a 200 MW facility, and we can commit to creating five (5) full-time positions to fill those needs from Haskell CISD. All five would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

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

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

Kind Regards,

Will Furgeson
Development Director
Horse Creek Wind, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

HORSE CREEK WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION - HASKELL CISD

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 597	\$ 31,044
SECOND	2014	\$ 643	\$ 33,436
THIRD	2014	\$ 620	\$ 32,240
FOURTH	2013	\$ 600	\$ 31,200
AVERAGE		\$ 615	\$ 31,980

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 663	\$ 34,476
SECOND	2014	\$ 586	\$ 30,472
THIRD	2014	\$ 651	\$ 33,852
FOURTH	2013	\$ 676	\$ 35,152
AVERAGE		\$ 644	\$ 33,488
X		110%	110%
		\$ 708	\$ 36,837

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
West Central	2013	\$ 746	\$ 38,779
X		110%	110%
		\$ 820	\$ 42,657

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Haskell County	Total All	00	0	10	Total, All Industries	\$597
2014	2nd Qtr	Haskell County	Total All	00	0	10	Total, All Industries	\$643
2014	3rd Qtr	Haskell County	Total All	00	0	10	Total, All Industries	\$620
2013	4th Qtr	Haskell County	Total All	00	0	10	Total, All Industries	\$600

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Haskell County	Total All	31	2	31-33	Manufacturing	\$663
2014	2nd Qtr	Haskell County	Total All	31	2	31-33	Manufacturing	\$586
2014	3rd Qtr	Haskell County	Total All	31	2	31-33	Manufacturing	\$651
2013	4th Qtr	Haskell County	Total All	31	2	31-33	Manufacturing	\$676

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2014

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

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

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

Data intended for TAC 313 purposes only.

TAB 14

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

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015	0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				9,444,338	0	0	0	9,444,338
Complete tax years of qualifying time period	QTP1	2016-2017	2016	178,442,413	1,000,000	0	0	179,442,413
	QTP2	2017-2018	2017	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				187,886,750	1,000,000	0	0	188,886,750
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				188,886,750				

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

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

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

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

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

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

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

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

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

Date **8/3/2015**

Applicant Name **Horse Creek Wind, LLC**

Form 50-296A

ISD Name **Haskell CISD**

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE}	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		187,886,750	1,000,000	0	0	188,886,750
Enter amounts from TOTAL row in Schedule A1 in the row below								
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0
	0	2016-2017	2016	0	0	0	0	0
Value limitation period***	1	2017-2018	2017	0	0	0	0	0
	2	2018-2019	2018	0	0	0	0	0
	3	2019-2020	2019	0	0	0	0	0
	4	2020-2021	2020	0	0	0	0	0
	5	2021-2022	2021	0	0	0	0	0
	6	2022-2023	2022	0	0	1,300,000	0	1,300,000
	7	2023-2024	2023	0	0	1,300,000	0	1,300,000
	8	2024-2025	2024	0	0	1,300,000	0	1,300,000
	9	2025-2026	2025	0	0	1,300,000	0	1,300,000
	10	2026-2027	2026	0	0	1,300,000	0	1,300,000
Total Investment made through limitation				187,886,750	1,000,000	6,500,000	0	195,386,750
Continue to maintain viable presence	11	2027-2028	2027			1,950,000		1,950,000
	12	2028-2029	2028			1,950,000		1,950,000
	13	2029-2030	2029			1,950,000		1,950,000
	14	2030-2031	2030			1,950,000		1,950,000
	15	2031-2032	2031			1,950,000		1,950,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			1,950,000		1,950,000
	17	2033-2034	2033			1,950,000		1,950,000
	18	2034-2035	2034			1,950,000		1,950,000
	19	2035-2036	2035			1,950,000		1,950,000
	20	2036-2037	2036			1,950,000		1,950,000
	21	2037-2038	2037			1,950,000		1,950,000
	22	2038-2039	2038			1,950,000		1,950,000
	23	2039-2040	2039			1,950,000		1,950,000
	24	2040-2041	2040			1,950,000		1,950,000
	25	2041-2042	2041			1,950,000		1,950,000

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

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

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

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

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

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

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

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

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

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

Date

8/3/2015

Applicant Name

Horse Creek Wind, LLC

Form 50-296A

ISD Name

Haskell CISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	0	0	0	0	0	0
	0	2016-2017	2016	0	0	4,722,169	4,722,169	4,722,169	4,722,169
Value Limitation Period	1	2017-2018	2017	0	990,000	184,126,722	185,116,722	185,116,722	20,000,000
	2	2018-2019	2018	0	965,300	169,397,000	170,362,300	170,362,300	20,000,000
	3	2019-2020	2019	0	941,200	155,845,000	156,786,200	156,786,200	20,000,000
	4	2020-2021	2020	0	917,700	143,377,000	144,294,700	144,294,700	20,000,000
	5	2021-2022	2021	0	894,800	131,907,000	132,801,800	132,801,800	20,000,000
	6	2022-2023	2022	0	872,400	121,354,000	122,226,400	122,226,400	20,000,000
	7	2023-2024	2023	0	850,600	111,646,000	112,496,600	112,496,600	20,000,000
	8	2024-2025	2024	0	829,300	102,714,000	103,543,300	103,543,300	20,000,000
	9	2025-2026	2025	0	808,600	94,497,000	95,305,600	95,305,600	20,000,000
	10	2026-2027	2026	0	788,400	86,937,000	87,725,400	87,725,400	20,000,000
Continue to maintain viable presence	11	2027-2028	2027	0	768,700	79,982,000	80,750,700	80,750,700	80,750,700
	12	2028-2029	2028	0	749,500	73,583,000	74,332,500	74,332,500	74,332,500
	13	2029-2030	2029	0	730,800	67,696,000	68,426,800	68,426,800	68,426,800
	14	2030-2031	2030	0	712,500	62,280,000	62,992,500	62,992,500	62,992,500
	15	2031-2032	2031	0	694,700	57,298,000	57,992,700	57,992,700	57,992,700
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	0	677,300	52,714,000	53,391,300	53,391,300	53,391,300
	17	2033-2034	2033	0	660,400	48,497,000	49,157,400	49,157,400	49,157,400
	18	2034-2035	2034	0	643,900	44,617,000	45,260,900	45,260,900	45,260,900
	19	2035-2036	2035	0	627,800	41,048,000	41,675,800	41,675,800	41,675,800
	20	2036-2037	2036	0	612,100	37,764,000	38,376,100	38,376,100	38,376,100
	21	2037-2038	2037	0	596,800	34,743,000	35,339,800	35,339,800	35,339,800
	22	2038-2039	2038	0	581,900	31,964,000	32,545,900	32,545,900	32,545,900
	23	2039-2040	2039	0	567,400	29,407,000	29,974,400	29,974,400	29,974,400
	24	2040-2041	2040	0	553,200	27,054,000	27,607,200	27,607,200	27,607,200
	25	2041-2042	2041	0	539,400	24,890,000	25,429,400	25,429,400	25,429,400

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

Schedule C: Employment Information

Date 8/3/2015
 Applicant Name Horse Creek Wind, LLC
 ISD Name Haskell CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	5 FTE	40,000	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	125 FTE	40,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017	N/A	N/A	0	5	37,000
	2	2018-2019	2018	N/A	N/A	0	5	37,000
	3	2019-2020	2019	N/A	N/A	0	5	37,000
	4	2020-2021	2020	N/A	N/A	0	5	37,000
	5	2021-2022	2021	N/A	N/A	0	5	37,000
	6	2022-2023	2022	N/A	N/A	0	5	37,000
	7	2023-2024	2023	N/A	N/A	0	5	37,000
	8	2024-2025	2024	N/A	N/A	0	5	37,000
	9	2025-2026	2025	N/A	N/A	0	5	37,000
	10	2026-2027	2026	N/A	N/A	0	5	37,000
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	0	5	37,000

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) Yes No
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 8/3/2015
Applicant Name Horse Creek Wind, LLC
ISD Name Haskell CISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Haskell County	2017	10 Years	Annual Avg. of \$1,140,000	see detail below	283,500
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Haskell Hospital	2017	10 Years	Annual Avg. of \$419,000	see detail below	105,300
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				1,559,000		388,800

Additional information on incentives for this project:

County Terms:	Horse Creek Wind, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$1,750 per installed MW capacity
Hospital Terms:	Horse Creek Wind, LLC expects to apply for an abatement structured as follows: 100% abatement for 10 years with PILOT payment of \$650 per installed MW capacity

TAB 15

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

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

CONFIDENTIAL

COMMENCING at the intersection of Haskell, Throckmorton, Knox, and Baylor Counties, being also the TRUE POINT OF BEGINNING;

THENCE, southerly, along the Haskell and Throckmorton county line, S 0.1° E, 9.78 miles;

THENCE, generally along CR268, West, 7.25 miles;

THENCE, generally along F-M 266, North, 0.86 miles;

THENCE, westerly, generally along Ranch 1080, N 89° W, 5.38 miles;

THENCE, northeasterly, generally along Highway 277, N 17.7° E, 9.24 miles.

THENCE, easterly, N 89.8° E, 9.77 miles to the TRUE POINT OF BEGINNING.

**IN THE COMMISSIONERS COURT
OF
HASKELL COUNTY, TEXAS**

**ORDER CREATING HASKELL COUNTY
REINVESTMENT ZONE, EXERGY NO. 1**

WHEREAS, on the 1st day of March, 2012, came on for consideration the Designation of a Reinvestment Zone pursuant to Chapter 312 of the Texas Tax Code, and

WHEREAS, prior to taking any action regarding the creation of a reinvestment zone pursuant to Chapter 312 of the Texas Tax Code, this Court has established guidelines and criteria governing tax abatement agreements by the County, and has stated that Haskell will become eligible to participate in tax abatement, and

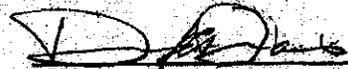
WHEREAS, prior to the creation of the Haskell County Reinvestment Zone, Exergy No. 1, the Commissioners Court has made a determination that the application filed by Exergy Baker Ranch Wind Park, LLC, meets the applicable guidelines and criteria adopted by the Commissioners Court, and that a tax abatement agreement between the County and Exergy Baker Ranch Wind Park, LLC, would be in compliance with the established guidelines and criteria for tax abatement, and

WHEREAS, the Commissioners Court did conduct a public hearing, after due notice, as required by law, prior to the creation of a reinvestment zone, as required by Chapter 312 of the Texas Tax Code. After receiving public comment, the Commissioners Court hereby determines that the designation of an area as a reinvestment zone would contribute to the retention or expansion of primary employment in Haskell County, Texas, and would contribute to the economic development of the County,

THEREFORE, PREMISES CONSIDERED, the Commissioners Court of Haskell County, Texas does hereby create the Haskell County Reinvestment Zone, Exergy No. 1, as described more fully in the attachments to this Order, which are incorporated herein by reference and are to be filed in the minutes of the Commissioners Court with this Order.

It is further ORDERED by the Commissioners Court that the County Judge is hereby authorized to execute, on behalf of Haskell County, Texas, such documents as may be necessary to facilitate and implement this Order.

Dated: Adopted on March 1, 2012, Executed this the 27th day of March, 2012

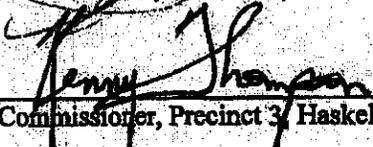


County Judge, Haskell County, Texas

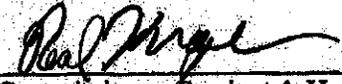


Commissioner, Precinct 1, Haskell County

Commissioner, Precinct 2, Haskell County

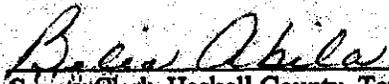


Commissioner, Precinct 3, Haskell County

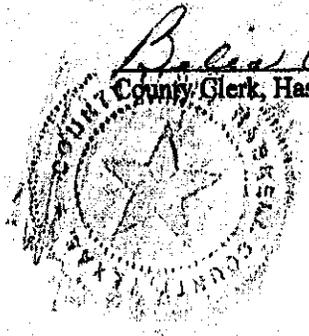


Commissioner, Precinct 4, Haskell County

Attest:



County Clerk, Haskell County, Texas

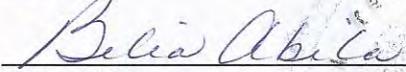


PASSED AND APPROVED on the 14 day of October, 2014, by Haskell County Commissioners Court.

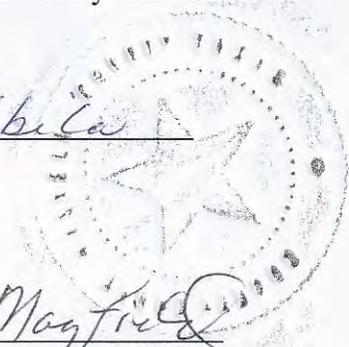


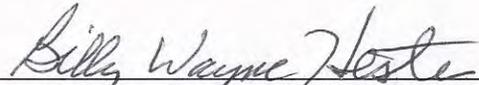
David Davis
County Judge

ATTEST:

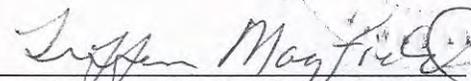


Belia Abila,
County Clerk

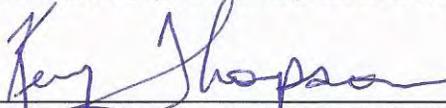




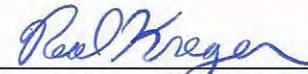
Billy Wayne Hester
Commissioner, Precinct 1, Haskell County



Triffen Mayfield
Commissioner, Precinct 2, Haskell County



Key Shapson
Commissioner, Precinct 3, Haskell County



Paul Kreyer
Commissioner, Precinct 4, Haskell County

HASKELL COUNTY

GUIDELINES AND CRITERIA

FOR GRANTING TAX ABATEMENT

AND REINVESTMENT ZONES

The Haskell County Guidelines and Criteria for Granting Tax Abatement and Reinvestment Zones (“Guidelines”) were adopted by the Commissioners Court (“Court”) of Haskell County, Texas (“County”) to be effective October 14, 2014 through October 14, 2016.

Haskell County is committed to the promotion of high quality development in all parts of Haskell County, Texas, and to an ongoing improvement in the quality of life for the citizens. Insofar as these objectives are generally served by an enhancement and expansion of the local economy, Haskell County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development. It is the policy of Haskell County that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Texas Tax Code. Nothing contained herein shall imply, suggest or be understood to mean that Haskell County is under any obligation to provide tax abatement to any application and attention is called to V.T.C.A., Tax Code §312.002(d). All applications for tax abatement will be considered on a case-by-case basis.

DEFINITIONS - Section I

- a. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain real and personal property in a reinvestment or enterprise zone designated by HASKELL County for economic development purposes.
- b. **“Affected jurisdiction”** means HASKELL County and any municipality or school district, the majority of which is located in HASKELL County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by HASKELL County.
- c. **“Agreement”** means a contractual agreement between an applicant (property owner and/or lessee) and HASKELL County for the purposes of tax abatement.
- d. **“Base year value”** means the assessed value of the applicant’s eligible property located in a reinvestment zone on January 1 of the year of execution of the Agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- e. **“Economic Life”** means the number of years a property is expected to be in service in a facility.
- f. **“Expansion”** means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- g. **“Facility”** means property improvements completed or in the process of construction which together comprise an integral whole.
- h. **“Hospital”** as defined in Texas Health & Safety Code Section 241.003.

i. **“Manufacturing Facility”** means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

j. **“Modernization”** means a complete or partial demolition of facilities and/or the completion of partial construction, reconstruction, or installation of a facility or facilities of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

k. **“New Facility”** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

l. **“Other Basic Industry”** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of HASKELL County, resulting in the creation of new permanent jobs bringing in new wealth.

m. **“Personal Property”** means personal property, as designated by the HASKELL County Appraisal District, which includes but is not limited to any tangible thing (including gasses, steams, and other non-solid state things) that can be removed from real property without destroying or changing such real property. Personal Property also includes, for example, any machinery or equipment that may be bolted to the floor, but has a shorter life than the building and is used in the primary line of business.

n. **“Productive Life”** means the number of years a property improvement is expected to be in service in a facility.

o. **“Real Property”** means real property improvements, as designated by the HASKELL County Appraisal District, which includes but is not limited to any buildings, buildings built on skids, portable buildings, parking areas, and fences attached to land.

p. **“Regional Entertainment/Tourism Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside outside any part of HASKELL County.

q. **“Research Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

r. **“Regional Service Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside any part of HASKELL County.

s. **“Spec Building”** means the new building construction to create an enclosed area of a commercial facility that would normally qualify for abatements built without an occupying tenant at the time the construction is complete.

t. **“Urgent Care Facility”** a facility dedicated to the delivery of unscheduled, walk-in diagnosis and treatment of acute, but non-life threatening injuries and illnesses, outside of a hospital emergency department or doctor's office.

ABATEMENT AUTHORIZED - Section II

a. **Authorized Facility.** An applicant's facility may be eligible for abatement if it is a Manufacturing Facility, Research Facility, Distribution Center, Regional Service Facility, Regional Entertainment Facility, Spec Building, Hospital, Urgent Care Facility or Other Basic Industry.

b. **Creation of New Value.** Abatement may only be granted for the additional value of eligible real property improvements made subsequent to and specified in an abatement Agreement between HASKELL County and the applicant (property owner and/or lessee), subject to such limitations as HASKELL County Commissioners' Court may require.

c. **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

d. **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the primary operation of the facility.

e. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; housing; hotels accommodations; retail facilities; deferred maintenance investments; property to be rented or leased, except as provided in Section II (f); improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has a productive life of less than 10 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.

f. **Owned/Leased Facilities.** If a leased facility is granted abatement the Agreement shall be executed with the lessor and the lessee.

g. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. The value of new eligible properties shall be abated according to the approved Agreement between applicant and HASKELL County. HASKELL County, in its sole discretion, shall determine the amount of any abatement. The term of any abatement may not exceed ten (10) years. The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.

h. **Construction in Progress.** If a qualifying facility has not been placed in service within one year after execution of the abatement Agreement, the applicant may apply for a one year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one year anniversary of execution of the abatement Agreement.

i. **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax abatement for planned improvements:

1. The applicant must complete an economic impact analysis consistent with the requirements of the WCEDP.

2. For projects located within the jurisdiction of any incorporated city or town, the applicant must first be approved for tax abatement by the economic development organization authorized by that respective city or town to act on its behalf before the County can provide assistance.

3. The applicant's facility must be expected to retain or create employment on a permanent basis in HASKELL County.

4. The applicant's facility must not be expected to solely or primarily have the effect of transferring employment from one part of HASKELL County to another.

5. The applicant's facility must be necessary because capacity cannot be provided efficiently by utilizing existing improved property when reasonable allowance is made for necessary improvements.

6. The applicant's facility must have no serious adverse effect on jurisdictions.

7. The applicant's facility must be in an area outside of the taxing jurisdiction of an incorporated city or town, unless the city or town has granted a tax abatement for the planned improvements, and ninety (90) days have not passed since the granting of such abatement.

8. The applicant's facility must have a significantly positive result from the economic impact analysis performed as part of the application process (*i.e.*, the local economic benefit must significantly exceed the amount of anticipated tax revenues foregone by the Agreement).

j. **Standards for Tax Abatement.** The following factors, among others, shall be considered by the County in determining whether to grant Tax Abatement:

1. The value of land and existing improvement, if any.

2. The type and value of the proposed improvements.

3. The expected economic life of the proposed improvements.

4. The number and quality of existing, permanent jobs to be retained by the proposed improvements.

5. The number of new permanent jobs to be created by the proposed improvements.

6. The amount of local payroll to be created or enhanced.

7. Whether the new jobs to be created will be filled by persons residing or projected to reside in the County.

8. The amount the property tax base will be increased during the term of Abatement and after Abatement.

9. The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements. The amount of ad valorem taxes to be paid to the County

during the Abatement period - considering (a) existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period.

10. The amount of local taxes to be generated directly as a result of the applicant's facility.

11. The population growth of the County that might occur as a direct result of new improvements.

12. The types and values of public improvements, if any, to be made by applicant seeking Abatement.

13. The impact on the business opportunities of existing businesses, including whether local labor, local subcontractors, and local vendors/suppliers will be used in the construction phase of the project.

14. The attraction of other new businesses to the area.

15. Whether the proposed improvements compete with existing businesses to the detriment of the local economy.

16. Whether the project is compatible with the community, particularly with respect to any environmental concerns and any zoning concerns.

17. The applicant's company profile, including business references, principal bank, audited financial statement and Business Plan.

18. The overall economic impact to HASKELL County.

Each application shall be reviewed on its merit, utilizing the factors provided above.

After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

k. **Denial of Abatement.** No Abatement Agreement shall be authorized if:

1. There would be substantial adverse affect on the tax base or costs associated with the providing of government services.

2. The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.

3. The planned or potential use of the property would constitute a hazard to public safety, health or morals.

4. The area considered for abatement lies within the taxing jurisdiction of an incorporated city or town, unless the city or town has already granted abatement to the concerned entity and ninety (90) days have not passed since the granting of such abatement.

5. Granting abatement might lead to the violation of other codes or laws.

6. For any other reason deemed appropriate by Commissioners' Court.

1. **Taxability.** From the execution of the Agreement to the end of the Agreement, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section II (e) shall be fully taxable;

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

3. The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement Agreement; and

4. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

APPLICATION - Section III

a. Any present or potential owner of taxable property in HASKELL County may request the creation of a reinvestment zone and tax abatement by filing a written request, along with the application processing fee set forth herein, to the County Judge of HASKELL County (checks should be made payable to HASKELL County).

b. The application shall consist of a completed application form accompanied by:

1. A copy of the executive overview from the economic impact analysis.

2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.

3. A descriptive list of the improvements which will be a part of the facility;

4. A site map and property description, including a complete legal description of the property;

5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.

6. Certification from the Haskell County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone

7. Disclosure of any environmental permits required or additional environmental impacts.

8. A \$1,000.00 non-refundable application fee.

c. Upon receipt of a completed application and prior to acting on the application, the County Judge shall notify in writing and provide a copy of the application to each presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located.

d. Upon receipt of a completed application for the creation of a reinvestment zone and application for abatement, the County shall determine whether the application qualifies for a tax abatement under the guidelines and criteria. If it is determined that an application qualifies for abatement, the Commissioners Court shall notify the applicant in writing that subject to a public hearing and approval of a contract by Commissioners Court, the project qualifies for abatement.

e. The Commissioners Court may not adopt a resolution designating a reinvestment zone for the purposes of considering approval of a tax abatement until it has held a public hearing. Notice of the hearing shall (1) be posted no later than the seventh day before the public hearing and (2) published in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon the application, HASKELL County shall through public hearing afford the applicant and the designated representative of any affected jurisdiction, and any other interested person, opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on Commissioners' Court agenda to be posted at least seven (7) days prior to the hearing.

f. HASKELL County, not more than 60 days after receipt of the application, shall by order either approve or disapprove the application for tax abatement at a regularly scheduled meeting by a majority vote. The county judge shall notify the applicant of approval or disapproval. If disapproved, a Commissioner may request a second review, in which case a new application and hearing shall be required.

g. HASKELL County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or construction of new facility.

h. **Variance.** Requests for variance from the provisions of Section II may be made in written form to the Commissioners' Court. Such request shall include all the items listed in Section III (b), together with a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request requires a three-fourths (3/4) vote of the governing body and shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court.

i. **Confidentiality Required.** Information that is provided to the County in connection with an application or request for Tax Abatement 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**. That information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

PUBLIC HEARING - Section IV

a. Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse affect on its bonds, tax revenue, service capacity or

the provision of service, that showing shall be reason for the Commissioners' Court to deny any designation of the reinvestment zone, the granting of abatement, or both.

b. Neither a reinvestment zone nor abatement Agreement shall be authorized if it is determined that:

1. There would be a substantial adverse affect on the provision of government service or tax base;
2. The applicant has insufficient financial capacity;
3. Planned or potential use of the property would constitute a hazard to public safety, health or morals; or,
4. Planned or potential use of the property violates other codes or laws.
5. Use of the property as planned does not comply with the overall developmental goals of the county.

c. Following the public hearing, the Commissioners' Court must make affirmative findings in the minutes of the Court that:

1. Designation of the reinvestment zone would contribute to the retention or expansion of primary employment.
2. Designation of the zone would attract major investment in the zone that would benefit the property within the zone.
3. Designation of the zone would contribute to the economic development of the county.

AGREEMENT - Section V

a. **Notice to Jurisdictions.** Not later than the seventh day before the date on which HASKELL County enters into the Abatement Agreement, the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the Agreement, along with a copy of the proposed agreement.

b. After approval, HASKELL County shall formally pass an order and execute an Agreement with the owner of the facility and lessee as required which shall include:

1. Estimated value to be abated and the base year value;
2. Percent of value to be abated each year as provided in Section II;
3. The commencement date and the termination date of abatement;
4. The proposed use of the facility; nature of construction, time schedule, survey, property description and improvements list as provided in the abatement application.

5. Provision for access to and authorization for inspection of the property by HASKELL County to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement.

6. Limitations on the uses of the property, consistent with the general purpose of encouraging development or redevelopment of the zone during the abatement period.

7. Contractual obligations in the event of default, violations of terms or conditions, delinquent taxes, recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by State law and;

8. Amount of investment, increase in assessed value and number of jobs involved for the period of Abatement.

9. A requirement that the applicant annually submit to the Haskell County Judge, a January employee count for the abated facility which corresponds to employment accounts reported in the facility's Employer's Quarterly Report to the Texas Workforce Commission for the quarter most recently ended at calendar year-end, and a separate notarized letter certifying the number of jobs, created or retained as a direct result of the abated improvements and the number of employees in other facilities located in Haskell County. Submission shall be used to determine abatement eligibility for that year and shall be subject to audit if requested by the governing body. Failure to submit will result in the ineligibility to receive abatement for that year.

c. Such agreement shall be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to HASKELL County.

d. **Mandatory contract provisions.** Any tax abatement entered into by the County must:

1. Include a list of the kind, number, and location of all proposed improvements to the property.

2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement.

3. Limit the use of the property consistent with the taxing unit's development goals.

4. Provide for recapturing property tax revenues that are lost if the applicant fails to make the improvements or create the jobs as provided by the application/agreement.

5. Include each term that was agreed upon with the applicant and require the applicant to annually certify compliance with the terms of the agreement to each taxing unit.

6. Allow the taxing unit to cancel or modify the agreement at any time if the applicant fails to comply with the terms of the agreement.

RECAPTURE - Section VI

a. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the agreement shall terminate and so shall the abatement of the taxes for the calendar

year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

b. Should the County determine that the applicant is in default according to the terms and conditions of its agreement, the County shall notify the applicant in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated and all taxes previously abated by virtue of the agreement may be recaptured, together with interest at 6% per annum calculated from the effective date of the agreement and paid within sixty (60) days of the termination. If the County does not receive full payment within the said sixty (60) days, a penalty may be added, equal to 15% of the total amount abated.

c. In the event that the applicant: (1) allows its ad valorem taxes owed the County or affected jurisdiction to become delinquent (taxes that are not covered by the abatement agreement) and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

ADMINISTRATION - Section VII

a. The Chief Appraiser of HASKELL County shall annually determine an assessment of the real and personal property within the reinvestment zone. Each year, the applicant receiving abatement shall furnish the Appraiser with such information as may be necessary to determine compliance with the Agreement, including but not limited to the number of new or retained employees associated with the applicant's facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

b. The Agreement shall stipulate that employees and/or designated representatives of HASKELL County will have access to the applicant's facilities within the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant, and in accordance with its safety standards.

c. Upon completion of construction, HASKELL County shall annually evaluate each facility receiving abatement to insure compliance with the Agreement and report possible violations of the Agreement to the Commissioner's Court.

d. **Timely Filing.** The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

ASSIGNMENT - Section VIII

a. Abatement may be transferred and assigned to a new owner or lessee of the applicant's facility upon the approval by written consent of the HASKELL County Commissioners' Court, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement Agreement are guaranteed by the execution of a new Agreement with the County.

b. The Agreement with the new owner or lessee shall not exceed the termination date of the abatement Agreement with the original applicant.

c. No assignment or transfer shall be approved if the parties to an existing Agreement, the new owner, or the new lessee is liable to HASKELL County or any affected jurisdiction for outstanding taxes or other obligations.

d. Approval shall not be unreasonably withheld.

SUNSET PROVISION - Section IX

a. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners' Court of HASKELL County as so provided for in the Tax Code, at which time all Reinvestment Zones and Tax Abatement Agreements, created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated.

b. This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the affected jurisdictions.

c. This policy is effective this 14th Day of October, 2014, and supersedes any previous policy on Tax Abatement. It will remain in effect until changed by court order.

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Bill Alcorn

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

[Handwritten Signature]

Signature (Authorized School District Representative)

3-26-15

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Declan Flanagan

Print Name (Authorized Company Representative (Applicant))

Chief Executive Officer

Title

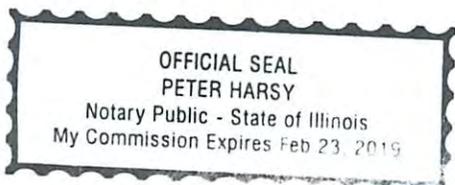
sign here

[Handwritten Signature]

Signature (Authorized Company Representative (Applicant))

03/18/15

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

18th day of March, 2015

[Handwritten Signature]

Notary Public in and for the State of Illinois

My Commission expires: Feb. 23, 2019

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



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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

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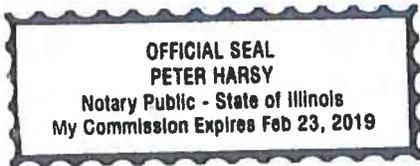
print here Bill Alcorn Superintendent
Print Name (Authorized School District Representative) Title
sign here Signature (Authorized School District Representative) Date 4-24

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Declan Flanagan CEO of Lincoln Clean Energy, LLC
Print Name (Authorized Company Representative (Applicant)) Title
sign here Signature (Authorized Company Representative (Applicant)) Date April 23, 2015



(Notary Seal)

GIVEN under my hand and seal of office this, the 23 day of April, 2015
Notary Public in and for the State of Texas Illinois
My Commission expires: Feb. 23, 2019

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



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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print here Bill Alcorn
Print Name (Authorized School District Representative)

Superintendent
Title

sign here [Signature]
Signature (Authorized School District Representative)

6/11/15
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Declan Flanagan
Print Name (Authorized Company Representative (Applicant))

Chief Executive Officer
Title

sign here [Signature]
Signature (Authorized Company Representative (Applicant))

June 3rd, 2015
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
3rd day of June, 2015
Erika Pietrzak
Notary Public in and for the State of Texas
My Commission expires: 4/8/16

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



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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1. Authorized School District Representative Signature

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

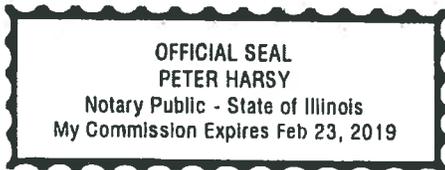
print here Bill Alcorn Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] 8-5-15
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here Declan Flanagan Chief Executive Officer
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] August 3, 2015
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
3 day of August, 2015
[Signature]
Notary Public in and for the State of Illinois
My Commission expires: Feb. 23, 2019

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

Franchise Tax Account Status

As of: 09/20/2015 04:09:32 PM

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

HORSE CREEK WIND, LLC	
Texas Taxpayer Number	32055858131
Mailing Address	401 N MICHIGAN AVE STE 501 CHICAGO, IL 60611-5883
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	12/09/2014
Texas SOS File Number	0802115561
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 11, 2015

Bill Alcorn
Superintendent
Haskell Consolidated Independent School District
605 N. Avenue E
Haskell, TX 79521

Dear Superintendent Alcorn:

On June 18, 2015, the Comptroller issued written notice that Horse Creek Wind, LLC (the applicant) submitted a completed application (Application #1065) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on March 26, 2015, to the Haskell Consolidated Independent School District (the school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1065.

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

Certificate decision required by 313.025(d)

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

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

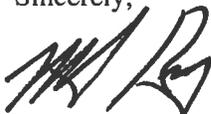
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed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

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

Note that any building or improvement existing as of the application review start date of September 11, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of Horse Creek Wind, LLC (the project) applying to Haskell Consolidated Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

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

Applicant	Horse Creek Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Haskell CISD
2011-12 Enrollment in School District	612
County	Haskell
Proposed Total Investment in District	\$195,386,750
Proposed Qualified Investment	\$188,886,750
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$711
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$708
Minimum annual wage committed to by applicant for qualified jobs	\$37,000
Minimum weekly wage required for non-qualifying jobs	\$616
Minimum annual wage required for non-qualifying jobs	\$32,045
Investment per Qualifying Job	\$39,077,350
Estimated M&O levy without any limit (15 years)	\$17,322,290
Estimated M&O levy with Limitation (15 years)	\$5,311,956
Estimated gross M&O tax benefit (15 years)	\$12,010,333
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

Attachment B – Tax Revenue over 25 Years

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$51,064	\$51,064	\$0	\$0
Limitation Period (10 Years)	2017	\$216,274	\$267,338	\$1,785,523	\$1,785,523
	2018	\$216,274	\$483,612	\$1,625,973	\$3,411,495
	2019	\$216,274	\$699,886	\$1,479,165	\$4,890,660
	2020	\$216,274	\$916,160	\$1,344,086	\$6,234,746
	2021	\$216,274	\$1,132,434	\$1,219,805	\$7,454,551
	2022	\$216,274	\$1,348,708	\$1,105,446	\$8,559,996
	2023	\$216,274	\$1,564,982	\$1,000,230	\$9,560,227
	2024	\$216,274	\$1,781,256	\$903,412	\$10,463,639
	2025	\$216,274	\$1,997,530	\$814,332	\$11,277,971
	2026	\$216,274	\$2,213,804	\$732,362	\$12,010,333
Maintain Viable Presence (5 Years)	2027	\$873,214	\$3,087,018	\$0	\$12,010,333
	2028	\$803,809	\$3,890,827	\$0	\$12,010,333
	2029	\$739,947	\$4,630,774	\$0	\$12,010,333
	2030	\$681,182	\$5,311,956	\$0	\$12,010,333
	2031	\$627,116	\$5,939,072	\$0	\$12,010,333
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$577,358	\$6,516,429	\$0	\$12,010,333
	2033	\$531,573	\$7,048,003	\$0	\$12,010,333
	2034	\$489,438	\$7,537,441	\$0	\$12,010,333
	2035	\$450,670	\$7,988,110	\$0	\$12,010,333
	2036	\$414,988	\$8,403,098	\$0	\$12,010,333
	2037	\$382,154	\$8,785,252	\$0	\$12,010,333
	2038	\$351,942	\$9,137,193	\$0	\$12,010,333
	2039	\$324,134	\$9,461,328	\$0	\$12,010,333
	2040	\$298,536	\$9,759,864	\$0	\$12,010,333
	2041	\$274,986	\$10,034,849	\$0	\$12,010,333

\$10,034,849

is less than

\$12,010,333

Analysis Summary

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

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Horse Creek Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	5	12	17	\$200,000	\$776,563	\$976,563	\$83,923	-\$15,259	\$99,182
2016	125	212	337	\$5,000,000	\$14,287,109	\$19,287,109	\$1,647,949	-\$564,575	\$2,212,524
2017	5	25	30	\$185,000	\$3,232,969	\$3,417,969	\$297,546	\$221,252	\$76,294
2018	5	15	20	\$185,000	\$2,256,406	\$2,441,406	\$244,141	\$236,511	\$7,630
2019	5	9	14	\$185,000	\$1,646,055	\$1,831,055	\$221,252	\$244,141	-\$22,889
2020	5	5	10	\$185,000	\$1,401,914	\$1,586,914	\$198,364	\$244,141	-\$45,777
2021	5	5	10	\$185,000	\$1,035,703	\$1,220,703	\$167,847	\$190,735	-\$22,888
2022	5	1	6	\$185,000	\$791,563	\$976,563	\$144,958	\$167,847	-\$22,889
2023	5	1	6	\$185,000	\$669,492	\$854,492	\$129,700	\$160,217	-\$30,517
2024	5	1	6	\$185,000	\$669,492	\$854,492	\$152,588	\$137,329	\$15,259
2025	5	7	12	\$185,000	\$669,492	\$854,492	\$137,329	\$137,329	\$0
2026	5	3	8	\$185,000	\$425,352	\$610,352	\$122,070	\$114,441	\$7,629
2027	5	(1)	4	\$185,000	\$303,281	\$488,281	\$76,294	\$68,665	\$7,629
2028	5	(1)	4	\$185,000	\$59,141	\$244,141	\$76,294	\$45,776	\$30,518
2029	5	(5)	0	\$185,000	\$59,141	\$244,141	\$68,665	\$76,294	-\$7,629
2030	5	(3)	2	\$185,000	-\$185,000	\$0	\$53,406	\$45,776	\$7,630
2031	5	(7)	-2	\$185,000	-\$429,141	-\$244,141	\$15,259	\$22,888	-\$7,629
2032	5	(9)	-4	\$185,000	-\$673,281	-\$488,281	\$7,629	\$15,259	-\$7,630
2033	5	(7)	-2	\$185,000	-\$673,281	-\$488,281	\$15,259	-\$45,776	\$61,035
2034	5	(9)	-4	\$185,000	-\$1,161,563	-\$976,563	-\$38,147	-\$61,035	\$22,888
2035	5	(13)	-8	\$185,000	-\$1,405,703	-\$1,220,703	-\$53,406	-\$76,294	\$22,888
2036	5	(13)	-8	\$185,000	-\$1,649,844	-\$1,464,844	-\$106,812	-\$129,700	\$22,888
2037	5	(13)	-8	\$185,000	-\$1,649,844	-\$1,464,844	-\$99,182	-\$175,476	\$76,294
2038	5	(13)	-8	\$185,000	-\$1,893,984	-\$1,708,984	-\$106,812	-\$190,735	\$83,923
2039	5	(15)	-10	\$185,000	-\$1,649,844	-\$1,464,844	-\$122,070	-\$213,623	\$91,553
2040	5	(17)	-12	\$185,000	-\$2,870,547	-\$2,685,547	-\$167,847	-\$251,770	\$83,923
2041	5	(15)	-10	\$185,000	-\$2,382,266	-\$2,197,266	-\$167,847	-\$274,658	\$106,811
							\$2,998,350	\$129,700	\$2,868,650
							\$12,903,499	is greater than	\$12,010,333

Analysis Summary

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

Yes

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

**Note: This project was originally submitted to the Comptroller on November 10, 2014 and assigned application number 1039. Application 1039 was owned by New Generations Power Texas, LLC. In mid-December 2014 the Comptroller’s office was notified of the sale of the project to Lincoln Clean Energy and application 1039 was withdrawn. Lincoln Clean Energy submitted a new application January 13, 2015 under Horse Creek Wind, LLC.*

- Horse Creek Wind, LLC has entered into a number of contracts related to the project, including long-term lease options agreements with area landowners, a limited-notice-to-proceed contract with a construction contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.
- In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2014. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.04% of total estimated investment for the project. The work was done in the Munday CISD portion of the project area.
- Per the applicant, the completion of this minor amount of PTC qualification work does not legally or financially commit it to construction of the project.
- The applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics.
- Per the applicant, the appraised value limitation is critical to the ability of the Project to move forward as currently sited.
- A National Electric Contractors Association article dated March 26, 2014 notes construction for the two-phase project began December 11, 2013, making the wind farm eligible for a Federal Renewable Energy Production Tax Credit.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value

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

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

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

TAB 5

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

Horse Creek Wind, LLC ("Horse Creek") is a Delaware limited liability company. Horse Creek has one member with 100% ownership, Lincoln Clean Energy, LLC ("LCE"). LCE has successfully developed projects involving almost \$1 billion in capital investment in some of the largest electricity markets in the United States (including Texas, California and New Jersey).

Horse Creek has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners, a limited-notice-to-proceed contract with a construction contractor, and environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2014. In order to complete this minimum amount of PTC qualification work, the Applicant received a TPDES General Permit TXR150014869 and completed the amount of PTC qualification work required for the project to qualify for the federal income tax PTC, which expired on December 31, 2014 and has not been renewed at the time this application was submitted. The amount of PTC qualification work completed prior to December 31, 2014, constitutes less than 0.04% of total estimated investment for the project. This work was done in the Munday CISD portion of the project area. The Applicant's completion of this minor amount of PTC qualification work does not legally or financially commit it to constructing the project.

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

Supporting Information

Additional information
provided
by the Comptroller



National Electrical Contractors Association
THE VOICE OF THE ELECTRICAL CONSTRUCTION INDUSTRY

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Events

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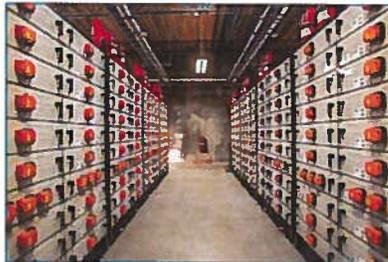
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MEMBER PROJECT

ROSENDIN ELECTRIC WORKING AS EPC ON 400 MW TEXAS WIND FARM

by Adrienne Gracias | Mar 26, 2014

NECA Member Working as EPC Contractor on Large-Scale Project

Renewable energy company New Generation Power Texas, LLC (NGP Texas), the newly formed subsidiary of Chicago-based New Generation Power, has begun the first phase of a 400 MW wind farm in Haskell County, Texas. Rosendin Electric is coordinating engineering, procurement, and construction (EPC) for this large-scale project.

Construction for the two-phase project began on December 11, 2013, making the wind farm eligible for a Federal Renewable Energy Production Tax Credit (PTC).

Located just northwest of Dallas, Texas, in Haskell County, the project is estimated to cost between \$650-700 million. Excellent wind speed and wind consistency have been verified by three meteorological towers or met towers, which are used to gather wind data necessary for site evaluation and development of wind energy projects, and have been in the process of collecting wind data for several years, showing a 50.5% capacity factor for the project.

In order to qualify for the PTC Credit, which expired at the end of 2013, NGP Texas has completed milestones of significant nature that included: pre-construction development, early investments, environmental considerations, permitting, an interconnection agreement, excavated WTG foundations and mud mat placements.

NGP Texas brought together a team of industry leaders to help successfully complete all elements of this fast-tracked project. The Prime EPC Contractor for the 400MW Texas wind farm is Rosendin Electric, Inc. Since Rosendin entrance into the wind industry in 2003, they have participated in the design, procurement, and construction of more than 10GW of wind

MEMBER PROFILE

ROSENDIN ELECTRIC WORKING AS EPC ON 400 MW TEXAS WIND FARM

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NGP Texas brought together a team of industry leaders to help successfully complete all elements of this fast-tracked project. The Prime EPC Contractor for the 400MW Texas wind farm is Rosendin Electric, Inc. Since Rosendin entrance into the wind industry in 2003, they have

power generation plant facilities located in the continental United States and Canada.

"The cornerstone of our strategy was partnering with the ideal members to bring an exclusive group of talent, project expertise, and industry knowledge to showpiece this 400MW wind farm," said Ania Kuna, Executive Vice President of NGP Texas. "This reflects our desire to collaborate with companies that share our vision and have common goals. The ground breaking marks a very significant milestone exemplifying the dedication of our team," she added.

The NGP Texas Wind Project has offered Rosendin Electric, Inc. a unique opportunity to work, in unison, with New Generation Power Texas, LLC to develop a superior team of qualified engineers, contractors, and equipment/ material vendors that will insure the safe, quality driven, on-time, and cost efficient completion of this project, stated Mike Turner, Vice President of Rosendin Electric, Inc.

AUI Contractors will serve as the Civil and Foundation sub-contractor for the project.

"AUI Contractors — Renewable Energy Services has supported and built projects for the co-developer since 2007. NGP Texas has assembled a strong EPC team, lead by Rosendin," said Mario Carbone, Vice President and COO of AUI. "We are extremely impressed with their pre-construction planning and are confident that all of the hard work on the front end will equate to a successful execution of the project in 2014," he added.

Located on 22,000 acres of land, the Texas wind project will be capable of producing roughly 1,866 million megawatt hours (MWh) of energy annually and is expected to complete construction of both phases by the end of 2015.

The construction, operation and maintenance of this large-scale project will require many boots on the ground and the involvement of numerous contractor parties which will result in the creation of multiple US jobs.

ABOUT ROSENDIN ELECTRIC

Rosendin Electric, Inc., headquartered in San Jose, California, is an employee-owned electrical engineering, power and communications provider and is the largest privately held electrical contractor in the United States. With over 5,000 employees and experience worldwide, Rosendin Electric has

participated in the design, procurement, and construction of more than 10GW of wind power generation plant facilities located in the continental United States and Canada.

"The cornerstone of our strategy was partnering with the ideal members to bring an exclusive group of talent, project expertise, and industry knowledge to showpiece this 400MW wind farm," said Ania Kuna, Executive Vice President of NGP Texas. "This reflects our desire to collaborate with companies that share our vision and have common goals. The ground breaking marks a very significant milestone exemplifying the dedication of our team," she added.

The NGP Texas Wind Project has offered Rosendin Electric, Inc. a unique opportunity to work, in unison, with New Generation Power Texas, LLC to develop a superior team of qualified engineers, contractors, and equipment/ material vendors that will insure the safe, quality driven, on-time, and cost efficient completion of this project, stated Mike Turner, Vice President of Rosendin Electric, Inc.

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built upon a 90-year reputation for quality design and installations. For additional information, visit www.rosendin.com.

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communications provider and is the largest privately held electrical contractor in the United States. With over 5,000 employees and experience worldwide, Rosendin Electric has built upon a 90-year reputation for quality design and installations. For additional information, visit www.rosendin.com.

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**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Horse Creek Wind, LLC**

August 30, 2015

McDowell & Brown, LLC
School Finance Consulting

**Summary of Haskell CISD Financial Impact
of the
Limited Appraised Value Application
from
Horse Creek Wind, LLC**

Introduction

Horse Creek Wind, LLC applied for a property value limitation from Haskell Consolidated Independent School District under Chapter 313 of the Tax Code. The application was submitted on March 26, 2015 and subsequently approved for consideration by the Haskell CISD Board of Trustees. Horse Creek Wind, LLC (“Horse Creek Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

Haskell CISD Financial Impact of Chapter 313 Agreement

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

Years Prior to Start of Value Limitation Period:

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

Value Limitation Period:

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

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

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

Haskell CISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

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

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2015-2016	2015	0	0
	0	2016-2017	2016	\$4,722,169	\$4,722,169
Value Limitation Period	1	2017-2018	2017	\$185,116,722	\$20,000,000
	2	2018-2019	2018	\$170,362,300	\$20,000,000
	3	2019-2020	2019	\$156,786,200	\$20,000,000
	4	2020-2021	2020	\$144,294,700	\$20,000,000
	5	2021-2022	2021	\$132,801,800	\$20,000,000
	6	2022-2023	2022	\$122,226,400	\$20,000,000
	7	2023-2024	2023	\$112,496,600	\$20,000,000
	8	2024-2025	2024	\$103,543,300	\$20,000,000
	9	2025-2026	2025	\$95,305,600	\$20,000,000
	10	2026-2027	2026	\$87,725,400	\$20,000,000
Continue to Maintain Viable Presence	11	2027-2028	2027	\$80,750,700	\$80,750,700
	12	2028-2029	2028	\$74,332,500	\$74,332,500
	13	2029-2030	2029	\$68,426,800	\$68,426,800
	14	2030-2031	2030	\$62,992,500	\$62,992,500
	15	2031-2032	2031	\$57,992,700	\$57,992,700
Additional Years for 25 Year Economic Impact Study	16	2032-2033	2032	\$53,391,300	\$53,391,300
	17	2033-2034	2033	\$49,157,400	\$49,157,400
	18	2034-2035	2034	\$45,260,900	\$45,260,900
	19	2035-2036	2035	\$41,675,800	\$41,675,800
	20	2036-2037	2036	\$38,376,100	\$38,376,100
	21	2037-2038	2037	\$35,339,800	\$35,339,800
	22	2038-2039	2038	\$32,545,900	\$32,545,900
	23	2039-2040	2039	\$29,974,400	\$29,974,400
	24	2040-2041	2040	\$27,607,200	\$27,607,200
	25	2041-2042	2041	\$25,429,400	\$25,429,400

Haskell CISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

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

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Horse Creek Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	4,722,169	n/a	0	0
Jan. 1, 2017	185,116,722	(20,000,000)	165,116,722	20,000,000
Jan. 1, 2018	170,362,300	(20,000,000)	150,362,300	20,000,000
Jan. 1, 2019	156,786,200	(20,000,000)	136,786,200	20,000,000
Jan. 1, 2020	144,294,700	(20,000,000)	124,294,700	20,000,000
Jan. 1, 2021	132,801,800	(20,000,000)	112,801,800	20,000,000
Jan. 1, 2022	122,226,400	(20,000,000)	102,226,400	20,000,000
Jan. 1, 2023	112,496,600	(20,000,000)	92,496,600	20,000,000
Jan. 1, 2024	103,543,300	(20,000,000)	83,543,300	20,000,000
Jan. 1, 2025	95,305,600	(20,000,000)	75,305,600	20,000,000
Jan. 1, 2026	87,725,400	(20,000,000)	67,725,400	20,000,000
Jan. 1, 2027	80,750,700	n/a	0	80,750,700
Jan. 1, 2028	74,332,500	n/a	0	74,332,500
Jan. 1, 2029	68,426,800	n/a	0	68,426,800
Jan. 1, 2030	62,992,500	n/a	0	62,992,500
Jan. 1, 2031	57,992,700	n/a	0	57,992,700

Haskell CISD Financial Impact of Chapter 313 Agreement

Horse Creek Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Horse Creek Wind is \$11.75 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

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

- The District held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rates for 2027-2028 is projected to drop to \$1.06, due to the rollback tax rate calculations.
- The district has outstanding bonds that are scheduled to payoff in 2022 and currently have a \$.0486 I&S tax rate. This district's annual debt payments are approximately \$84,000 per year through 2022 and the debt rates below are calculated rates using the projected taxable values with the addition of Horse Creek Wind estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.170	0.049	0	0	0	0
2016-2017	1.170	0.040	55,249	0	0	0
2017-2018	1.170	0.021	2,165,866	1,931,866	(1,237,592)	694,273
2018-2019	1.170	0.021	1,993,239	1,759,239	0	1,759,239
2019-2020	1.170	0.022	1,834,399	1,600,399	0	1,600,399
2020-2021	1.170	0.023	1,688,248	1,454,248	0	1,454,248
2021-2022	1.170	0.023	1,553,781	1,319,781	0	1,319,781
2022-2023	1.170	0.000	1,430,049	1,196,049	0	1,196,049
2023-2024	1.170	0.000	1,316,210	1,082,210	0	1,082,210
2024-2025	1.170	0.000	1,211,457	977,457	0	977,457
2025-2026	1.170	0.000	1,115,076	881,076	0	881,076
2026-2027	1.170	0.000	1,026,387	792,387	0	792,387
2027-2028	1.060	0.000	855,957	0	0	0
2028-2029	1.170	0.000	869,690	0	0	0
2029-2030	1.170	0.000	800,594	0	0	0
2030-2031	1.170	0.000	737,012	0	0	0
2031-2032	1.170	0.000	678,515	0	0	0
Totals			19,331,728	12,994,711	(1,237,592)	11,757,118

Haskell CISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

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

- The current state funding formulas (in effect for 2015-2016 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$74.28 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2015.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 2% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2014-2015 was decreased by .25% per year for the life of the agreement.

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

Haskell CISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Horse Creek Wind, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2015-2016	205,374,072	2,053,741	3,487,825	0	5,541,565	844,935	6,386,500
2016-2017	209,481,553	2,094,816	3,434,693	0	5,529,508	842,535	6,372,043
2017-2018	213,671,184	2,136,712	3,375,468	0	5,512,179	840,147	6,352,327
2018-2019	217,944,608	2,179,446	3,315,369	0	5,494,815	837,772	6,332,587
2019-2020	222,303,500	2,223,035	3,259,594	0	5,482,629	835,409	6,318,038
2020-2021	226,749,570	2,267,496	3,197,703	0	5,465,198	833,057	6,298,256
2021-2022	231,284,561	2,312,846	3,140,097	0	5,452,943	830,717	6,283,660
2022-2023	235,910,253	2,359,103	3,076,310	0	5,435,413	828,389	6,263,802
2023-2024	240,628,458	2,406,285	3,011,613	0	5,417,897	826,072	6,243,969
2024-2025	245,441,027	2,454,410	2,951,118	0	5,405,528	823,766	6,229,294
2025-2026	250,349,847	2,503,498	2,884,411	0	5,387,910	821,472	6,209,381
2026-2027	255,356,844	2,553,568	2,821,893	0	5,375,462	819,188	6,194,650
2027-2028	260,463,981	2,604,640	2,753,127	0	5,357,767	816,915	6,174,682
2028-2029	265,673,261	2,656,733	2,683,293	0	5,340,026	814,652	6,154,679
2029-2030	270,986,726	2,709,867	2,617,564	0	5,327,431	812,401	6,139,832
2030-2031	276,406,460	2,764,065	2,545,565	0	5,309,629	810,159	6,119,788
2031-2032	281,934,590	2,819,346	2,477,627	0	5,296,973	807,928	6,104,901

Haskell CISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Horse Creek Wind without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2015-2016	205,374,072	2,053,741	3,487,825	0	5,541,565	844,935	6,386,500
2016-2017	214,203,722	2,142,037	3,431,860	0	5,573,897	861,203	6,435,101
2017-2018	398,787,906	3,987,879	3,221,449	0	7,209,328	578,466	7,787,794
2018-2019	388,306,908	3,883,069	1,361,984	63,560	5,181,493	857,559	6,039,052
2019-2020	379,089,700	3,790,897	1,461,900	53,915	5,198,882	848,179	6,047,061
2020-2021	371,044,270	3,710,443	1,543,264	45,502	5,208,204	839,984	6,048,188
2021-2022	364,086,361	3,640,864	1,617,468	38,238	5,220,094	832,882	6,052,975
2022-2023	358,136,653	3,581,367	1,674,956	32,047	5,224,276	826,782	6,051,058
2023-2024	353,125,058	3,531,251	1,721,851	26,857	5,226,244	821,610	6,047,855
2024-2025	348,984,327	3,489,843	1,764,026	22,604	5,231,264	817,290	6,048,555
2025-2026	345,655,447	3,456,554	1,791,794	19,228	5,229,120	813,761	6,042,881
2026-2027	343,082,244	3,430,822	1,816,202	16,675	5,230,350	810,959	6,041,309
2027-2028	341,214,681	3,412,147	1,827,423	16,436	5,223,133	892,768	6,115,901
2028-2029	340,005,761	3,400,058	1,831,186	13,831	5,217,413	807,331	6,024,744
2029-2030	339,413,526	3,394,135	1,833,183	13,451	5,213,868	806,412	6,020,279
2030-2031	339,398,960	3,393,990	1,823,502	13,709	5,203,782	806,034	6,009,816
2031-2032	339,927,290	3,399,273	1,812,906	14,569	5,197,609	806,165	6,003,774

TABLE V – District Revenues with Horse Creek Wind with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2015-2016	205,374,072	2,053,741	3,487,825	0	5,541,565	844,935	0	6,386,500
2016-2017	214,203,722	2,142,037	3,431,860	0	5,573,897	861,203	0	6,435,101
2017-2018	233,671,184	2,336,712	3,316,246	0	5,652,957	897,245	1,237,592	7,787,794
2018-2019	237,944,608	2,379,446	3,103,369	0	5,482,815	835,212	0	6,318,027
2019-2020	242,303,500	2,423,035	3,047,594	0	5,470,629	832,924	0	6,303,553
2020-2021	246,749,570	2,467,496	2,985,703	0	5,453,198	830,645	0	6,283,843
2021-2022	251,284,561	2,512,846	2,928,097	0	5,440,943	828,375	0	6,269,318
2022-2023	255,910,253	2,559,103	2,864,310	0	5,423,413	826,115	0	6,249,528
2023-2024	260,628,458	2,606,285	2,799,613	0	5,405,897	823,864	0	6,229,761
2024-2025	265,441,027	2,654,410	2,739,118	0	5,393,528	821,622	0	6,215,150
2025-2026	270,349,847	2,703,498	2,672,411	0	5,375,910	819,389	0	6,195,299
2026-2027	275,356,844	2,753,568	2,609,893	0	5,363,462	817,165	0	6,180,627
2027-2028	341,214,681	3,412,147	2,508,224	0	5,920,371	564,107	0	6,484,478
2028-2029	340,005,761	3,400,058	1,831,186	13,831	5,217,413	807,331	0	6,024,744
2029-2030	339,413,526	3,394,135	1,833,183	13,451	5,213,868	806,412	0	6,020,279
2030-2031	339,398,960	3,393,990	1,823,502	13,709	5,203,782	806,034	0	6,009,816
2031-2032	339,927,290	3,399,273	1,812,906	14,569	5,197,609	806,165	0	6,003,774

Haskell CISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

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

Haskell CISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Horse Creek Wind, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Haskell CISD by Horse Creek Wind, the projected amount of these payments over the life of the agreement is \$796,600 of the \$11.75 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

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

Fiscal Year	Net Tax Savings	Haskell CISD \$100/ADA	Horse Creek Wind's Share
2015-2016	0	0	0
2016-2017	0	56,900	(56,900)
2017-2018	694,273	56,900	637,373
2018-2019	1,759,239	56,900	1,702,339
2019-2020	1,600,399	56,900	1,543,499
2020-2021	1,454,248	56,900	1,397,348
2021-2022	1,319,781	56,900	1,262,881
2022-2023	1,196,049	56,900	1,139,149
2023-2024	1,082,210	56,900	1,025,310
2024-2025	977,457	56,900	920,557
2025-2026	881,076	56,900	824,176
2026-2027	792,387	56,900	735,487
2027-2028	0	56,900	(56,900)
2028-2029	0	56,900	(56,900)
2029-2030	0	56,900	(56,900)
2030-2031	0	0	0
2031-2032	0	0	0
Totals	11,757,118	796,600	10,960,518

Haskell CISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Haskell Elementary	EE-5	29	580	319	261
Haskell Jr. High	6-8	10	180	136	44
Haskell High	9-12	15	270	156	114
Total		54	1,030	611	419

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

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

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

Haskell CISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Horse Creek Wind, LLC, would be beneficial to both Horse Creek Wind and Haskell CISD under the current school finance system.

Horse Creek Wind, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Horse Creek Wind is projected to benefit from an 84% tax savings during that ten year period of this Agreement. Horse Creek Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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



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

Michael Williams
Commissioner

June 19, 2015

Joey Thomas, President
Board of Trustees
Haskell Consolidated Independent School District
PO Box 937
Haskell, TX 79521-0937

Dear Mr. Thomas:

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

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Bill Alcorn



2014 ISD Summary Worksheet

104/Haskell

104-901/Haskell CISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	58,398,030	.8436	69,224,787	58,398,030
B. Multi-Family Residences	367,700	N/A	367,700	367,700
C1. Vacant Lots	1,998,220	N/A	1,998,220	1,998,220
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	26,352,180	1.5192	17,345,982	26,352,180
D2. Real Prop Farm & Ranch	2,493,740	N/A	2,493,740	2,493,740
E. Real Prop NonQual Acres	9,404,240	N/A	9,404,240	9,404,240
F1. Commercial Real	26,327,840	.8491	31,006,760	26,327,840
F2. Industrial Real	2,177,050	N/A	2,177,050	2,177,050
G. Oil, Gas, Minerals	32,715,390	1.0040	32,585,050	32,715,390
J. Utilities	19,731,110	.9427	20,930,423	19,731,110
L1. Commercial Personal	10,977,240	N/A	10,977,240	10,977,240
L2. Industrial Personal	5,092,890	N/A	5,092,890	5,092,890
M. Other Personal	397,850	N/A	397,850	397,850
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	82,220	N/A	82,220	82,220
Subtotal	196,515,700		204,084,152	196,515,700
Less Total Deductions	25,238,831		29,208,143	25,238,831
Total Taxable Value	171,276,869		174,876,009	171,276,869 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
180,278,219	171,276,869	180,278,219	171,276,869	171,276,869	171,276,869
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption	
9,001,350		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
180,278,219	171,276,869	180,278,219	171,276,869	171,276,869	171,276,869

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

217/Stonewall

104-901/Haskell CISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	398,170	N/A	398,170	398,170
D2. Real Prop Farm & Ranch	40,290	N/A	40,290	40,290
E. Real Prop NonQual Acres	129,070	N/A	129,070	129,070
F1. Commercial Real	21,210	N/A	21,210	21,210
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	27,990,300	N/A	27,990,300	27,990,300
J. Utilities	444,780	N/A	444,780	444,780
L1. Commercial Personal	971,440	N/A	971,440	971,440
L2. Industrial Personal	90,000	N/A	90,000	90,000
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	30,085,260		30,085,260	30,085,260
Less Total Deductions	15,000		15,000	15,000
Total Taxable Value	30,070,260		30,070,260	30,070,260 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
30,080,260	30,070,260	30,080,260	30,070,260	30,070,260	30,070,260
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption	
10,000		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
30,080,260	30,070,260	30,080,260	30,070,260	30,070,260	30,070,260

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

104-901/Haskell CISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	58,398,030	.8436	69,224,787	58,398,030
B. Multi-Family Residences	367,700	N/A	367,700	367,700
C1. Vacant Lots	1,998,220	N/A	1,998,220	1,998,220
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	26,750,350	1.5076	17,744,152	26,750,350
D2. Real Prop Farm & Ranch	2,534,030	N/A	2,534,030	2,534,030
E. Real Prop NonQual Acres	9,533,310	N/A	9,533,310	9,533,310
F1. Commercial Real	26,349,050	.8492	31,027,970	26,349,050
F2. Industrial Real	2,177,050	N/A	2,177,050	2,177,050
G. Oil, Gas, Minerals	60,705,690	1.0022	60,575,350	60,705,690
J. Utilities	20,175,890	.9439	21,375,203	20,175,890
L1. Commercial Personal	11,948,680	N/A	11,948,680	11,948,680
L2. Industrial Personal	5,182,890	N/A	5,182,890	5,182,890
M. Other Personal	397,850	N/A	397,850	397,850
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	82,220	N/A	82,220	82,220
Subtotal	226,600,960		234,169,412	226,600,960
Less Total Deductions	25,253,831		29,223,143	25,253,831
Total Taxable Value	201,347,129		204,946,269	201,347,129 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

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

by and between

HASKELL CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

HORSE CREEK WIND, LLC
(Texas Taxpayer ID # 32055858131)

TEXAS COMPTROLLER'S APPLICATION No. 1065

Dated

September 29, 2015

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

STATE OF TEXAS §

COUNTY OF HASKELL §

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 **HASKELL CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **HORSE CREEK WIND, LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 32055858131 hereinafter referred to as “Applicant.” Applicant and District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on March 26, 2015, the Superintendent of Schools of the Haskell Consolidated Independent School District, acting as agent of the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

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

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

WHEREAS, the District and Texas Comptroller’s Office have determined that the application is complete and June 18, 2015 is the Application Review Start Date as that terms is defined by 34 TEXAS ADMIN. CODE 9.1051;

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

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to

Section 313.026 of the TEXAS TAX CODE, and on September 11, 2015, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on September 29, 2015, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on September 29, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on September 29, 2015, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, and the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on September 17, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and

WHEREAS, on September 29, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used herein, the following terms shall have the

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

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

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

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

“Applicant” means Horse Creek Wind, LLC (Texas Taxpayer ID #32055858131), the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on March 26, 2015. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

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

“Application Review Start Date” means the later date of either the date on which District issues its written notice that Applicant has submitted a completed application or the date on which Comptroller issues its written notice that Applicant has submitted a completed application

and as further identified in Section 2.3.A of this Agreement.

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

“Appraisal District” means the Haskell County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Haskell Consolidated Independent School District.

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

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

“County” means Haskell County, Texas.

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

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

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

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

“Maintain Viable Presence” means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its

Application by Applicant; and, (iii) continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

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

“Maintenance and Operations Revenue” or “M&O Revenue” means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

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

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

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

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

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

“Qualifying Time Period” means the period that begins on the date of approval of this Agreement by District’s Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller’s rules, and this Agreement and as

further identified in Section 2.3.C of this Agreement.

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

“State” means the State of Texas.

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

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

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

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

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

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

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the TEXAS TAX CODE, which are set forth at 19 TEXAS ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by District as its written

agreement with Applicant pursuant to the provisions and authority granted to District in Section 313.027 of the TEXAS TAX CODE.

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

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is June 18, 2015, which will determine Applicant's Qualified Property and applicable wage standard.
- B. The Application Approval Date for this Agreement is September 29, 2015, which will determine the qualifying time period.
- C. The Qualifying Time Period for this agreement:
 - 1. Starts on September 29, 2015, Application Approval Date; and
 - 2. Ends on December 31, 2017.
- D. The Tax Limitation Period for this Agreement:
 - 1. Starts on January 1, 2017; and,
 - 2. Ends on December 31, 2026.
- E. The Final Termination Date for this Agreement is December 31, 2031.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

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

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

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

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

- A. have completed Qualified Investment in the amount of \$10,000,000 by the end of the Qualifying Time Period;
- B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

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

- A. provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. provide such supplemental payments as more fully specified in Article VI; and
- D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 of this Agreement,.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. Applicant's Qualified Property described above in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the Texas Tax Code as a renewable energy electric generation facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO

DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in **EXHIBIT 4**), the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property had been subject to the full ad valorem maintenance & operations tax without any limitation on value.
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

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

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
- iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations for the M&O Amount made under this Section 4.2 of this

Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

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

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

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

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

and shall be adjusted to reflect “near final” or “actual” data for the applicable year as the data becomes available.

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

Section 4.7. DELIVERY OF CALCULATIONS.

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

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

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

Section 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within thirty (30) days of receipt of such results. The Consultant will issue a final determination of the calculations within 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 30 days of its receipt, pursuant to District Policy GK (LOCAL).

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

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

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

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

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

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

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual supplement payment made pursuant to this article shall:

- i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year (such amount being the "Annual Limit"); and
- ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

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

C. For purposes of this Agreement, the amount of the Annual Limit shall be Sixty Two Thousand Dollars (\$62,000.00) based upon the District's 2014-15 Average Daily Attendance of 620, rounded to the whole number.

D. The supplemental payment owed for the year in which the Qualifying Time Period commences shall be a prorated amount calculated by multiplying the Annual Limit by a fraction, the numerator of which is the number of days remaining in the year after the commencement of the Qualifying Time Period and the denominator of which is 365. The supplemental payment owed for each year after the year in which the Qualifying Time Period commences until December 31 of the third year following the end of the Tax Limitation Period shall be equal to the Annual Limit, subject to the limitations set forth in Section 6.3, if applicable, and Section 7.1 below.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the foregoing limitation, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided however, the total supplemental payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A.i above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV and Article V of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV and Article V of this Agreement for such year. This Section 6.2.C shall only apply if Chapter 313 of the Texas Tax Code is amended so that the District is permitted to receive payments in lieu of taxation greater than as described in Section 6.2.A.i. above; otherwise, Section 6.2.A.i shall apply.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 4.2 of this Agreement,

and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

Section 8.2. REPORTS . In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

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

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

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

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

Section 8.4. DATA REQUESTS. During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS. This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 331.010(a) of the TEXAS TAX CODE, and the

following requirements:

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

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

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

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

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

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

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

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

ARTICLE IX **MATERIAL BREACH OR EARLY TERMINATION**

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

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to an material representation, information, or fact or is not complete as to any material fact or representation or such application;

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

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

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

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

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

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

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

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

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

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

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

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

N. Applicant fails either to:

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

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

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to

comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 9.3, then District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.2.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.2.C. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

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

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH. In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

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

A. Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by District. After receipt of the notice, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

B. If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

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

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under the second Section 9.3, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under the second Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Haskell County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil

Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, District shall have the remedies for the collection of the amounts determined under Section 9.2 and as are set forth in Chapter 33, Subchapters B and C, of the Texas Tax Code for the collection of delinquent taxes. In the event that District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on Applicant's Qualified Property and Applicant's Qualified Investment pursuant to Section 33.07 of the Texas Tax Code to the attorneys representing District pursuant to Section 6.30 of the Texas Tax Code.

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

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. BINDING ON SUCCESSORS. In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

To the District:

Haskell Consolidated Independent School
District
Attn: Bill Alcorn, Superintendent
(or the successor Superintendent)
605 N. Ave. E
Haskell, TX 79251
Phone #: (940) 864-2602
Fax #: (940) 864-8096
Email: balcorn@haskell.esc14.net

With a copy to:

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

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

To Applicant:

Will Furgeson, Development Director
Horse Creek Wind, LLC
101 W. Sixth St., Suite 608
Austin, TX 78701
Phone #: (512) 767-7464
Fax #: (512)767-7463
Email: wfurgeson@lincolnclean.com

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

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

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

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

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

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- iii. define minimum eligibility requirements for the recipient of limited value.

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

Section 10.4. ASSIGNMENT. Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.2 regarding amendments to the Agreement.

Section 10.5. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS. When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in the County.

Section 10.8. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.9. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.10. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the

negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.11. INTERPRETATION. When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words “include,” “includes” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase “, but not limited to,”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 10.12. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.13. PUBLICATION OF DOCUMENTS. The Parties acknowledge that District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

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

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

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

Section 10.14. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

Section 10.15. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Contract.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 29th day of September, 2015.

HORSE CREEK WIND, LLC

By: Horse Creek Wind HoldCo, LLC
Its: Sole and Managing Member

By: Horse Creek Wind SponsorCo, LLC
Its: Sole and Managing Member

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

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

BY: _____

NAME: _____

TITLE: _____

HASKELL CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Haskell County Commissioners Court passed an Order Creating Haskell County Reinvestment Zone, Exergy No. 1 on March 1, 2012, which is more particularly described below.

COMMENCING at the intersection of Haskell, Throckmorton, Knox and Baylor Counties, being also the TRUE POINT OF BEGINNING;

THENCE, southerly along the Haskell and Throckmorton county line, S. 0.1° E, 9.78 miles;

THENCE, generally along CR268, West, 7.25 miles;

THENCE, generally long F-M 266, North, 0.86 miles;

THENCE, westerly, generally along Ranch 1080, N 89° W, 5.38 miles;

THENCE, northeasterly, generally along Highway 277, No. 17.7° E, 9.24 miles;

THENCE, easterly, N 89.9° E, 9.77 miles to the TRUE POINT OF BEGINNING.

Map of Haskell County Reinvestment Zone, Exergy No. 1



Agreement for Limitation on Appraised Value
Between Haskell CISD and Horse Creek Wind, LLC
(App No. 1065), September 29, 2015

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

EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

Section	Block	Survey	Abstract Number	County
9		H. & T.B. RR Co.	171	Haskell
		R.G. Watson Survey No.414	406	Haskell
		Mary Crittenden Survey No.214	112	Haskell
		C. & M. RR Company Survey No.3	449	Haskell
		W. Gaines Survey	586	Haskell
25	46	H. & T.C. RR Co.	265	Haskell
26	46	H. & T.C. RR Co.	1143	Haskell
26	46	H. & T.C. RR Co.	768	Haskell
		H. & T.C. RR Co. Survey No.27	250	Haskell
10	46	H. & T.C. RR Co.	928	Haskell
4		C. & M. RR Company	997	Haskell
15	46	H. & T.C. RR Co.	252	Haskell
9	46	H. & T.C. RR Co.	251	Haskell
10	46	H. & T.C. RR Co.	928	Haskell
		H. & T.C. RR Co. Survey No. 26	1107	Haskell
		Waco Manufacturing Company Survey No.1	480	Haskell
		Samuel Chance Survey No. 206	102	Haskell
12	46	H. & T.C. RR Co.	923	Haskell
12	46	H. & T.C. RR Co.	1029	Haskell
25	46	H. & T.C. RR Co.	265	Haskell
		M.C. McGregor Survey No.5	706	Haskell
5		G.J. Bowles Survey	677	Haskell
12	46	W. Murchison Survey	1027	Haskell
11	46	H. & T.C. RR Co.	249	Haskell
5		C.T. and M.C. Railroad Company Survey	730	Haskell
6		L.P. Jones Survey	1024	Haskell
		Waco Manufacturing Company Survey No.2	755	Haskell
		Waco Manufacturing Company Survey No.2	736	Haskell
1	46	H. & T.C. RR Co.	878	Haskell
2	46	H. & T.C. RR Co.	1049	Haskell
7	46	H. & T.C. RR Co.	253	Haskell
		Day Land and Cattle Company Survey	731	Haskell
8	46	H. & T.C. RR Co.	909	Haskell
124		BIRD, M	13	Haskell
		CHANCE, S	102	Haskell
		COLLAM, G G	111	Haskell
		GILPIN, E	143	Haskell
		HARRISON, J	159	Haskell

Agreement for Limitation on Appraised Value
 Between Haskell CISD and Horse Creek Wind, LLC
 (App No. 1065), September 29, 2015

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

173		HAMMOND, J	169	Haskell
35	46	H&TC RR CO	248	Haskell
19	46	H&TC RR CO	254	Haskell
99		H&TC RR CO	292	Haskell
		KING, L T	303	Haskell
125		LANIER, B	308	Haskell
		MURPHY, E	314	Haskell
		PEW, T	342	Haskell
		RIGGS, H	354	Haskell
		STRODE, W	369	Haskell
		STEPHENS, J M	370	Haskell
		TRAVIS, W B	386	Haskell
		WALTERS, J	411	Haskell
		WINTERS, C	430	Haskell
3		C&M RR CO	449	Haskell
		I&GN RR CO	469	Haskell
34		H&TC RR CO	578	Haskell
20	46	H&TC RR CO	640	Haskell
9		KEAGHEY, W S	659	Haskell
		CASNER, J	680	Haskell
7		MORTON, F M	707	Haskell
		PITNER, T E	710	Haskell
		DL&C CO	731	Haskell
		HARELL, H T	733	Haskell
		HILDRETH, E Y	734	Haskell
50		HILL, J M	753	Haskell
100		H&TC RR CO	947	Haskell
		STONE, S	961	Haskell
10		CT&MC RR CO	986	Haskell
36	46	H&TC RR CO	1006	Haskell
30	46	H&TC RR CO	1007	Haskell
34	46	H&TC RR CO	1028	Haskell
13		BROWN, W A	1070	Haskell
100	1	H&TC RR CO	1076	Haskell
36	46	H&TC RR CO	1079	Haskell
13		BROWN, W A	1093	Haskell
13		BROWN, W A	1141	Haskell
13		BROWN, W A	1144	Haskell

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Horse Creek Wind, LLC plans to construct a 230 MW wind farm in Haskell and Knox Counties.

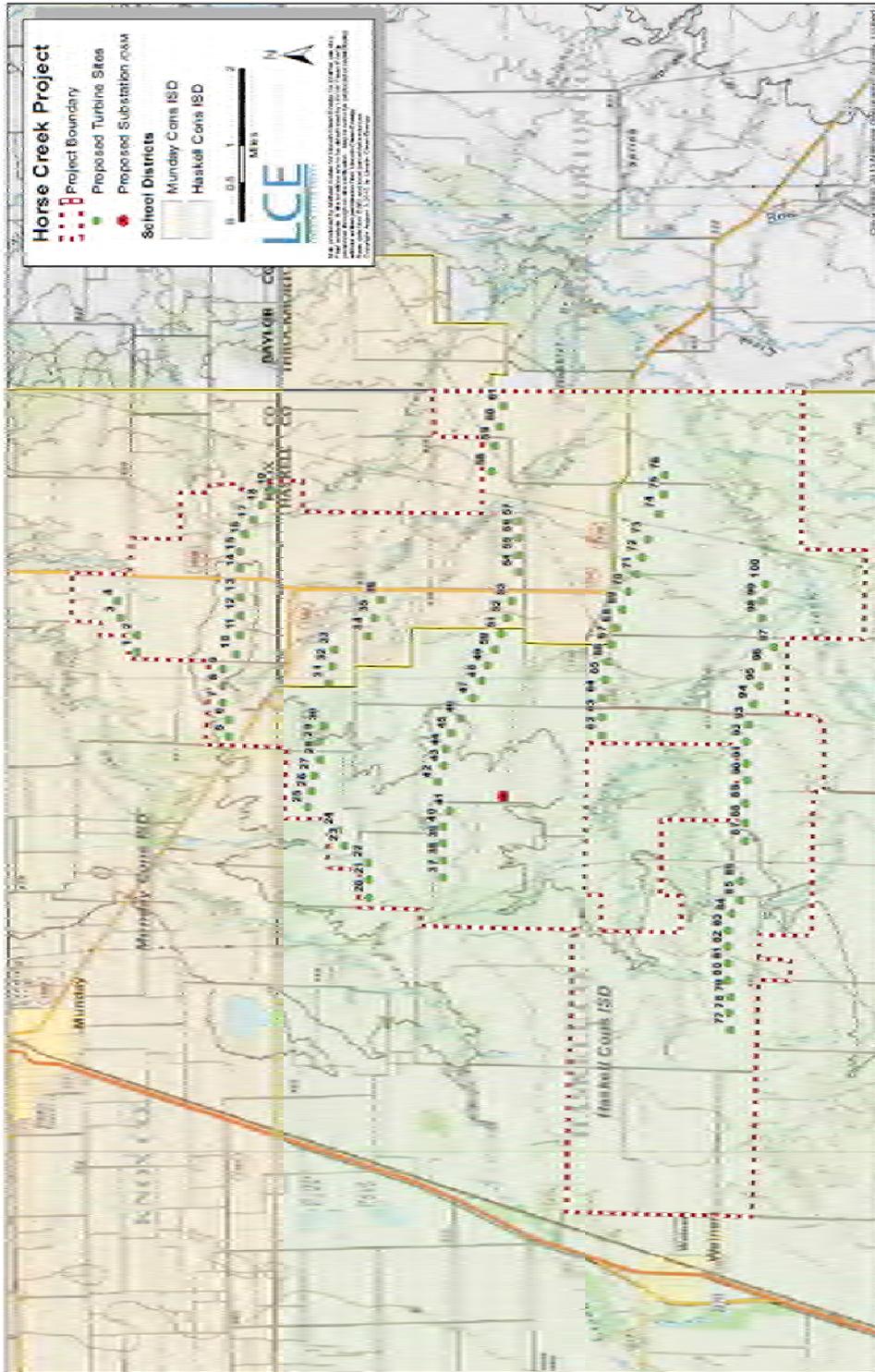
This application covers all qualified property within Haskell CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Approximately sixty-five (65) will be located in Haskell CISD. For purposes of this application, the Project anticipates using 2.3 MW turbines manufactured by GE. Horse Creek is also constructing approximately 0.25 miles of generation transmission tie line that will be in Haskell CISD.

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

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

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

PROJECT MAP



CONFIDENTIAL

Agreement for Limitation on Appraised Value
 Between Haskell CISD and Horse Creek Wind, LLC
 (App No. 1065), September 29, 2015

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

EXHIBIT 4

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

Agreement for Limitation on Appraised Value
 Between Haskell CISD and Horse Creek Wind, LLC
 (App No. 1065), September 29, 2015

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



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 17, 2015

Bill Alcorn
Superintendent
Haskell Consolidated Independent School District
605 N. Avenue E.
Haskell, TX 79521

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Haskell Consolidated Independent School District and Horse Creek Wind, LLC

Dear Superintendent Alcorn:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between Haskell Consolidated Independent School District and Horse Creek Wind, LLC (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

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

If you need additional information or have questions, please contact Stephanie Jones, Economic Development & Local Government Section, at (512) 463-4594.

Sincerely,

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

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Declan Flanagan, Horse Creek Wind, LLC
Will Furgeson, Lincoln Clean Energy, LLC
Wes Jackson, Cummings Westlake, LLC



August 3, 2015

Superintendent Bill Alcorn
Haskell Consolidated Independent School District
605 N. Avenue E
Haskell, TX 79521

Re: Chapter 313 Job Waiver Request

Dear Superintendent Alcorn,

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that seven (7) employees would be needed to operate a 200 MW facility, and we can commit to creating five (5) full-time positions to fill those needs from Haskell CISD. All five would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

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

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

Kind Regards,

Will Furgeson
Development Director
Horse Creek Wind, LLC



September 15, 2015

Superintendent Bill Alcorn
Haskell Consolidated Independent School District
605 N. Avenue E
Haskell, TX
79521

Re: Horse Creek Wind project size

Dear Superintendent Alcorn,

Our initial application to Haskell CISD contemplated an overall project size of 200 MW, but you may have noticed that the project size as described in Exhibit 3 of the Limitation on Appraised Value Agreement has been changed to 230 MW. To avoid any confusion, I wanted to explain the change.

We still expect the Horse Creek Wind project to utilize one hundred GE turbines, and the placement of those turbines remains unchanged – we expect that sixty-five will be located in Haskell CISD. We initially planned for 2.0 MW turbines with an 80 meter hub height and a 116 meter rotor diameter. GE recently modified the turbines with the same height and rotor diameter to specify a nameplate capacity of 2.3 MW. The turbine and the hardware within are the same, but technology changes (specifically, changes to the rotor speed, the cut-out speed, and reduced power factor capability) allow for a power curve adjustment that better suits the wind conditions in the area. These technology changes cause the turbines to be rated as 2.3 MW turbines instead of 2.0 MW turbines.

The investment estimates that we supplied with our latest amendment to the application are unchanged, and as a result, we expect no impact to the financial analysis models that were prepared on the school district's behalf.

We appreciate your consideration of the proposed agreement, and we look forward to seeing you at the school board meeting on the 29th.

Kind Regards,

A handwritten signature in black ink, appearing to read "Will Furgeson".

Will Furgeson
Development Director
Horse Creek Wind, LLC