

FINDINGS
of the
PLAINVIEW 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

HALE WIND ENERGY PROJECT 3, LLC

Comptroller Application Number 1089

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

PREAMBLE

On the 5th day of August, 2016, a public meeting of the Board of Trustees of the Plainview Independent School District (the “Board”) was held to solicit input from interested parties on the application by Hale Wind Energy Project 3, LLC (“Hale Wind 3” 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 Hale Wind 3 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 Plainview Independent School District makes the following Findings regarding the Application:

On or about the 28th day of July, 2015, the Board of Trustees for the Plainview Independent School District received an Application for Appraised Value Limitation on Qualified Property from Hale Wind 3, 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 development and commercialization of a utility-scale [renewable] wind energy project (the “Property”). *See* Application, Tab 4, attached hereto as Attachment A. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about August 4, 2015. Thereafter, on or about September 1, 2015, the District, on behalf of the Applicant, submitted Amendment No. 001 (revised wage data, job waiver letter, and Tabs 7 and 8), and the Comptroller issued its notice of completeness by letter dated September 8, 2015, the Application Review Start Date. Thereafter, on behalf of the Applicant, the District submitted the reinvestment zone Order and Guidelines on or about November 5, 2015, and Applicant further submitted directly to the Comptroller a revised Schedule A-1 on or about December 18, 2015. The Application, Amendment No. 001, reinvestment zone documents, and revised Schedule A-1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of September 8, 2015 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Hale Wind Energy Project 3, LLC is 32057436175. Hale Wind 3 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 Hale County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on December 3, 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 Plainview 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 Plainview Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 1 of §313.054 of the Texas Tax Code at the time the Certification was issued. *See* Comptroller's "2015 ISD Summary Worksheet," attached hereto as Attachment G; *see also* Attachment D.

The District's Board of Trustees, by resolution dated January 21, 2016, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until May 5, 2016. The District's Board of Trustees, by resolution dated April 19, 2016, further extended the statutory deadline by which the District must consider its Application to the maximum time allowed, *i.e.*, December 2, 2016. The Comptroller was provided notice of both of these extensions, as set out under 34 Texas Administrative Code §9.1054(d). *See* Notices to Applicant and Resolutions authorizing extensions of consideration period, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Hale Wind 3 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 varied from the specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code §9.1055(e)(1). At the specific direction of the Comptroller’s Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller’s Office, the parties changed only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of July 26, 2016, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certification and Economic Impact Evaluation, and in consideration of its own analysis of Hale Wind 3’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.
- 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.

* * *

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 Attachments C and D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.

See Attachment C.

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 Hale Wind Energy Project 3, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

[see tables on next pages]

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$312,000	\$312,000	\$1,879,280	\$1,879,280
	2018	\$312,000	\$624,000	\$1,791,629	\$3,670,909
	2019	\$312,000	\$936,000	\$1,703,978	\$5,374,886
	2020	\$312,000	\$1,248,000	\$1,616,326	\$6,991,213
	2021	\$312,000	\$1,560,000	\$1,528,675	\$8,519,888
	2022	\$312,000	\$1,872,000	\$1,441,024	\$9,960,912
	2023	\$312,000	\$2,184,000	\$1,353,373	\$11,314,285
	2024	\$312,000	\$2,496,000	\$1,265,722	\$12,580,006
	2025	\$312,000	\$2,808,000	\$1,178,070	\$13,758,077
	2026	\$312,000	\$3,120,000	\$1,090,419	\$14,848,496
Maintain Viable Presence (5 Years)	2027	\$1,314,768	\$4,434,768	\$0	\$14,848,496
	2028	\$1,227,117	\$5,661,885	\$0	\$14,848,496
	2029	\$1,139,466	\$6,801,350	\$0	\$14,848,496
	2030	\$1,051,814	\$7,853,165	\$0	\$14,848,496
	2031	\$964,163	\$8,817,328	\$0	\$14,848,496
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$876,512	\$9,693,840	\$0	\$14,848,496
	2033	\$788,861	\$10,482,701	\$0	\$14,848,496
	2034	\$701,210	\$11,183,910	\$0	\$14,848,496
	2035	\$613,558	\$11,797,469	\$0	\$14,848,496
	2036	\$525,907	\$12,323,376	\$0	\$14,848,496
	2037	\$438,256	\$12,761,632	\$0	\$14,848,496
	2038	\$438,256	\$13,199,888	\$0	\$14,848,496
	2039	\$438,256	\$13,638,144	\$0	\$14,848,496
	2040	\$438,256	\$14,076,400	\$0	\$14,848,496
	2041	\$438,256	\$14,514,656	\$0	\$14,848,496

\$14,514,656 is less than **\$14,848,496**

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

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, Hale Wind Energy Project 3, LLC

See Attachment D.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	175	173	348	\$8,750,000	\$12,250,000	\$21,000,000	1174926.8	-595092.8	\$1,770,020
2017	5	19	24	\$190,000	\$2,810,000	\$3,000,000	198364.3	244140.6	-\$45,776
2018	5	13	18	\$190,000	\$1,810,000	\$2,000,000	160217.3	244140.6	-\$83,923
2019	5	9	14	\$190,000	\$1,810,000	\$2,000,000	144958.5	236511.2	-\$91,553
2020	5	7	12	\$190,000	\$1,810,000	\$2,000,000	152587.9	213623	-\$61,035
2021	5	9	14	\$190,000	\$810,000	\$1,000,000	144958.5	175476.1	-\$30,518
2022	5	7	12	\$190,000	\$810,000	\$1,000,000	122070.3	160217.3	-\$38,147
2023	5	7	12	\$190,000	\$810,000	\$1,000,000	114440.9	129699.7	-\$15,259
2024	5	7	12	\$190,000	\$810,000	\$1,000,000	152587.9	106811.5	\$45,776
2025	5	13	18	\$190,000	\$810,000	\$1,000,000	152587.9	91552.7	\$61,035
2026	5	9	14	\$190,000	\$810,000	\$1,000,000	175476.1	91552.7	\$83,923
2027	5	9	14	\$190,000	\$810,000	\$1,000,000	129699.7	45776.4	\$83,923
2028	5	7	12	\$190,000	\$810,000	\$1,000,000	122070.3	30517.6	\$91,553
2029	5	3	8	\$190,000	\$810,000	\$1,000,000	137329.1	38147	\$99,182
2030	5	7	12	\$190,000	\$810,000	\$1,000,000	76293.9	0	\$76,294
2031	5	1	6	\$190,000	\$810,000	\$1,000,000	61035.2	-15258.8	\$76,294
2032	5	5	10	\$190,000	-\$190,000	\$0	53405.8	-30517.6	\$83,923
2033	5	(1)	4	\$190,000	-\$190,000	\$0	45776.4	-91552.7	\$137,329
2034	5	1	6	\$190,000	-\$190,000	\$0	30517.6	-99182.1	\$129,700
2035	5	(1)	4	\$190,000	-\$190,000	\$0	-7629.4	-129699.7	\$122,070
2036	5	(1)	4	\$190,000	-\$190,000	\$0	-68664.6	-183105.5	\$114,441
2037	5	(1)	4	\$190,000	-\$190,000	\$0	-61035.2	-205993.7	\$144,959
2038	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-76293.9	-228881.8	\$152,588
2039	5	(5)	0	\$190,000	-\$190,000	\$0	-61035.2	-259399.4	\$198,364
2040	5	(5)	0	\$190,000	-\$190,000	\$0	-106811.5	-282287.6	\$175,476
2041	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-122070.3	-335693.4	\$213,623
2042	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-122070.3	-343322.8	\$221,253
						Total	\$2,723,694	-\$991,822	\$3,715,516
							\$18,230,172	is greater than	\$14,848,496
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 as Tab 12 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. Applicant reports the industry standard for employment is typically one full-time employee for approximately every 15-20 turbines, and that his number may vary depending on the

operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. Applicant further reports that the permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations. Applicant reports it will create 5 jobs for 55-101 1.7-3.0 MW turbines proposed for this project, which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See Attachments A and D.

Board Finding Number 4.

The Applicant will create five (5) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; and (3) an annual wage of \$38,500, an amount equal to 110% of the average weekly wage for manufacturing jobs in the region.

See Attachments A, D and J.

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 Hale Wind Energy Project 3, 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:

- According to the company, a 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar

incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation, the project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment.

- Comptroller research notes a January 13, 2014, Plainview Daily Herald article of approval for Reinvestment Zone No. 5 to Hale Community Energy, a combined group of four wind farms in the southeastern part of the county.
- Comptroller research notes a July 28, 2014, Plainview Daily Herald article of approval for Tri Global Energy's tax abatement application on its Hale Community Energy Project by Hale County commissioners.

See Attachment D.

Board Finding Number 6.

The proposed limitation on appraised value for the qualified property is \$30,000,000.

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 Hale Wind 3's Application, that the project would add \$210,700,000 to the tax base at the peak investment level for the 2017 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Table 4 of Attachment D. In addition, the potential revenue gains from the proposed Agreement could be approximately \$7,177,800. See Attachment H at Section 6.2.A and 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. Plainview ISD can easily accommodate the projected student growth anticipated from Applicant's project with its existing

facilities. However, possible increases in and/or changes to class size and personnel could cause the District to incur extraordinary educational expenses.

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

Hale Wind Energy Project 3, 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 Plainview ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

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

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

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.

[see table on next page]

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.000	0	0	0	0
2016-2017	1.0400	0.000	0	0	0	0
2017-2018	1.0400	0.000	2,191,280	1,879,280	(2,127,722)	(248,442)
2018-2019	1.0400	0.000	2,103,629	1,791,629	0	1,791,629
2019-2020	1.0400	0.000	2,015,978	1,703,978	0	1,703,978
2020-2021	1.0400	0.000	1,928,326	1,616,326	0	1,616,326
2021-2022	1.0400	0.000	1,840,675	1,528,675	0	1,528,675
2022-2023	1.0400	0.000	1,753,024	1,441,024	0	1,441,024
2023-2024	1.0400	0.000	1,665,373	1,353,373	0	1,353,373
2024-2025	1.0400	0.000	1,577,722	1,265,722	0	1,265,722
2025-2026	1.0400	0.000	1,490,070	1,178,070	0	1,178,070
2026-2027	1.0400	0.000	1,402,419	1,090,419	0	1,090,419
2027-2028	1.0400	0.000	1,314,768	0	0	0
2028-2029	1.0400	0.000	1,227,117	0	0	0
2029-2030	1.0400	0.000	1,139,466	0	0	0
2030-2031	1.0400	0.000	1,051,814	0	0	0
2031-2032	1.0400	0.000	964,163	0	0	0
Totals			23,665,824	14,848,496	(2,127,722)	12,720,774

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. See also Attachment D, Table 4.

[see table on next page]

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.000	0	0	0	0
2016-2017	1.0400	0.000	0	0	0	0
2017-2018	1.0400	0.000	2,191,280	1,879,280	(2,127,722)	(248,442)
2018-2019	1.0400	0.000	2,103,629	1,791,629	0	1,791,629
2019-2020	1.0400	0.000	2,015,978	1,703,978	0	1,703,978
2020-2021	1.0400	0.000	1,928,326	1,616,326	0	1,616,326
2021-2022	1.0400	0.000	1,840,675	1,528,675	0	1,528,675
2022-2023	1.0400	0.000	1,753,024	1,441,024	0	1,441,024
2023-2024	1.0400	0.000	1,665,373	1,353,373	0	1,353,373
2024-2025	1.0400	0.000	1,577,722	1,265,722	0	1,265,722
2025-2026	1.0400	0.000	1,490,070	1,178,070	0	1,178,070
2026-2027	1.0400	0.000	1,402,419	1,090,419	0	1,090,419
2027-2028	1.0400	0.000	1,314,768	0	0	0
2028-2029	1.0400	0.000	1,227,117	0	0	0
2029-2030	1.0400	0.000	1,139,466	0	0	0
2030-2031	1.0400	0.000	1,051,814	0	0	0
2031-2032	1.0400	0.000	964,163	0	0	0
Totals			23,665,824	14,848,496	(2,127,722)	12,720,774

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 A, B, C and D.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32057436175) 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.

See Attachment A, Tabs 11 and 16.

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.

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 Hale Wind 3'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 16.

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, as of January 24, 2016.

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 Plainview 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,

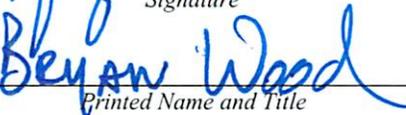
IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

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 Plainview 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 Plainview Independent School District Board of Trustees.

Dated this 5th day of August, 2016.

Plainview Independent School District

By  _____
Signature
 _____
Printed Name and Title

Attest:

By  _____
Signature
 _____
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Certification Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2015 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 July 26, 2016 Agreement Review Letter
J	Job Waiver Request
K	Notices to Applicant and Resolutions re Extension of 151 Day Deadline



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 8, 2015

Rockwall Kirk
Superintendent
Plainview Independent School District
912 Portland
Plainview, Texas 79072

Dear Superintendent Kirk:

On August 4, 2015, the Comptroller's office received from Plainview Independent School District (Plainview ISD) an application from Hale Wind Energy Project 3, LLC for a limitation on appraised value (App #1089).

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 September 8, 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. She can be reached by email at Stephanie.jones@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-4594, or direct in Austin at 512-463-4594.

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 Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Mike Price, Hale Wind Energy Project 3, LLC

Stephen Johns, Tri Global Energy, LLC
Melissa Miller, Miller Wind & Renewables LLC

**Application for Chapter 313
Appraised Value Limitation by
Hale Wind Energy Project 3, LLC
to Plainview ISD**

Attachment 1

See executed application attached.



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

July 28, 2015

Date Application Received by District

Rockwall

First Name

Superintendent

Title

Plainview I.S.D.

School District Name

912 Portland

Street Address

Mailing Address

Plainview

City

806-293-6000

Phone Number

Mobile Number (optional)

Kirk

Last Name

Texas

State

Fax Number

Email Address

79072

ZIP

2. Does the district 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)

Melissa _____ Miller _____
 First Name Last Name
 President _____
 Title
 Miller Wind & Renewables LLC _____
 Firm Name
 512-739-0397 _____ N/A _____
 Phone Number Fax Number
 melissa@millerwind.com _____
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
 For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
 2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
 3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? _____ Hale Wind Energy Project 3, LLC
 2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32057436175
 3. List the NAICS code 221115
 4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board September 2015
- 2. Commencement of construction January 2016
- 3. Beginning of qualifying time period September 2015
- 4. First year of limitation 2017
- 5. Begin hiring new employees January 2016
- 6. Commencement of commercial operations November 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? November 2016

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Hale County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hale County
- 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: Hale County 100% City: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: _____ Water District: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): _____ Other (describe): High Plains UG Water District 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
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? August 15, 2015

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

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 30,000.00
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): \$ 30,000.00

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

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

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

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
 (year)

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

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

4. What is the number of new qualifying jobs you are committing to create? 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 617.75
- b. 110% of the average weekly wage for manufacturing jobs in the county is 748.83
- c. 110% of the average weekly wage for manufacturing jobs in the region is 736.87

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? 38,317.40

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 38,500.00

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**.

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 Rockwall Kirk
Print Name (Authorized School District Representative)

Superintendent, Plainview ISD
Title

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

July 28, 2015
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 Mike Price
Print Name (Authorized Company Representative (Applicant))

President, Hale Wind Energy Project 3, LLC
Title

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

July 28, 2015
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

28 day of July, 2015

[Signature]
Notary Public in and for the State of Texas

My Commission expires: 1/12/2016

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.

Tax credit application proof of payment.

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

Attachment 3

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

Not Applicable

Attachment 4

Detailed description of the project.

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.

Hale Wind Energy Project 3, LLC (“Hale Wind Energy 3”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project and is a subsidiary of Hale Community Energy, LLC. Tri Global Energy, LLC (“Tri Global”), the exclusive developer of, consultant to, and a member of Hale Community Energy, LLC, is in the business of initiating, developing, and producing electricity from renewable wind, solar, and hybrid energy projects.

Tri Global currently has sixteen projects in development in Texas and New Mexico and is evaluating other renewable energy project opportunities across the country.

Prior to creating Hale Wind Energy Project 3, LLC, Tri Global Energy had previously formed Hale Community Energy, LLC as a larger holding company of project assets for four (4) community wind projects in Hale County.

Hale Community Energy, LLC has already entered into a 313 agreement with Petersburg ISD to develop a 300MW project interconnecting into Southwest Power Pool (SPP) and this project’s assets will be assigned to a special purpose entity for financing it as a Phase of the entire Hale Community Energy project. In addition, Hale Community Energy, LLC has entered into an agreement with Hale County for a tax abatement. Both these agreements that have been entered into by Hale Community Energy, LLC and are exclusive to the Petersburg ISD/First Phase of development and are not relative to Hale Wind Energy Project 3, LLC.

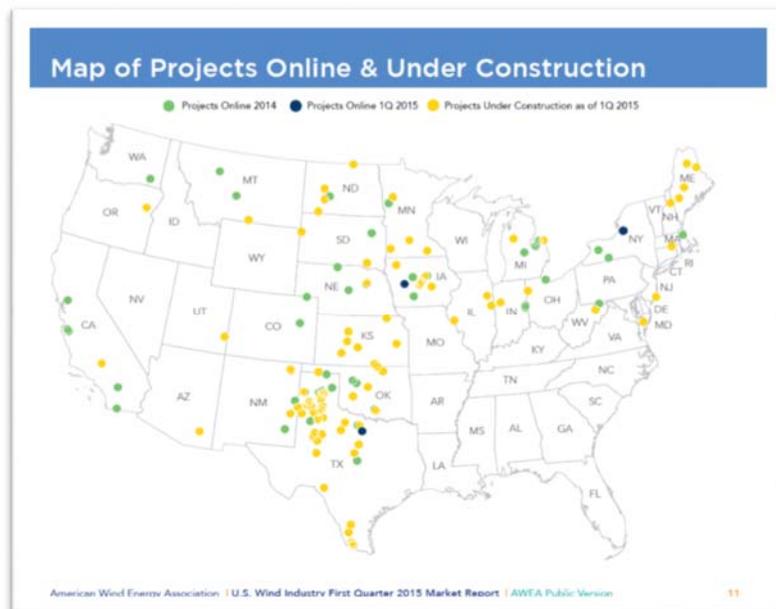
Hale Wind Energy Project 3, LLC was recently created for the purpose of interconnecting a separate 172MW project into the ERCOT market and there is no existing 312 or 313 agreement in place for this Project. Hale Wind Energy 3 is requesting an appraised value limitation from Plainview ISD for a proposed wind energy project using wind turbines and transmission line located in Hale County. The wind farm and its associated infrastructure will be constructed within a Reinvestment Zone established by Hale County, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 172 megawatts (“MW”). To construct the wind farm, Hale Wind Energy 3 will install 55-101 wind turbines all within Plainview ISD that will have a rated capacity of 1.7-3.0 MW. In addition to the wind turbines, roads will be constructed and improved as necessary and transmission lines, a collection substation will be installed to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building will be erected.

Construction of the wind farm is proposed to begin in January of 2016 and is expected to take approximately 11 months to complete, with an estimated commercial operations date by November 30, 2016, contingent upon favorable economics for the project.

While the wind regime for Hale Wind Energy 3 is excellent, there are currently many favorable locations for wind projects that could be developed across the US. Hale Wind Energy 3 has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Plainview ISD. Project investors are looking for wind projects across the US and can locate projects in a wide variety of locations should Hale Wind Energy 3 be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association (“AWEA”) there are now 66,008 MW of installed wind capacity in the United States and over 48,000 wind turbines. At the beginning of 2015 there has been more U.S. wind power MW under construction than ever in history with more than 13,500 MW are currently under construction. When completed, these 100+ projects will generate enough electricity annually to power 3.5 million households. A graphic provided by AWEA in its April market report demonstrates the national geographic diversity of projects in construction in 2015 alone.



Clearly wind projects are abundant and the Applicant can locate the Project in a wide variety of locations across the United States should it be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Tri Global team member accomplishments include leadership roles in the development, construction, and operations of approximately 3,100 MWs, or approximately 5%, of the U.S.' installed wind energy capacity and over 2,500 MWs of fossil generation, as well as securing over \$2 billion in corporate and project finance. Tri Global's President, Tom Carbone, is the former North American president of Vestas, one of the world's leading turbine manufacturers. He led the company's sales, project installation, and service business areas, tripling their annual order-intake from \$300 million to over \$1 billion. The renewable and traditional energy career of Tri Global's Chief Commercial Officer, Brent Lewis, includes power experience in wind, solar, carbon capture, gas, waste coal and biomass fired power, upstream E&P and ethanol. Mr. Lewis also has extensive experience in infrastructure finance, having advised on and raised capital for several large-scale toll road and airport privatizations domestically and overseas. Mr. Lewis has worked as a senior banker at Marathon Capital, and served as a Managing Director with Cantor Fitzgerald's investment banking group in New York, where he led the firm's global energy and infrastructure investment banking business. Tri Global's management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States.

As such, the development resources necessary to advance the subject planned 172MW Hale Wind Energy 3 could be redeployed to other renewable energy development projects in other power markets in the United States. Hale Wind Energy Project 3, LLC, however, was formed for the express purpose of developing a community sponsored wind farm that would help bring economic development to the area. Tri Global identified Texas, and in particular Plainview ISD, for its strong wind resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 tax abatement and Chapter 313 Appraised Value Limitation.

Tri Global prefers to develop and build the proposed Hale Wind Energy 3 as described throughout this application. This Project is still in the early stages of development, however. As of July 1, 2015, Hale Wind Energy 3's physical assets are valued at less than \$30,000. Most of this capital is comprised of non-qualified property, specifically one (1) temporary meteorological tower erected on the project site.

Should the appraised value limitation be granted, Hale Wind Energy Project 3, LLC has created a development and investment plan that it is capitalized to implement. Without such a limitation the Project, competing against other Texas projects that have qualified, would

likely be forced to redeploy its assets and capital to other counties and states competing for similar wind projects.

Attachment 5

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

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.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Hale Wind Energy Project 3, LLC was formed in 2015.

In support of its creation the participating members, Tri Global Energy, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Hale Community Energy, LLC.

Since its formation Hale Community Energy, LLC and its subsidiaries have entered into the following representative agreements and contracts for the development of a project phase within the Plainview ISD and intend to assign these assets to Hale Wind Energy Project 3, LLC:

- Grants of leases and easements covering approximately 20,000 acres with 70 landowners.
- Avian Study and contract with Turner Biological Consulting
- Bat Study and contract with Turner Biological Consulting
- Threatened & Endangered Species Studies and contract with Turner Biological Consulting
- Jurisdictional Wetland Study and contract with Turner Biological Consulting
- Wind Data Measurement & Analysis contract with Wireless Innovations for data transmission for 60m Met Tower
- Contract with V-Bar for data storage and verification of met towers
- FCC & RF Studies and contract with ATDI, Inc.
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities these agreements and contracts listed above represent will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Plainview ISD.

These contracts and initial investments are preliminary in nature as Tri Global and Hale Wind Energy 3 have determined that a value limitation agreement with Plainview ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Tri Global's management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States. It has been responsible for the development, construction, and operations of approximately 3,100 MWs, or approximately 5%, of the U.S.' installed wind energy capacity. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The Hale Wind Energy 3 Project is currently in such a period of assessment to determine whether the identified site in Plainview ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$228M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

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?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Hale Wind Energy 3.

ATTACHMENT 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).

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

All of the planned Qualified Property for the Project is located solely in Plainview ISD. There will be 4 miles of transmission line running from Plainview ISD into Hale Center ISD, but is not claimed as Qualified Property in this Application or in an application with Hale Center ISD.

Plainview ISD	100%
---------------	------

Attachment 7

Description of Qualified Investment

- 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).***

Hale Wind Energy Project 3, LLC plans to construct an estimated 172MW wind farm in Hale County, located entirely within Plainview ISD in Hale County, Texas. All of the Qualified Investment for this Project will be located entirely within Plainview ISD, with the exception of 4 miles of 345kV transmission line to be located in Hale Center ISD. The portion of the transmission line that is planned in Hale Center ISD is not listed as a Qualified Property in this Application or in an application with Hale Center ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, 6.5 miles of 345kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 1.7-3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Plainview ISD. Current plans are to install 55-101 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Hale Wind Energy 3 intends to connect to the Hale Wind Energy Project 2, LLC Substation, a neighboring project substation via a 6.5 mile 345kV transmission line, of which all but 4 miles will be located in Plainview ISD. That transmission line then extends 11 miles into the Elk Substation, an ERCOT substation. All of the infrastructure except the external transmission line will remain within the project boundary and within the Reinvestment Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 8

Description of Qualified Property

Hale Wind Energy Project 3, LLC plans to construct an estimated 172MW wind farm in Hale County, located entirely within Plainview ISD in Hale County, Texas. All of the Qualified Property for this Project will be located entirely within Plainview ISD, with the exception of 4 miles of 345kV transmission line to be located in Hale Center ISD. The portion of the transmission line that is planned in Hale Center ISD is not listed as a Qualified Property in this Application or in an application with Hale Center ISD.

The intended qualified property includes wind turbines, foundations, collection systems, 6.5 miles of 345kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 1.7-3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Plainview ISD. Current plans are to install 55-101 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Hale Wind Energy 3 intends to connect to the Hale Wind Energy Project 2, LLC Substation, a neighboring project substation via a 6.5 mile 345kV transmission line, of which all but 4 miles will be located in Plainview ISD. That transmission line then extends 11 miles into the Elk Substation, an ERCOT substation. All of the infrastructure except the external transmission line will remain within the project boundary and within the Reinvestment Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 9
Description of Land

Not Applicable.

Attachment 10

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

The Project has 2 temporary meteorological towers located on site. A map reflecting its placement is provided below and in Attachment 11d.

Please see the attached map below.

CONFIDENTIAL – FOR SEPARATE FILING

Attachment 11

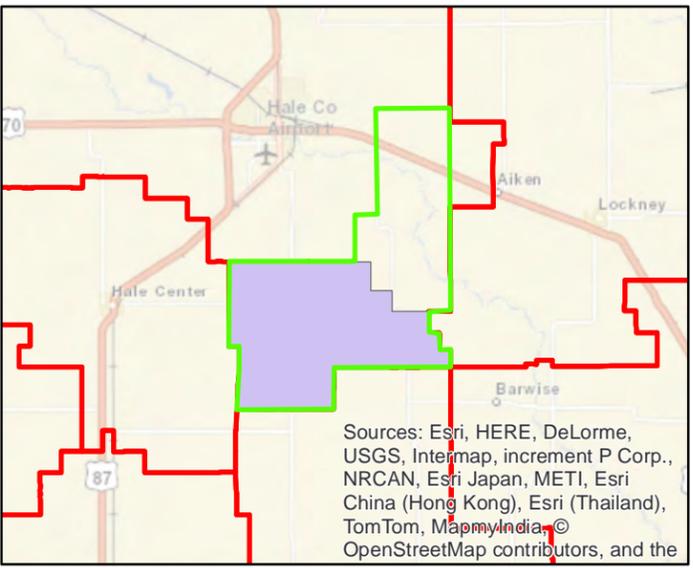
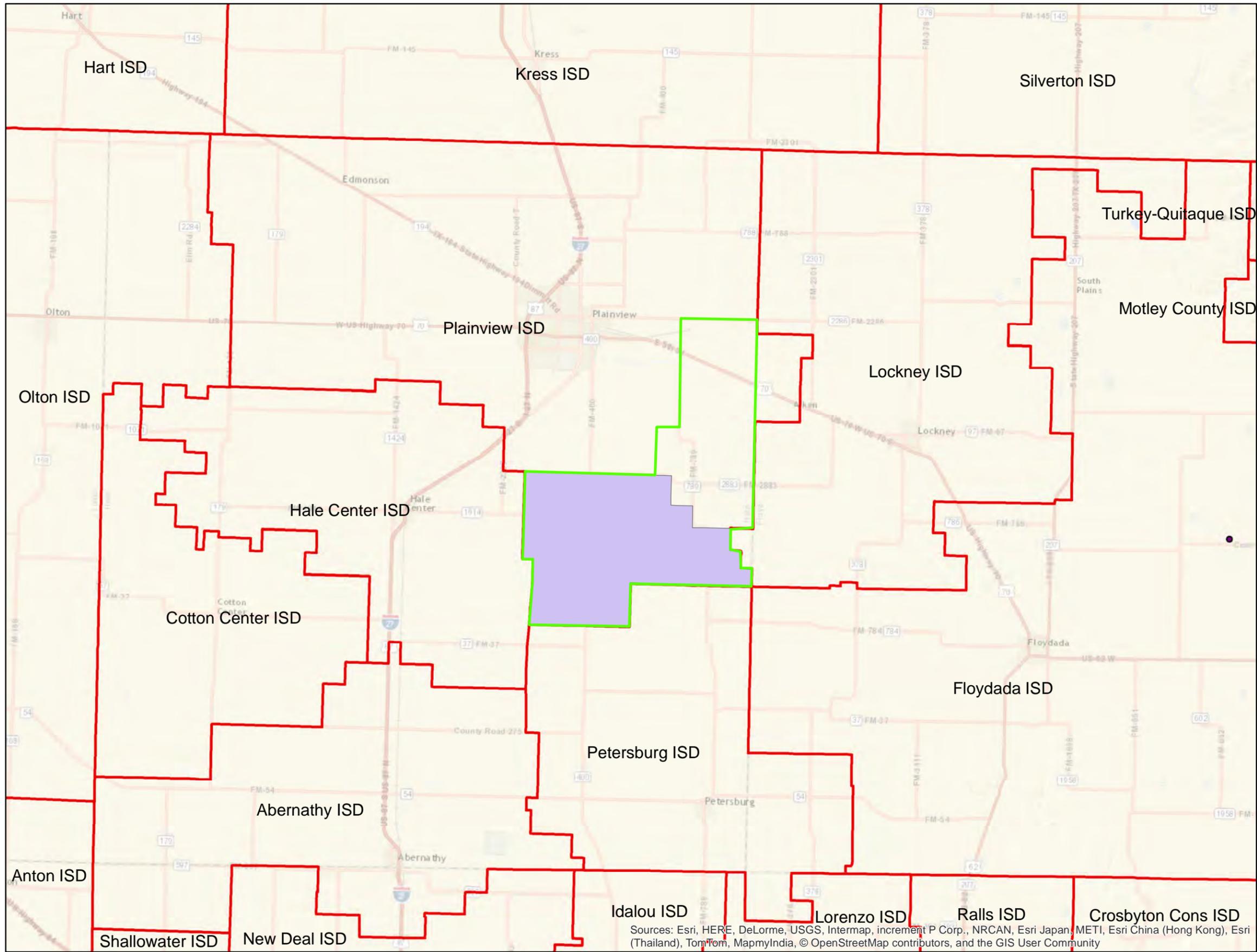
Maps that clearly show:

- a) Project vicinity***
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c) Qualified property including location of new buildings or new improvements***
- d) Existing property***
- e) Land location within vicinity map***
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Attachment 11a

a) Project vicinity

Please see the attached map below.



Hale Wind Energy Project 3, LLC Property Within Vicinity Confidential

- School_District_Boundary
- Hale_Wind_Energy_Project_3_LLC_Project_Area
- Planned_Reinvestment_Zone_Boundary



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



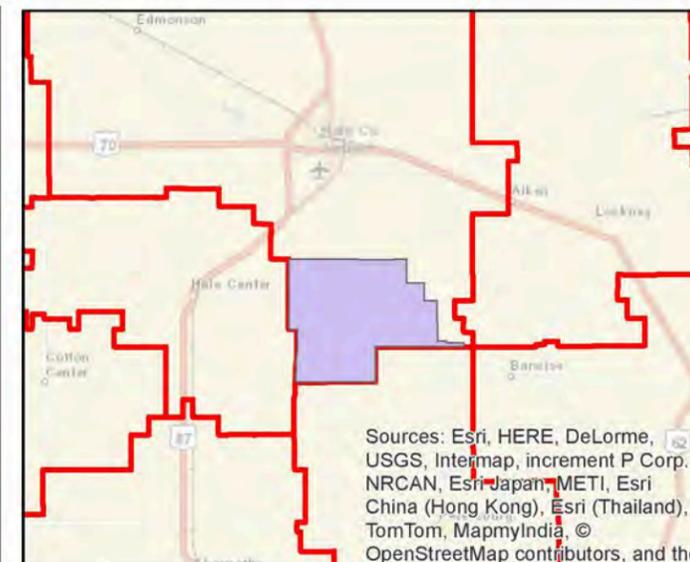
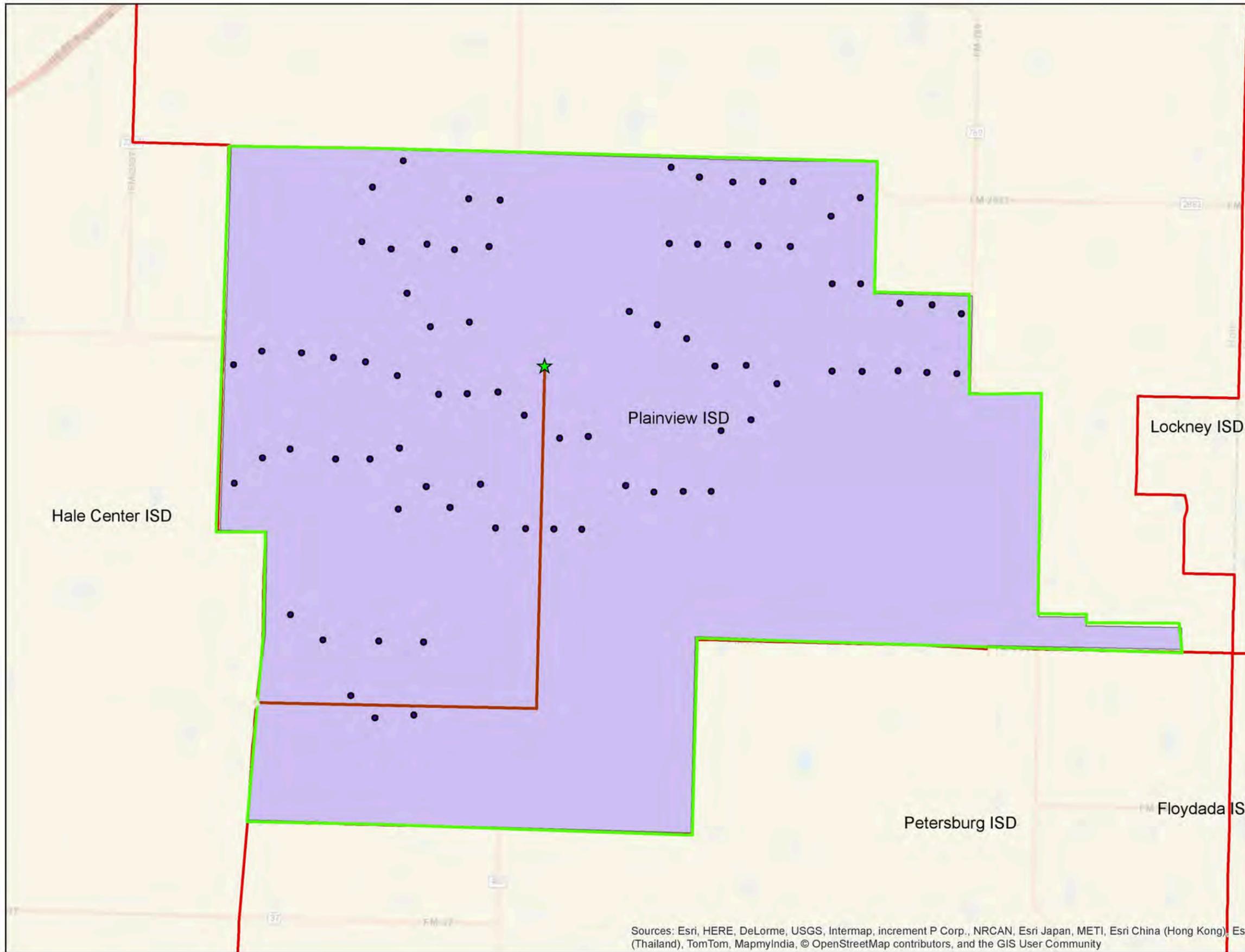
Plainview ISD 313 Application Confidential

Coordinate System: WGS 1984 UTM Zone 14N Projection: Transverse Mercator Datum: WGS 1984 False Easting: 500,000.0000 False Northing: 0.0000 Scale Factor: 0.9998 Latitude Offset: -0.0000 Units: Meter		Hale Wind Energy Project 3, LLC	
Reference Scale: 1:0		Drawn By:	LA
Sheet No. 1		Checked by:	LA
		Date: 7/17/2015	

Attachment 11b

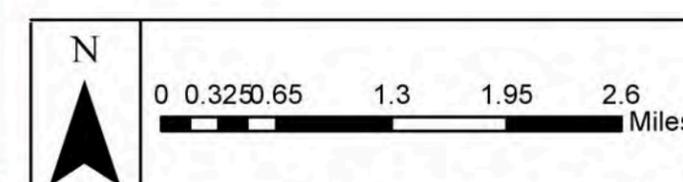
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***

Please see the attached map below.



Hale Wind Energy Project 3, LLC Qualified Investment Confidential

- School_District_Boundary
- Planned_Reinvestment_Zone
- Hale_Wind_Energy_Project_3_LLC_Project_Area
- ★ Indicative_Substation_Location
- Indicative_Turbine_Layout
- Indicative_Transmission_Line



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Note: Location of Qualified Investment and Qualified Property may change but will remain within the ISD and project boundary.

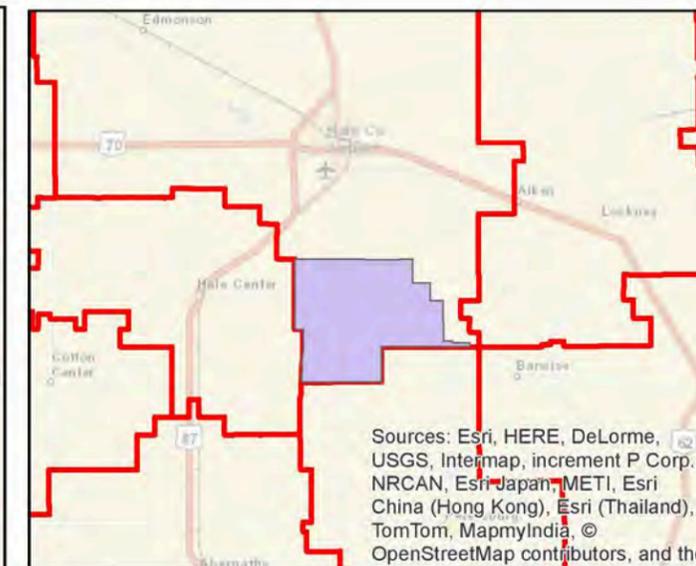
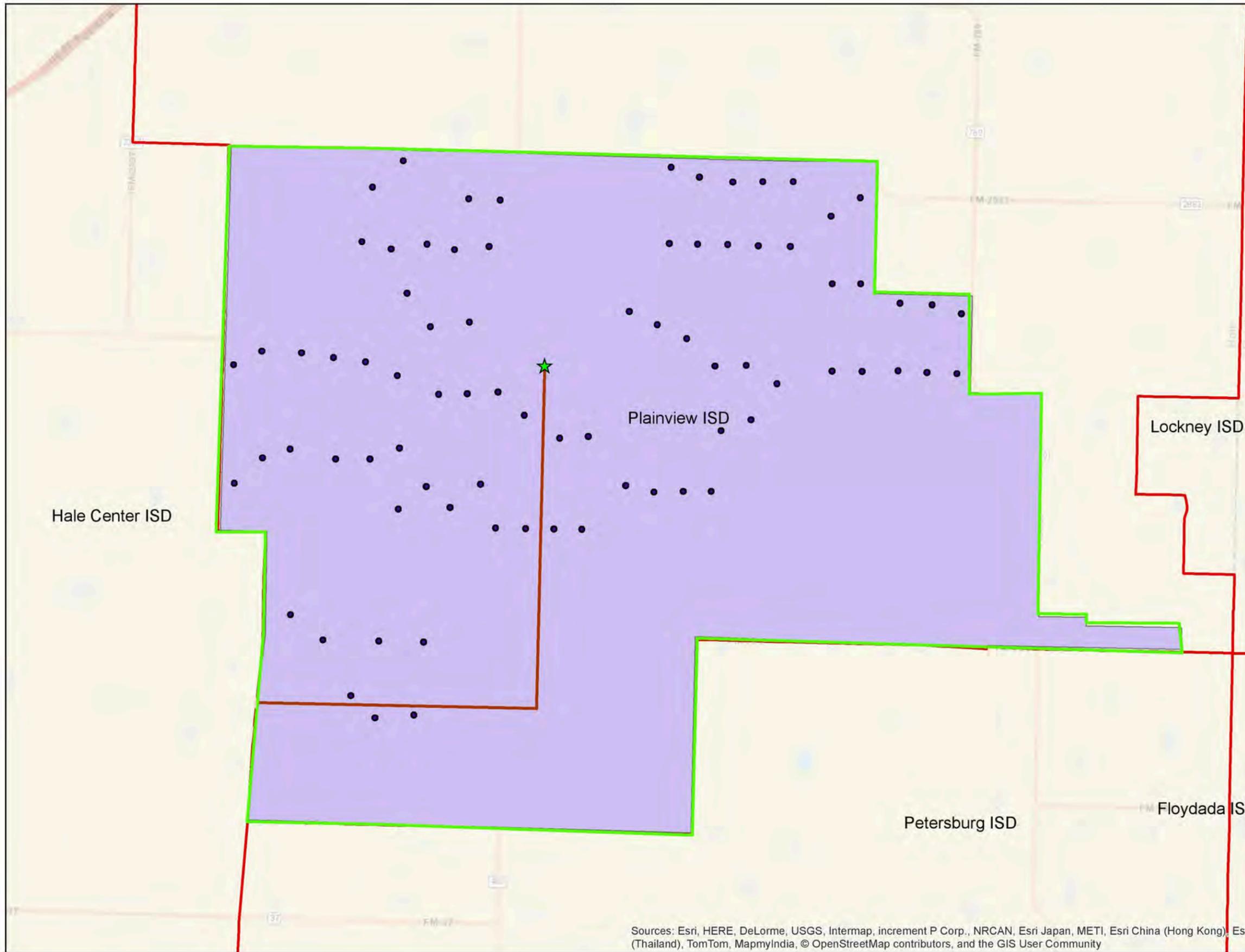
Plainview ISD 313 Application Confidential

<small> Customized System: 8000 FIM v1.00 2/14/15 Application: 313 Application Date: 7/14/15 Project Name: Hale Wind Energy Project 3, LLC Project Number: 313 Scale: 1:1000 Author: LA Date: 7/14/15 </small>		Hale Wind Energy Project 3, LLC	
Reference Scale: 1:0		Sheet No.	Checked by:
		1	LA
		Date: 7/14/2015	

Attachment 11c

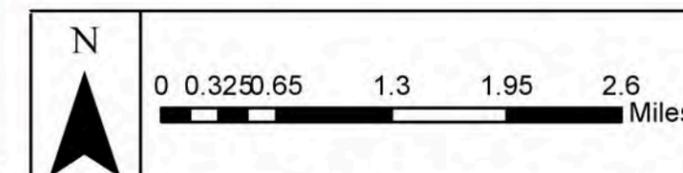
c) *Qualified property including location of new buildings or new improvements*

Please see map above. (Exhibit 11b)



Hale Wind Energy Project 3, LLC Qualified Property Confidential

- School_District_Boundary
- Planned_Reinvestment_Zone
- Hale_Wind_Energy_Project_3_LLC_Project_Area
- Indicative_Substation_Location
- Indicative_Turbine_Layout
- Indicative_Transmission_Line



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Note: Location of Qualified Investment and Qualified Property may change but will remain within the ISD and project boundary.

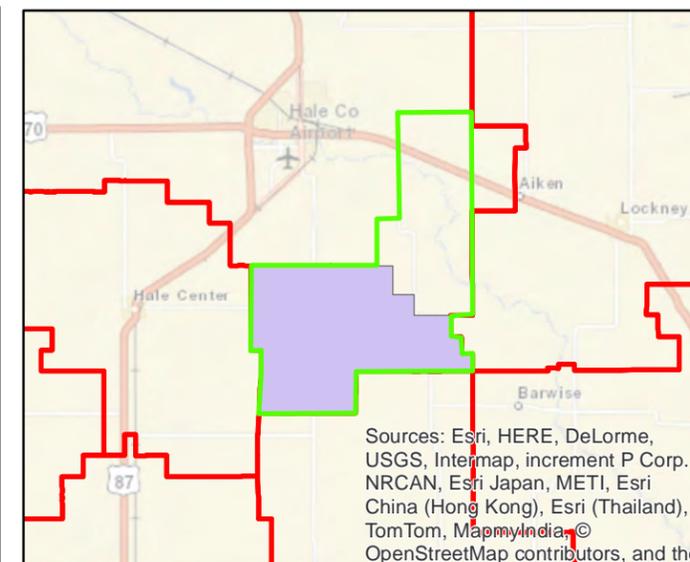
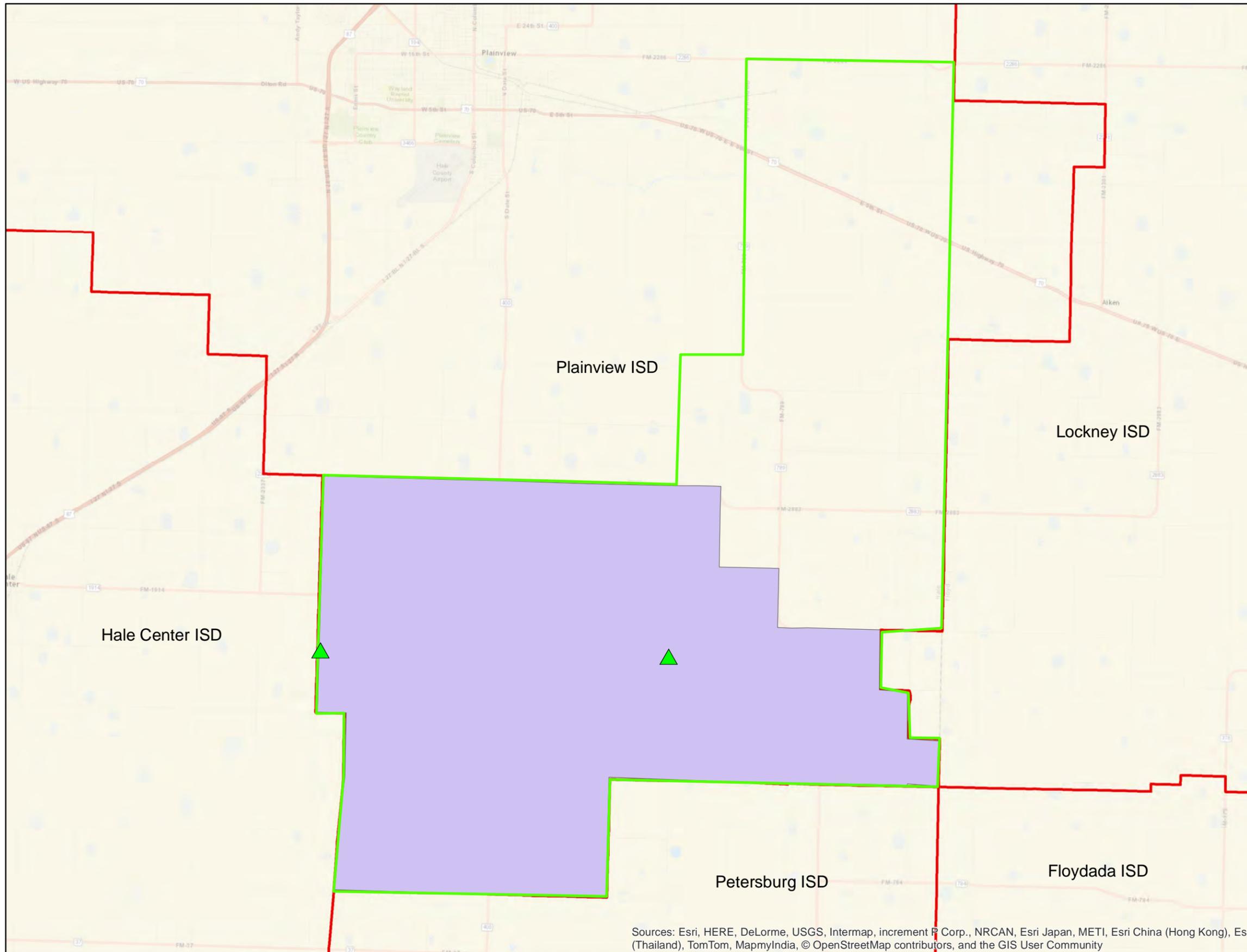
Plainview ISD 313 Application Confidential

<small>Customer System: 0021184-1101-1001-1001 Project: 0021184-1101-1001-1001 Drawn: 0021184-1101-1001-1001 Project Number: 0021184-1101-1001-1001 Project Name: 0021184-1101-1001-1001 Scale: 1:0 Latitude: 0021184-1101-1001-1001 Date: 0021184-1101-1001-1001</small>		Hale Wind Energy Project 3, LLC	
Reference Scale: 1:0	Sheet No. 1	Drawn By: LA	Checked by: LA
		Date: 7/14/2015	

Attachment 11d

d) Existing property

Please see the attached map below.

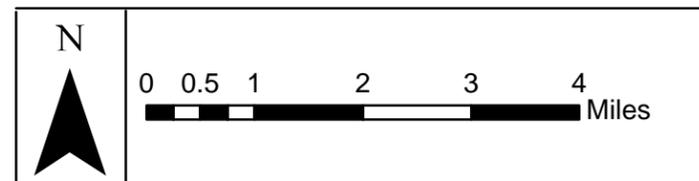


Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the

Hale Wind Energy Project 3, LLC Existing/Non-Eligible Property Confidential

-  Existing_Met_Tower_Property
-  School_District_Boundary
-  Hale_Wind_Energy_Project_3_LLC_Project_Area
-  Planned_Reinvestment_Zone_Boundary

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

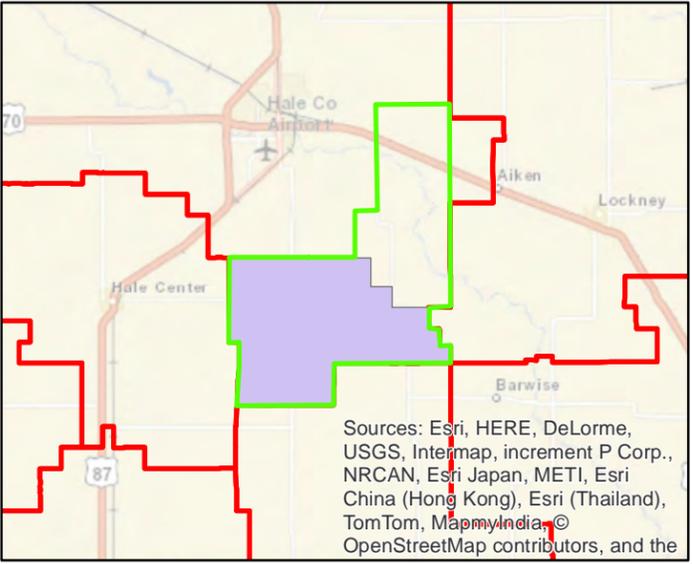
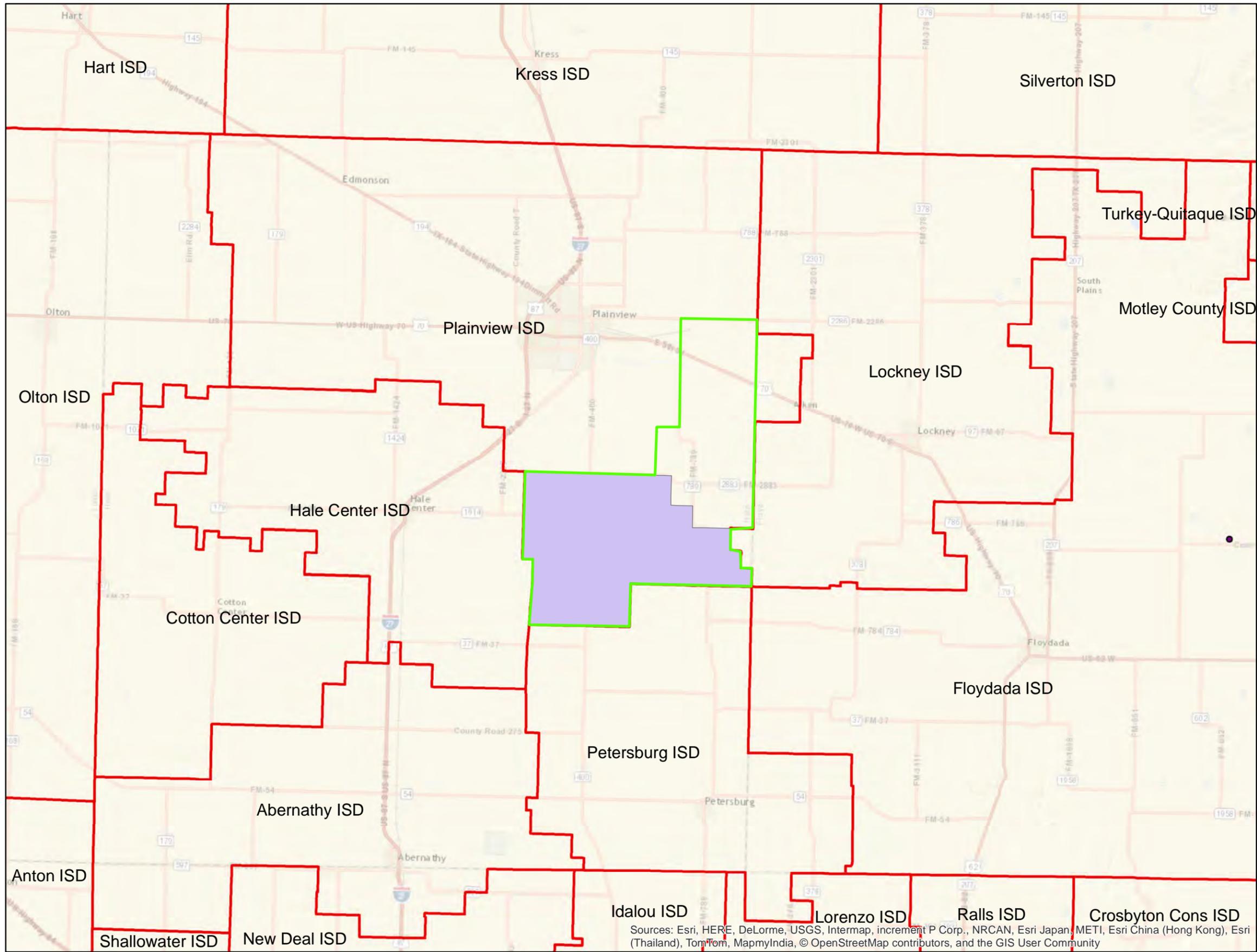


Plainview ISD 313 Application Confidential

<small>Coordinate System: WGS 1984 UTM Zone 16N Projection: Transverse Mercator Datum: WGS 1984 False Easting: 500,000.0000 False Northing: 0.0000 Central Meridian: -98.0000 Scale Factor: 0.9999 Latitude Offset: 0.0000 Units: Meter</small>		Hale Wind Energy Project 3, LLC	
Reference Scale: 1:0	Sheet No. 1	Drawn By: LA	Checked by: LA
		Date: 7/17/2015	

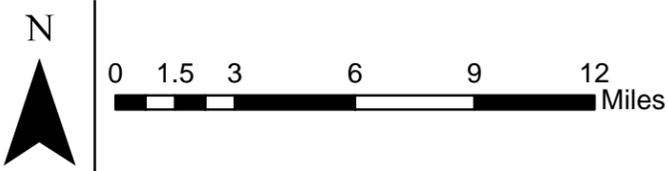
Attachment 11e

e) Land location within vicinity map



Hale Wind Energy Project 3, LLC Property Within Vicinity Confidential

- School_District_Boundary
- Hale_Wind_Energy_Project_3_LLC_Project_Area
- Planned_Reinvestment_Zone_Boundary



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Plainview ISD 313 Application Confidential

Coordinate System: WGS 1984 UTM Zone 14N Projection: Transverse Mercator Datum: WGS 1984 False Easting: 500,000.0000 False Northing: 0.0000 Scale Factor: 0.9998 Latitude Offset: 0.0000 Units: Meter		Hale Wind Energy Project 3, LLC	
Reference Scale: 1:0		Drawn By:	LA
Sheet No. 1		Checked by:	LA
		Date: 7/17/2015	

Attachment 11f

- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

To be submitted before date of final application approval by school board

Not Applicable.

Attachment 12

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

See attached waiver request below.

Hale Wind Energy Project 3, LLC

July 28, 2015

Mr. Rockwell Kirk, Ed. D.
Plainview Independent School District
912 Portland
Plainview, Texas 79072

Re: Chapter 313 Job Waiver Request for Hale Wind Energy Project 3, LLC

Dear Mr.Kirk,

Hale Wind Energy Project 3, LLC requests that the Plainview Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.02S (f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Hale Wind Energy Project 3, LLC requests that the Plainview Independent School District makes such a finding and waive the job creation requirement for 25 permanent jobs. In line with industry standards for job requirements, Hale Wind Energy Project 3, LLC has committed to create 5 total jobs for the project, all of which will be in Plainview I.S.D.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 - 20 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



Mike Price, President
Hale Wind Energy Project 3, LLC

Attachment 13

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

Year	Quarter	Area	Ownership	Industry	Avg. Weekly Wage
2014	1st	Hale	Private	All	\$638
2014	2nd	Hale	Private	All	\$594
2014	3rd	Hale	Private	All	\$612
2014	4th	Hale	Private	All	\$627
Mean Average					\$617.75

Source Data: Texas Workforce Commission:

Texas Workforce Commission

- LMCI Searchpage
- Data Link
- Wage Information
- The Future
- Career & Economic Dev Resource
- LMCI Publications

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Hale County	Private	00	0	10	Total, All Industries	\$638
2014	2nd Qtr	Hale County	Private	00	0	10	Total, All Industries	\$594
2014	3rd Qtr	Hale County	Private	00	0	10	Total, All Industries	\$612
2014	4th Qtr	Hale County	Private	00	0	10	Total, All Industries	\$677

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

South Plains Association of Governments Average Weekly Wage

Year	Quarter	Area	Ownership	Industry	Avg Weekly Wage
2014	1st	Hale	Private	Manufacturing	\$688
2014	2nd	Hale	Private	Manufacturing	\$644
2014	3rd	Hale	Private	Manufacturing	\$654
2014	4th	Hale	Private	Manufacturing	\$737

Mean Average \$680.75
110%

**110% County Average Weekly Wage for
 Manufacturing Jobs \$748.83**

Source Data: Texas Workforce Commission

Texas Workforce Commission

- LMCI Searchpage
- Data Link
- Wage Information
- The Future
- Career & Economic Dev Resource
- LMCI Publications

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Hale County	Private	31	2	31-33	Manufacturing	\$688
2014	2nd Qtr	Hale County	Private	31	2	31-33	Manufacturing	\$644
2014	3rd Qtr	Hale County	Private	31	2	31-33	Manufacturing	\$654
2014	4th Qtr	Hale County	Private	31	2	31-33	Manufacturing	\$737

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

$$\mathbf{\$38,317.40/52 = \$736.87 \text{ per week}}$$

The annual salary for the **South Plains Association of Governments** as published by the Texas Occupational Employment and Wages in July 2014:

$$\mathbf{\$34,834 \times 1.1 = \$38,317.40}$$

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2015

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

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

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

Data intended for TAC 313 purposes only.

Attachment 14

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

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015-2016	2015	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ -	\$ -	\$ -	\$ -	\$ -	
Complete tax years of qualifying time period	QTP1	2016-2017	2016	\$ 227,500,000.00	\$ -	\$ -	\$ -	\$ 227,500,000.00	
	QTP2	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 227,500,000.00	\$ -	\$ -	\$ -	\$ 227,500,000.00	
				Enter amounts from TOTAL row above in Schedule A2					
Total Qualified Investment (sum of green cells)				\$ 227,500,000.00					

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

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

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

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other 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)	2016	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			2016	227,500,000	0	0	0	227,500,000
Complete tax years of qualifying time period	QTP1	2017-2018	2017	0	0	0	0	0
	QTP2	2018-2019	2018	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				227,500,000	0	0	0	227,500,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				227,500,000				

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

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

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

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

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

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

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

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

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

Applicant Name

Hale Wind Energy Project 3, LLC

Form 50-296A

ISD Name

Plainview ISD

Revised Feb 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	2016-2017	2016	\$ -	\$ -				
Value Limitation Period	1	2017-2018	2017	\$ -	\$ -	\$ 210,700,000.00	\$ 210,700,000.00	\$ 210,700,000.00	\$ 30,000,000.00
	2	2018-2019	2018	\$ -	\$ -	\$ 202,272,000.00	\$ 202,272,000.00	\$ 202,272,000.00	\$ 30,000,000.00
	3	2019-2020	2019	\$ -	\$ -	\$ 193,844,000.00	\$ 193,844,000.00	\$ 193,844,000.00	\$ 30,000,000.00
	4	2020-2021	2020	\$ -	\$ -	\$ 185,416,000.00	\$ 185,416,000.00	\$ 185,416,000.00	\$ 30,000,000.00
	5	2021-2022	2021	\$ -	\$ -	\$ 176,988,000.00	\$ 176,988,000.00	\$ 176,988,000.00	\$ 30,000,000.00
	6	2022-2023	2022	\$ -	\$ -	\$ 168,560,000.00	\$ 168,560,000.00	\$ 168,560,000.00	\$ 30,000,000.00
	7	2023-2024	2023	\$ -	\$ -	\$ 160,132,000.00	\$ 160,132,000.00	\$ 160,132,000.00	\$ 30,000,000.00
	8	2024-2025	2024	\$ -	\$ -	\$ 151,704,000.00	\$ 151,704,000.00	\$ 151,704,000.00	\$ 30,000,000.00
	9	2025-2026	2025	\$ -	\$ -	\$ 143,276,000.00	\$ 143,276,000.00	\$ 143,276,000.00	\$ 30,000,000.00
	10	2026-2027	2026	\$ -	\$ -	\$ 134,848,000.00	\$ 134,848,000.00	\$ 134,848,000.00	\$ 30,000,000.00
Continue to maintain viable presence	11	2027-2028	2027	\$ -	\$ -	\$ 126,420,000.00	\$ 126,420,000.00	\$ 126,420,000.00	\$ 126,420,000.00
	12	2028-2029	2028	\$ -	\$ -	\$ 117,992,000.00	\$ 117,992,000.00	\$ 117,992,000.00	\$ 117,992,000.00
	13	2029-2030	2029	\$ -	\$ -	\$ 109,564,000.00	\$ 109,564,000.00	\$ 109,564,000.00	\$ 109,564,000.00
	14	2030-2031	2030	\$ -	\$ -	\$ 101,136,000.00	\$ 101,136,000.00	\$ 101,136,000.00	\$ 101,136,000.00
	15	2031-2032	2031	\$ -	\$ -	\$ 92,708,000.00	\$ 92,708,000.00	\$ 92,708,000.00	\$ 92,708,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	\$ -	\$ -	\$ 84,280,000.00	\$ 84,280,000.00	\$ 84,280,000.00	\$ 84,280,000.00
	17	2033-2034	2033	\$ -	\$ -	\$ 75,852,000.00	\$ 75,852,000.00	\$ 75,852,000.00	\$ 75,852,000.00
	18	2034-2035	2034	\$ -	\$ -	\$ 67,424,000.00	\$ 67,424,000.00	\$ 67,424,000.00	\$ 67,424,000.00
	19	2035-2036	2035	\$ -	\$ -	\$ 58,996,000.00	\$ 58,996,000.00	\$ 58,996,000.00	\$ 58,996,000.00
	20	2036-2037	2036	\$ -	\$ -	\$ 50,568,000.00	\$ 50,568,000.00	\$ 50,568,000.00	\$ 50,568,000.00
	21	2037-2038	2037	\$ -	\$ -	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00
	22	2038-2039	2038	\$ -	\$ -	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00
	23	2039-2040	2039	\$ -	\$ -	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00
	24	2040-2041	2040	\$ -	\$ -	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00
	25	2041-2042	2041	\$ -	\$ -	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00	\$ 42,140,000.00

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.

Amendment No. 001

Schedule C: Employment Information

Applicant Name Hale Wind Energy Wind Project 3, LLC
ISD Name Plainview ISD

Form 50-296A

Revised Feb 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	0	\$ -	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	175 FTE	\$ 50,000.00	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017			0	5	\$ 38,500.00
	2	2018-2019	2018			0	5	\$ 38,500.00
	3	2019-2020	2019			0	5	\$ 38,500.00
	4	2020-2021	2020			0	5	\$ 38,500.00
	5	2021-2022	2021			0	5	\$ 38,500.00
	6	2022-2023	2022			0	5	\$ 38,500.00
	7	2023-2024	2023			0	5	\$ 38,500.00
	8	2024-2025	2024			0	5	\$ 38,500.00
	9	2025-2026	2025			0	5	\$ 38,500.00
10	2026-2027	2026			0	5	\$ 38,500.00	
Years Following Value Limitation Period	11 through 26	2027-2043	2027-2042			0	5	\$ 38,500.00

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) Yes No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 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)

Applicant Name Hale Wind Energy Wind Project 3, LLC
ISD Name Plainview ISD

Form 50-296A
 Revised Feb 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:					
	City:					
	Other:					
Tax Code Chapter 312	County: Hale County (Currently Negotiating)	2017	2026	\$ 850,221.00	100% for 10 yrs with \$1000/mw Payment-in-lieu Yrs 1-5;\$1250/mw Payment-in-lieu Yrs 6-10	\$ -
	City:	N/A	N/A	N/A		N/A
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 850,221.00	100% for 10 yrs with \$1000/mw Payment-in-lieu Yrs 1-5;\$1250/mw Payment-in-lieu Yrs 6-10	\$ -

Additional information on incentives for this project:

Attachment 15

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

Pending, not attached.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

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

“*” To be submitted before date of final application approval by school board

Attachment 16a

a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Not Applicable.

Attachment 16b

b) Legal description of reinvestment zone

Plainview ISD Reinvestment Zone

Block	Section	Survey	Notes
A1	24	EL&RR RR CO	
A1	9	EL&RR RR CO	
A1	8	EL&RR RR CO	
A4	8	EL&RR RR CO	
A4	9	EL&RR RR CO	E/2
A4	24	EL&RR RR CO	E/2
A4	25	EL&RR RR CO	E/2
R	19	EL&RR RR CO	
R	22	EL&RR RR CO	
R	23	EL&RR RR CO	
R	26	EL&RR RR CO	
R	25	EL&RR RR CO	
R	24	EL&RR RR CO	
R	21	EL&RR RR CO	
R	20	EL&RR RR CO	
R	5	HE&WT RR CO	
R	28	EL&RR RR CO	
R	27	EL&RR RR CO	
R	6	HE&WT RR CO	
R	30	B&C	
R	61	EL&RR RR CO	
R	29	B&C	
R	59	EL&RR RR CO	
R	62	EL&RR RR CO	
D7	21	EL&RR RR CO	
D7	20	EL&RR RR CO	
D7	11	TT RR CO	
D7	12	TT RR CO	
D7	19	EL&RR RR CO	
D7	22	EL&RR RR CO	
D7	29	D&P RR CO	
D7	28	D&P RR CO	
D7	23	D&P RR CO	
D7	18	D&P RR CO	
D7	13	D&SE RR CO	
D7	14	D&SE RR CO	
D7	17	D&P RR CO	
D7	24	D&P RR CO	
D7	27	D&P RR CO	
D7	30	D&P RR CO	

D7	26	D&P RR CO	
D7	28	D&P RR CO	
D7	25	D&P RR CO	
D7	16	D&P RR CO	
D7	15	D&P RR CO	
D7	33	D&P RR CO	
D7	34	D&P RR CO	
D7	35	D&P RR CO	
D7	36	D&P RR CO	
NK	1	DODSON, WR	
NK	2	BELL, JA	
NK	5	BRACKEN, WM	N/2
NK	6	WILLIAMS, JK	
NK	7	DODSON, WR	
N	25	C&M RR CO	

Attachment 16c

c) Order, resolution or ordinance establishing the reinvestment zone*

To be submitted before date of final application approval by school board



ORDER NO. R0824-15B

IN THE HALE COUNTY COMMISSIONERS COURT §

WHEREAS, Notice of a Proposed Designation of a Reinvestment Zone was published in accordance with the Texas Tax Code, and notice was provided to other involved taxing entities as required by the Texas Tax Code;

AND WHEREAS, Hale County, Texas, desires to create a Reinvestment Zone in Hale County;

AND WHEREAS, the proposed Reinvestment Zone meets the eligibility criteria set forth in the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones adopted by the Hale County Commissioners Court on October 23, 2006, and re-authorized on December 22, 2008, February 14, 2011, April 8, 2013, and October 13, 2014;

AND WHEREAS, the Court finds that: (1) most of the proposed Reinvestment Zone lies outside the taxing jurisdiction of any incorporated city or town; and (2) the proposed Reinvestment Zone will contribute to the retention or expansion of employment, will attract major investment, and will promote economic development in Hale County;

IT IS THEREFORE ORDERED that Hale County hereby designates the property located in Hale County and having the legal description attached to this Order as Exhibit A, which is fully incorporated herein by reference, as **Hale County Reinvestment Zone No. 9** under the Texas Tax Code and the Hale County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones.

IT IS FURTHER ORDERED that Hale County declares that all Eligible Property, as that term is defined in the Hale County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones, is hereby eligible to receive tax abatement pursuant to the rules and regulations set forth in the Hale County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones.

This Order shall expire five years from the date below, and the Reinvestment Zone may be redesignated for subsequent five-year periods.

This Order was passed and approved following the public hearing on the creation of the Reinvestment Zone held by the Hale County Commissioners Court, at which a quorum of the Court was present, and notice of which was posted according to all legal requirements, on the 24th day of August, 2015.

HALE COUNTY, TEXAS

By: Bill A. Coleman
BILL A. COLEMAN
Hale County Judge

ATTEST:

LATRICE KEMP, HALE COUNTY CLERK

By: Latrice Kemp



CERTIFICATION: 9-18-15
TRUE AND CORRECT COPY OF
ORIGINAL ON FILE IN Aspahn
HALE COUNTY CLERK'S OFFICE
LATRICE KEMP
PAGE 1 OF 4

H

EXHIBIT A

LEGAL DESCRIPTION OF HALE COUNTY REINVESTMENT ZONE NO. 9 HALE COUNTY, TEXAS

All of Sections 19, 20, 21, and 22, Block D-7, EL & RR RR CO. Survey, Hale County, Texas

All of Sections 11 and 12, Block D-7, TT RR CO. Survey, Hale County, Texas

All of Sections 13 and 14, Block D-7, D&SE RR CO. Survey, Hale County, Texas

All of Sections 15, 16, 17, 18, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, and 36, Block D-7, D & P RR CO. Survey, Hale County, Texas

All of Sections 31, 33, 34, 35, 36, 37, and 38, Block D-6, EL & RR RR CO. Survey, Hale County, Texas

All of Sections 1, 2, 3, and 4, Block D-6, GC&SF RR CO. Survey, Hale County, Texas

All of Sections 16, 68, and 69, Block D-2, TT RR CO. Survey, Hale County, Texas

All of Sections 19, 20, 21, 22, 23, and 24, Block D-5, D&P RR CO. Survey, Hale County, Texas

All of Sections 7, 8, 17, 18, 19, and 20, Block N, B&B Survey, Hale County, Texas

All of sections 25, 27, and 28, Block N, C&M RR CO. Survey, Hale County, Texas

All of Sections 5 and 6, Block N, H&OB RR CO. Survey, Hale County, Texas

All of Section 30, Block N, WILSON, LG Survey, Hale County, Texas

All of Section 26 Block N, BELL, JA Survey, Hale County, Texas

All of Section 1, Block NK, DODSON, WR Survey, Hale County, Texas

All of Section 2, Block NK, BELL, JA Survey, Hale County, Texas

All of Section 5, Block NK, BRACKEN, WM Survey, Hale County, Texas

All of Section 6, Block NK, WILLIAMS, JK Survey, Hale County, Texas

All of Section 7, Block NK, DODSON, WR Survey, Hale County, Texas

All of Sections 8, 9, and 24, Block A-1, EL & RR RR CO. Survey, Hale County, Texas

All of Section 8, Block A-4, EL & RR RR Co. Survey, Hale County, Texas

All of Sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 59, 61, and 62, Block R, EL & RR RR CO. Survey, Hale County, Texas

All of Sections 5 and 6, Block R, HE & WT RR CO. Survey, Hale County, Texas

All of Sections 29 and 30, Block R, B&C Survey, Hale County, Texas

The West Half (W 1/2) of Section 39, Block D-6, EL & RR RR CO. Survey, Hale County, Texas

The West Half (W 1/2) of Section 40, Block D-6, EL & RR RR CO. Survey, Hale County, Texas



The West Half (W 1/2) of Section 67, Block D-5, TT RR CO. Survey, Hale County, Texas
 The West Half (W 1/2) of Section 18, Block D-5, CLUBB, W Survey, Hale County, Texas
 The West Half (W 1/2) of Section 18, Block D-5, COX, B Survey, Hale County, Texas
 The West Half (W 1/2) of Section 17, Block D-5, D&P RR CO. Survey, Hale County, Texas
 The West Two Thirds (W 2/3) of Section 21, Block N, BS&F Survey, Hale County, Texas
 The West Two Thirds (W 2/3) of Section 16, Block N, TWNG RR CO. Survey, Hale County, Texas
 The West Two Thirds (W 2/3) of Section 9, Block N, AB&M Survey, Hale County, Texas
 The West Two Thirds (W 2/3) of Section 5, Block N, TWNG RR CO. Survey, Hale County, Texas
 The West Two Thirds (W 2/3) of Section 4, Block N, TWNG RR CO. Survey, Hale County, Texas
 The East Half (E 1/2) of Section 9, Block A-4, EL & RR RR CO. Survey, Hale County, Texas
 The East Half (E 1/2) of Section 24, Block A-4, EL & RR RR CO. Survey, Hale County, Texas
 The East Half (E 1/2) of Section 25, Block A-4, EL & RR RR CO. Survey, Hale County, Texas
 BAKER, WF Survey, Hale County, Texas
 PORTWOOD, WH Survey, Hale County, Texas
 DODSON, WR Survey, Hale County, Texas
 LOWE, WA Survey, Hale County, Texas
 HOOD, WC Survey, Hale County, Texas
 HOOD, PS Survey, Hale County, Texas
 HINSHEW, SA Survey, Hale County, Texas
 BALLARD, DE Survey, Hale County, Texas
 The West and South Part (W and S Part) of CALLAHAN CSL Survey, Hale County, Texas

CERTIFIED FILED AND RECORDED
 OFFICIAL PUBLIC RECORDS



Latrice Kemp

Latrice Kemp County Clerk
 Hale County, Texas
 08/24/2015 03:28 PM
 Fee: \$0.00
 2015-002868 ORDER

Order Designating Hale County Reinvestment Zone No. 9



CERTIFICATION: 9-18-15
 TRUE AND CORRECT COPY OF Page 3 of 3
 ORIGINAL ON FILE IN *dspann*
 HALE COUNTY CLERK'S OFFICE
 LATRICE KEMP
 PAGE 3 OF 4

CERTIFICATION OF RECORDS
HALE COUNTY
PLAINVIEW, TEXAS

**IN THE COUNTY COURT
OF
HALE COUNTY, TEXAS**

I, **LATRICE KEMP**, COUNTY CLERK, IN AND FOR SAID COUNTY AND STATE,
HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT
COPY OF:

ORDER

DOCUMENT #: VOL. 2015-002868

GRANTOR: HALE COUNTY, TEXAS

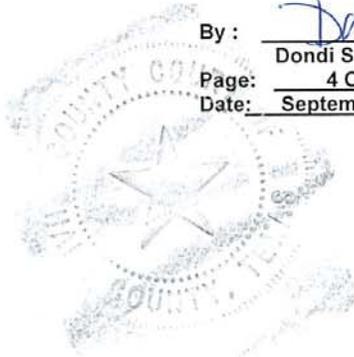
GRANTEE: PUBLIC

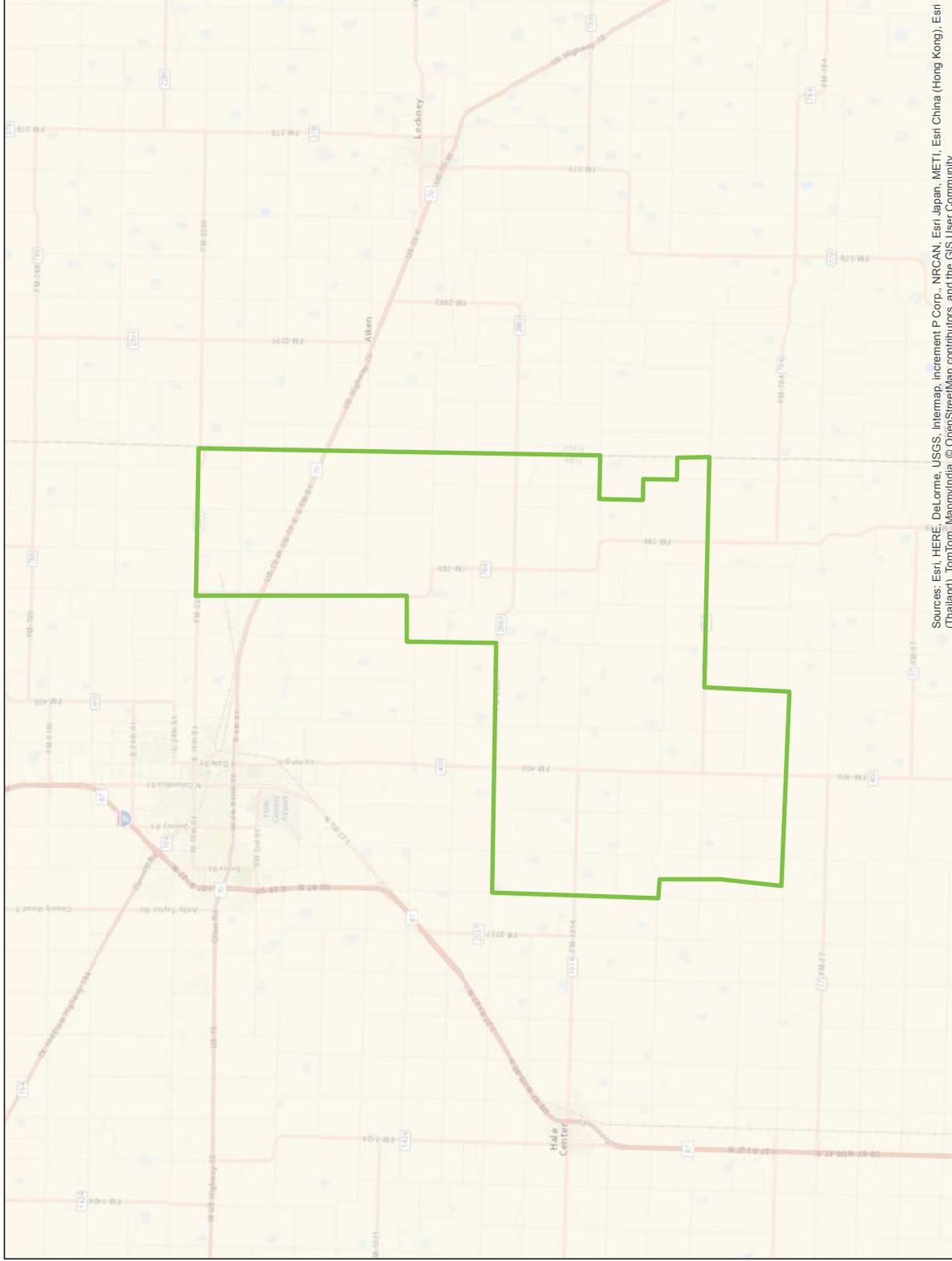
WITNESS MY HAND AND OFFICIAL SEAL AT OFFICE IN PLAINVIEW, TEXAS, THIS
THE 18TH DAY of September A.D. 2015.

This is to certify that this is true and correct reproduction of the original record as recorded in the
office of the County Clerk Hale County, Texas.

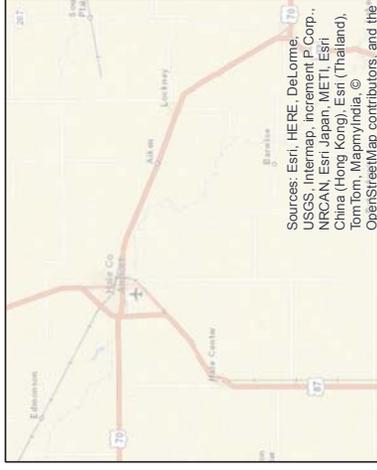
LATRICE KEMP, COUNTY CLERK
HALE COUNTY, TEXAS

By: *Dondi Spann*
Dondi Spann (Deputy Clerk)
Page: 4 OF 4
Date: September 18, 2015





Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, MapmyIndia, © OpenStreetMap contributors, and the

Hale Wind Energy Project

CONFIDENTIAL



Project Area



Hale Wind Energy Project	
Drawn By:	LA
Checked by:	LA
Sheet No.	1
Reference Scale: 1:0	Date: 11/2/2015

Reinvestment Zone 9 Area

CONFIDENTIAL



GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN REINVESTMENT ZONES

-HALE COUNTY, TEXAS-

Adopted by the Hale County Commissioners Court on October 23, 2006
Re-authorized December 22, 2008; February 14, 2011; April 8, 2013; and
October 13, 2014

For additional copies, please contact the Hale County Attorney's Office

(806) 291-5306; jtirey@halecounty.org



CERTIFICATION: 11-25-14
TRUE AND CORRECT COPY OF
ORIGINAL ON FILE IN
HALE COUNTY CLERK'S OFFICE
LATRICE KEMP
PAGE 11 OF 44

Attachment 16d

d) Guidelines and criteria for creating the zone*

To be submitted before date of final application approval by school board

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN REINVESTMENT ZONES

--HALE COUNTY, TEXAS--

I. PURPOSE

The County of Hale, Texas, hereinafter referred to as "the County," is committed to the promotion of quality development in all parts of the County and to the improvement of the quality of life for the citizens of the County. In order to help meet these goals, the Plainview/Hale County Industrial Foundation, dba the Plainview/Hale County Economic Development Corporation, may consider recommending tax phase-in, which includes the designations of reinvestment zones, application for tax abatements, and execution of tax abatement agreements, to stimulate growth and development. It is the intent of the County that such incentives will be provided in accordance with the procedures and criteria outlined in this document.

NOTHING IN THESE GUIDELINES AND CRITERIA, HOWEVER, SHALL IMPLY, SUGGEST, OR BE CONSTRUED TO IMPLY OR SUGGEST, THAT THE COUNTY IS UNDER ANY OBLIGATION TO PROVIDE ANY INCENTIVES TO ANY APPLICANT. ALL SUCH APPLICANTS FOR TAX PHASE-IN INCENTIVES SHALL BE CONSIDERED ON AN INDIVIDUAL BASIS FOR BOTH THE QUALIFICATION FOR ABATEMENT AND THE AMOUNT OF THE ABATEMENT, IF ANY.

II. DEFINITIONS

"Abatement" means the full or partial exemption from ad valorem taxes of eligible property in a reinvestment zone designated by the County for economic development purposes.

"Affected taxing entity" means any municipality, school district, or other political subdivision having taxing powers, the majority of which is located in the County and which levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by the County.

"Agreement" means a contract between a property owner and/or lessee and the County for the purpose of abatement.

"Aquaculture/agriculture facility" means buildings, structures, and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the production of food and/or fiber products in commercially marketable quantities.

"Authorized facility" means an aquaculture/agriculture facility; distribution center facility,



manufacturing facility, office building, regional entertainment/tourism facility, research facility, regional service facility, wind energy facility, or other basic industry.

“Base year value” means the assessed value of eligible property on January 1 preceding the execution of the Agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for tax abatement.

“Deferred maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process technology.

“Distribution center facility” means buildings and structures, including fixed machinery and equipment, used primarily to receive, store, service, or distribute goods or materials owned by the facility, from which a majority of revenues generated by activity at the facility are derived outside of Hale County.

“Eligible property” means new, expanded, or modernized buildings and structures, fixed machinery, and equipment, site improvements, office space and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

“Expansion” means the addition of buildings, structures, machinery, or equipment for purposes of increasing production capacity.

“Facility” means property improvements completed or in the process of construction which together comprise an integral whole.

“Ineligible property” means any of the following types of property: land, animals, inventories, supplies, tools, furnishings and other forms of movable personal property, vehicles, vessels, aircraft, housing or residential property, hotels or motels, fauna, flora, retail facilities (unless housed in a historic structure in a designated area), deferred maintenance investments, property to be leased or rented (Except as provided in part IV(F), any improvements (including those to produce, store, or distribute natural gas or fluids) that are not integral to the operation of the facility, and 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.

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

“Modernization” means the upgrading and/or replacements of existing facilities which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation. Modernization includes the construction, alteration, or installation of buildings, structures, fixed machinery or equipment, if made for a purpose other than reconditioning, refurbishing, or repairing.

Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones



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“New facility” means improvements to previously undeveloped real estate.

“New job(s)” means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees working an average of not less than 40 hours per week may be considered as one full-time permanent employee.

“Office building” means a new office building.

“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 the County and results in the creation of new permanent jobs and new wealth in the County.

“Regional entertainment/tourism facility” means buildings, and structures, including fixed machinery and equipment, used or to be used to provide entertainment or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside the County.

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

“Regional service facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide services from which a majority of revenues generated by activity at the facility are derived from outside the County.

“Wind energy facility” means buildings and structures, including, but not limited to wind energy generating turbines, electric transmission lines, electric power substations, electrical gathering equipment, communications systems, roads, and fixed machinery and equipment, used or to be used to generate and to provide electric energy.

II. ELIGIBILITY

A. In order to be eligible for designation as a reinvestment zone and to receive a tax abatement, a facility must meet the following minimum guidelines:

1. be an authorized facility; and
2. add at least \$150,000.00 to the tax roll of eligible property or add 5 or more new jobs.

B. In evaluating a request for designation as a reinvestment zone and to receive a tax abatement, the following factors will be considered:

1. *The number of jobs projected to be created by the facility, including the retention of*

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existing jobs. The type of jobs, the average salary or wages paid for those jobs, and the total payroll and number of local persons hired will be considered.

2. *The fiscal impact of the facility.* This evaluation will take into consideration the amount of eligible and ineligible property added to the tax roll; the amount of direct sales tax that is expected to be generated; the infrastructure improvements that the facility will require to be made by the County; the infrastructure improvements made by the facility, and the compatibility of the project with the County's master plan for development, if one exists.

3. *The impact of the facility on the community.* Relevant factors considered will include the amount of pollution and any other negative environmental impacts created by the project; whether the project will help to revitalize a depressed area; the opportunities created for local vendors by the project; alternative development possibilities at the proposed site; the impact on other taxing entities; and whether, and the extent to which, the project will simply transfer employment from one part of the County to another.

4. *The expected life of the facility.* The facility should have an expected useful life of at least five, and preferably fifteen, years.

C. An area designated as a reinvestment zone by the County must lie outside the taxing jurisdiction of any incorporated city or town.

D. A reinvestment zone may be created if it will contribute to the retention or expansion of employment attract major investment, or promote economic development in the County.

IV. ABATEMENT AUTHORIZED

A. *Authorized Date.* An authorized facility shall be eligible for abatement if an application for such is made prior to the commencement of construction; provided, however, that such facility meets the criteria for granting abatement in a reinvestment zone created in the County pursuant to these Guidelines and Criteria.

B. *Creation of New Value.* Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for abatement and specified in an agreement, subject to such limitations as these Guidelines and Criteria may require.

C. *New and Existing Facilities.* Abatement may be granted for new facilities and improvements added to or made to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

D. *Property covered.* Abatement may only be had as to eligible property; ineligible property may not receive an abatement.

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E. *Leased Facilities.* An agreement may be executed with the lessee of taxable real property located in a reinvestment zone created under these Guidelines to abate taxes on all or a portion of the value of eligible property, including tangible personal property as allowed by Chapter 312 of the Texas Tax Code, in an authorized facility owned by the lessee and located on the real property that is subject to the lease.

F. *Value and Term of Abatement.* An abatement shall take effect on January 1 following the date of the date of execution of the agreement. The value of new eligible properties shall be abated according to the approved agreement between applicant and the governing body. The governing body, in its sole discretion, shall determine the amount of any abatement. The table contained Appendix A hereto, incorporated by reference herein, shall be the maximum abatement available. The actual amount of abatement granted is in the sole discretion of the Hale County Commissioners Court, but it shall not exceed the maximum percentage provided in Appendix A.

An 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.

G. *Construction in Progress.* If an authorized facility has not been placed in service as of January 1 following the execution of an agreement, the taxpayer may apply for a one-year extension of the term of abatement. Said extension must be applied for prior to the end of the calendar year in which the agreement was executed.

H. *Taxability.* From the execution of an agreement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property shall be fully taxable.
2. The base year value of existing eligible property as determined each year shall be fully taxable.
3. The value of new eligible property shall be taxable in an amount set forth in the agreement and determined by the method provided in Part IV(G), above.

I. *Compliance with other Laws.* An owner of a facility on which an abatement is granted must comply with all applicable local, state, and federal laws, rules, and regulations regarding operation of the facility. Failure to do so will constitute an act of default under an agreement.

V. APPLICATION FOR TAX ABATEMENT

A. Any present or potential owner or lessee of eligible property or an authorized facility in Hale County may request the creation of a reinvestment zone and tax abatement by filing written request either with the Plainview-Hale County Industrial Foundation or with the County. If the application is received by the Plainview-Hale County Industrial Foundation, the Industrial

Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones



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E. A request for a reinvestment zone for the purpose of abatement shall not be granted if the County 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 new facility.

F. An applicant may request a variance from the provisions outlined in Part V(A)-(E) by submitting a written request to the Hale County Judge's office. The request for variance must include a complete description of the circumstances explaining why the variance should be granted and must also request the specific type of variance sought. A variance may be approved only upon a three-fourths majority vote of the Hale County Commissioners Court.

G. The County shall maintain as confidential any proprietary information acquired during the application process. However, the applicant of the facility must identify in writing all proprietary information provided to the County and must mark each page of such information as being proprietary and confidential information. Confidential information left in the possession of the County following approval of an application is not protected by confidentiality or disclosure upon a proper request.

VI. PUBLIC HEARING

A. Upon receipt of a completed application, the County shall notify in writing the presiding officer of the governing body of any other affected taxing entity. Before acting upon the application, the County shall, through public hearings, afford the applicant and the designated representative of any affected taxing entity the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the Hale County Commissioners Court to be posted at least seven days prior to the hearing.

B. Should any affected taxing entity be able to show cause in the public hearing why the granting of an abatement would have a substantial adverse effect on its bonds, tax revenue, or ability to provide services, such a showing shall be reason for the County to deny the granting of a tax abatement.

VII. AGREEMENT

A. Upon approval of an abatement application, the Hale County Commissioners Court shall pass a resolution and authorize the execution of an agreement with the owner and/or lessee of the facility. The agreement shall include:

- (1) the estimated value of property on which taxes will be abated and the base year value of that property;
- (2) the percentage of the value of the property upon which taxes will be abated each year

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Foundation shall forward the application to the County within five days of its receipt.

B. The application shall consist of a completed application form (see Appendix B hereto) accompanied by:

1. a general description of the proposed use and the general nature and extent of the modernization, expansion, or new facility to be undertaken;
2. a descriptive list of the improvements which will be a part of the facility;
3. a map and property description, or a site plan;
4. a schedule for undertaking and completing the modernization, expansion, or new facility; and
5. a statement of: (1) the assessed value of any existing facility, stated for real and personal property for the tax year immediately preceding the application; and (2) the value of the proposed modernization, expansion, or new facility.

The County may require any other information (*e.g.*, financial records for the owner or lessee of the facility) as it deems appropriate for evaluating the financial capacity of the applicant and other factors deemed relevant to determining whether a reinvestment zone will be created and a tax abatement granted.

C. Neither a reinvestment zone nor an abatement agreement shall be authorized if it is determined that:

1. the reinvestment zone or abatement agreement would have a substantial adverse effect on the provision of a government service by, or upon the tax base of, an affected taxing entity;
2. the applicant has insufficient financial capacity;
3. a planned or potential use of the property would constitute a hazard to public safety, health, or morals; or
4. a planned or potential use of the property would violate any applicable statute, regulation, or rule.

D. The County shall approve or reject an application for tax abatement within forty-five days following the receipt of the application. The County Judge or his designated representative shall notify the Applicant in writing of the County's action on the application as soon as practical, but no longer than seven days following that action.

Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones



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to the County or any other taxing entity in Hale County to become delinquent and fails timely and properly to follow the procedures for protesting or contesting those taxes; or (2) violates any terms and conditions of the abatement agreement and fails to cure the same during the cure period; the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and payable within sixty days of the date of termination.

IX. ADMINISTRATION

A. The Chief Appraiser of the Hale County Appraisal District ("the Appraisal District") shall annually determine the value of the real and personal property contained within a reinvestment zone. Any party receiving benefits under an abatement agreement shall furnish the Appraisal District with all information necessary for a determination of the value. The party shall also provide all information to the Appraisal District required under the abatement agreement or these Guidelines and Criteria for a determination of the amount of the abatement (e.g., the number of new or retained employees associated with the facility, amount of investment in a modernization, expansion, or new facility). The Appraisal District shall notify the County of the appraised value.

B. The County and its officers, employees, and agents shall have access to the facility to inspect the facility granted an abatement for compliance with the agreement. The County shall give a party to an agreement 24 hours' notice prior to conducting any compliance inspection and shall conduct any inspection in a way that will not unreasonably interfere with the construction or operation of the facility. One or more representatives of the party to the agreement shall be entitled to be present during any inspection. Inspections will be conducted pursuant to any safety rules or regulations of the facility.

C. The County shall evaluate annually any facility covered by an agreement and shall report any possible violations of the agreement to any other affected taxing entity.

D. The County shall maintain as confidential any proprietary information acquired for purposes of monitoring compliance with an agreement. However, the owner or lessee of the facility must identify in writing all proprietary information provided to the County and must mark each page of such information as being proprietary and confidential information.

X. ASSIGNMENT

A. An agreement may be assigned by a party to the agreement to a new owner or lessee of the facility covered by the agreement; provided, however, that the Hale County Commissioners Court must pass a resolution approving the assignment, and the new owner or lessee of the facility must meet all of the requirements under the agreement and the Guidelines and Criteria.

B. Once an assignment is made, the assignee must sign an original agreement with the County.

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as provided by Part IV(G) of these Guidelines and Criteria;

- (3) the commencement and termination dates of the abatement;
- (4) the proposed use of the facility, nature of construction or improvements, time schedule for undertaking and completing the planned construction or improvements, a map of the facility property, a property description, and list of improvements as provided in Part V(B) of these Guidelines and Criteria;
- (5) provisions relating to events of default, violation of the terms or conditions of the abatement, recapture of delinquent taxes, administration of the abatement, assignment of the contract, and any other terms as required herein or by state law; and
- (6) the amount of investment and/or average number of jobs involved for the period of abatement.

Any abatement agreement executed shall meet all requirements set forth by Chapter 312 of the Texas Tax Code.

B. The abatement agreement shall be executed within thirty (30) days after the later of the date the applicant has forwarded all necessary information to the County or the date of the approval of the application.

C. The County has full discretion regarding the approval of an application and the granting of an abatement and shall not be bound by the decision of any other taxing entity.

VIII. RECAPTURE

A. In the event that the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason except fire, explosion, or other casualty or accident or natural disaster for a period of more than one year during the term of the abatement agreement, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty days of the date of termination.

B. If the County determines that a party to an abatement agreement is in default under the terms and conditions of the agreement, the County shall notify the party in writing at the address stated in the agreement that the default must be cured within sixty days from the date of the notice ("cure period"), after which the agreement will be terminated.

C. An abatement agreement shall be in default if a party to the agreement is delinquent in paying any undisputed taxes to any taxing entity in Hale County.

D. In the event that a party to an abatement agreement: (1) allows its ad valorem taxes owed

Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones



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APPENDIX A: SCHEDULE OF TAX ABATEMENT

<i>Category A</i> AMOUNT OF VALUATION OF ELIGIBLE PROPERTY AS DETERMINED BY THE HALE COUNTY APPRAISAL DISTRICT		<i>Category B</i> AVERAGE NUMBER OF NEW EMPLOYEES DURING THE TWELVE CALENDAR MONTHS PRIOR TO THE TAX ASSESSMENT DATE OF JANUARY 1		MAXIMUM PERCENTAGE OF TAXES ABATED EACH YEAR DURING A 10-YEAR AGREEMENT									
From	To	From	To	1	2	3	4	5	6	7	8	9	10
\$ 150,000.00	\$ 1,000,000.00	5	25	100	75	50	25	0	0	0	0	0	0
\$ 1,000,001.00	\$ 2,500,000.00	26	45	100	100	75	50	25	0	0	0	0	0
\$ 2,500,001.00	\$ 4,000,000.00	46	60	100	100	100	75	50	25	0	0	0	0
\$ 4,000,001.00	\$ 5,000,000.00	61	75	100	100	100	100	75	50	25	0	0	0
\$ 5,000,001.00	\$10,000,000.00	76	85	100	100	100	100	100	75	50	25	0	0
\$10,000,001.00	Above	86	Above	100	100	100	100	100	100	100	100	100	100

Note: The actual amount of abatement allowed in any agreement shall be in the sole discretion of the Hale County Commissioners Court and shall be subject to negotiations by the parties to the agreement.

During the first year following the completion of new construction or construction of improvements, and for each subsequent year during the term of an abatement agreement executed pursuant to the Guidelines and Criteria, the percentage of taxes abated shall be based on: (1) the valuation of eligible property (Category A); or (2) the average number of additional employees (Category B). The determination of which category to use in determining the percentage of taxes abated shall be according to which category provides the greater percentage of abatement.



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- C. A new agreement signed under this Part shall not exceed the term of the original abatement or agreement.
- D. No assignment may be made if the new owner or lessee owes any delinquent taxes or other obligations to the County or other affected taxing entity.
- E. The County may not unreasonably withhold approval of an assignment under this Part.

XI. SUNSET PROVISION

- A. These Guidelines and Criteria are effective upon the date of the adoption and will remain in force for two (2) years, at which time all reinvestment zones and agreements created hereunder shall be reviewed by the County to determine whether the goals set forth hereinabove have been achieved. Following that review, the County may renew, modify, or rescind these Guidelines and Criteria. No action taken by the County under this Part shall affect any existing agreement.
- B. These Guidelines and Criteria do not affect any agreements or other economic development actions made by the County prior to the adoption of these Guidelines and Criteria.
- C. The County may modify these Guidelines and Criteria at any time prior to the review conducted under this Part upon a two-thirds majority vote of the Hale County Commissioners Court.

XII. SEVERABILITY AND LIMITATIONS

- A. In the event that any Part, section, clause, sentence, paragraph, or any other portion of these Guidelines and Criteria shall for any reason be adjudged by any court of competent jurisdiction to be invalid, or shall be rendered invalid by legislative action, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- B. Property in a reinvestment zone that is owned or leased by any member of the Hale County Commissioners Court, or any member of any planning board or commission of the County, may not receive the benefit of an abatement agreement.
- C. Any requirements placed upon tax abatements or reinvestment zones by the applicable laws of the State of Texas that are omitted from these Guidelines and Criteria are deemed incorporated into these Guidelines and Criteria and shall control in the event that they conflict with the Guidelines and Criteria.



The undersigned hereby certifies that he or she is authorized to make this Application and that the information contained in, and submitted with, this Application is true and correct, and the County may rely upon said information in determining whether to approve this Application.

Name
Title: _____

Date

OFFICE USE:

Date Received: _____

Received By: _____

ACTION (Circle One):

Approved

Rejected

Date: _____

Signed: _____

Hale County Commissioners Court



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APPENDIX B:

APPLICATION FOR TAX ABATEMENT

--Hale County, Texas--

Please type or print legibly

Date: _____

Name of Owner/Lessee of Property for which abatement is sought* ("the Applicant"):

Address: _____

Phone: _____

Facsimile: _____

Contact Person: _____ Title: _____

Please attach the following information to this Application, labeled as indicated below**:

Exhibit A: A general description of the proposed use and the general nature and extent of the modernization, expansion, or new facility to be undertaken. Include a description of any existing facility, if applicable.

Exhibit B: A descriptive list of the improvements which will be part of the facility.

Exhibit C: A map and legal property description of the facility.

Exhibit D: A schedule for undertaking and completing the modernization, expansion, or new facility.

Exhibit E: Documents showing the amount being invested in the modernization, expansion, or new facility and the number of new jobs and the number of jobs being retained as a result of the modernization, expansion, or new facility.

Exhibit F: A statement regarding the reason why a tax abatement for the modernization, expansion, or new facility will promote economic development in the County.

Exhibit G: Copies of any permits or licenses required for the construction or operation of the modernization, expansion, or new facility.

Exhibit H: A balance sheet and profit/loss statements for the past three years for the Applicant. (If the Applicant is new, please provide substantiated estimates of this information).

Exhibit I: A statement of: (1) the assessed value of any existing facility, stated for real and personal property for the tax year immediately preceding the Application; and (2) the value of the proposed modernization, expansion, or new facility.

Hale County may request additional information in considering this Application. The Applicant agrees to provide any requested information as soon as possible following the request.

* Please list the legal name of the person or entity for which this Application is made. If the business is run as the entity "doing business as" another name, please indicate that as well.

** If any information required to be submitted with this Application is proprietary information, please indicate such in writing and mark each page of that information as proprietary and confidential. *Proprietary information left in the possession of Hale County following action on this Application is not confidential and will not be protected from disclosure.*



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Attachment 17

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

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 Rockwall Kirk
Print Name (Authorized School District Representative)

Superintendent, Plainview ISD
Title

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

July 28, 2015
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 Mike Price
Print Name (Authorized Company Representative (Applicant))

President, Hale Wind Energy Project 3, LLC
Title

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

July 28, 2015
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

28 day of July, 2015

[Signature]
Notary Public in and for the State of Texas

My Commission expires: 1/12/2016

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.

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 Rockwell Kirk Superintendent, Plainview ISD
Print Name (Authorized School District Representative)
Title
sign here [Signature] August 31, 2015
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 Mike Price President, Hale Wind Energy Project 3, LLC
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] August 31, 2015
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the 31st day of August, 2015.
Gracie Padilla
Notary Public In and for the State of Texas
My Commission expires: 5-6-2018

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: 05/22/2016 02:47:01 PM

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

HALE WIND ENERGY PROJECT 3, LLC	
Texas Taxpayer Number	32057436175
Mailing Address	17300 DALLAS PKWY STE 2020 DALLAS, TX 75248-1145
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/04/2015
Texas SOS File Number	0802227693
Registered Agent Name	TRI GLOBAL ENERGY, LLC
Registered Office Street Address	17300 DALLAS PARKWAY SUITE 2020 DALLAS, TX 75248



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 3, 2015

Rockwall Kirk
Superintendent
Plainview Independent School District
912 Portland
Plainview, Texas 79072

Dear Superintendent Kirk:

On September 8, 2015, the Comptroller issued written notice that Hale Wind Energy Project 3, LLC (the applicant) submitted a completed application (Application #1089) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on July 28, 2015, to the Plainview Independent School District (the school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver for the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1089.

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

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

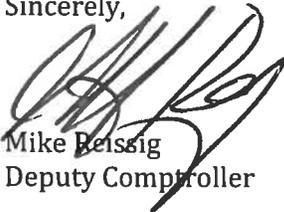
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed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

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

Note that any building or improvement existing as of the application review start date of September 8, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Hale Wind Energy Project 3, LLC (the project) applying to Plainview 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 Hale Wind Energy Project 3, LLC.

Applicant	Hale Wind Energy Project 3, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Plainview ISD
2014-2015 Enrollment in School District	5,571
County	Hale
Proposed Total Investment in District	\$227,500,000
Proposed Qualified Investment	\$227,500,000
Limitation Amount	\$30,000,000
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	\$740
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$737
Minimum annual wage committed to by applicant for qualified jobs	\$38,500
Minimum weekly wage required for non-qualifying jobs	\$627
Minimum annual wage required for non-qualifying jobs	\$32,617
Investment per Qualifying Job	\$45,500,000
Estimated M&O levy without any limit (15 years)	\$23,665,824
Estimated M&O levy with Limitation (15 years)	\$ 8,817,328
Estimated gross M&O tax benefit (15 years)	\$14,848,496
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Hale Wind Energy Project 3, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	175	173	348	\$8,750,000	\$12,250,000	\$21,000,000
2017	5	19	24	\$190,000	\$2,810,000	\$3,000,000
2018	5	13	18	\$190,000	\$1,810,000	\$2,000,000
2019	5	9	14	\$190,000	\$1,810,000	\$2,000,000
2020	5	7	12	\$190,000	\$1,810,000	\$2,000,000
2021	5	9	14	\$190,000	\$810,000	\$1,000,000
2022	5	7	12	\$190,000	\$810,000	\$1,000,000
2023	5	7	12	\$190,000	\$810,000	\$1,000,000
2024	5	7	12	\$190,000	\$810,000	\$1,000,000
2025	5	13	18	\$190,000	\$810,000	\$1,000,000
2026	5	9	14	\$190,000	\$810,000	\$1,000,000
2027	5	9	14	\$190,000	\$810,000	\$1,000,000
2028	5	7	12	\$190,000	\$810,000	\$1,000,000
2029	5	3	8	\$190,000	\$810,000	\$1,000,000
2030	5	7	12	\$190,000	\$810,000	\$1,000,000

Source: CPA, REMI, NGC Industries

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Plainview ISD I&S Tax Levy	Plainview ISD M&O Tax Levy	Plainview ISD M&O and I&S Tax Levies	Hale County Tax Levy	High Plains Underground Water District Tax Levy	Estimated Total Property Taxes	
			0.0000		1.0400	1.0400	0.4921	0.0080		
2017	\$ 210,700,000	\$ 210,700,000		\$0	\$2,191,280	\$2,191,280	\$1,036,855	\$16,911	\$3,245,045	
2018	\$ 202,272,000	\$ 202,272,000		\$0	\$2,103,629	\$2,103,629	\$995,381	\$16,234	\$3,115,244	
2019	\$ 193,844,000	\$ 193,844,000		\$0	\$2,015,978	\$2,015,978	\$953,906	\$15,558	\$2,985,442	
2020	\$ 185,416,000	\$ 185,416,000		\$0	\$1,928,326	\$1,928,326	\$912,432	\$14,881	\$2,855,640	
2021	\$ 176,988,000	\$ 176,988,000		\$0	\$1,840,675	\$1,840,675	\$870,958	\$14,205	\$2,725,838	
2022	\$ 168,560,000	\$ 168,560,000		\$0	\$1,753,024	\$1,753,024	\$829,484	\$13,529	\$2,596,036	
2023	\$ 160,132,000	\$ 160,132,000		\$0	\$1,665,373	\$1,665,373	\$788,010	\$12,852	\$2,466,235	
2024	\$ 151,704,000	\$ 151,704,000		\$0	\$1,577,722	\$1,577,722	\$746,535	\$12,176	\$2,336,433	
2025	\$ 143,276,000	\$ 143,276,000		\$0	\$1,490,070	\$1,490,070	\$705,061	\$11,499	\$2,206,631	
2026	\$ 134,848,000	\$ 134,848,000		\$0	\$1,402,419	\$1,402,419	\$663,587	\$10,823	\$2,076,829	
2027	\$ 126,420,000	\$ 126,420,000		\$0	\$1,314,768	\$1,314,768	\$622,113	\$10,146	\$1,947,027	
2028	\$ 117,992,000	\$ 117,992,000		\$0	\$1,227,117	\$1,227,117	\$580,639	\$9,470	\$1,817,225	
2029	\$ 109,564,000	\$ 109,564,000		\$0	\$1,139,466	\$1,139,466	\$539,164	\$8,794	\$1,687,424	
2030	\$ 101,136,000	\$ 101,136,000		\$0	\$1,051,814	\$1,051,814	\$497,690	\$8,117	\$1,557,622	
2031	\$ 92,708,000	\$ 92,708,000		\$0	\$964,163	\$964,163	\$456,216	\$7,441	\$1,427,820	
						Total	\$23,665,824	\$11,198,031	\$182,636	\$35,046,491

Source: CPA, Hale Wind Energy Project 3, LLC

¹Tax Rate per \$100 Valuation

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that Hale Wind Energy Project 3, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$312,000	\$312,000	\$1,879,280	\$1,879,280
	2018	\$312,000	\$624,000	\$1,791,629	\$3,670,909
	2019	\$312,000	\$936,000	\$1,703,978	\$5,374,886
	2020	\$312,000	\$1,248,000	\$1,616,326	\$6,991,213
	2021	\$312,000	\$1,560,000	\$1,528,675	\$8,519,888
	2022	\$312,000	\$1,872,000	\$1,441,024	\$9,960,912
	2023	\$312,000	\$2,184,000	\$1,353,373	\$11,314,285
	2024	\$312,000	\$2,496,000	\$1,265,722	\$12,580,006
	2025	\$312,000	\$2,808,000	\$1,178,070	\$13,758,077
	2026	\$312,000	\$3,120,000	\$1,090,419	\$14,848,496
Maintain Viable Presence (5 Years)	2027	\$1,314,768	\$4,434,768	\$0	\$14,848,496
	2028	\$1,227,117	\$5,661,885	\$0	\$14,848,496
	2029	\$1,139,466	\$6,801,350	\$0	\$14,848,496
	2030	\$1,051,814	\$7,853,165	\$0	\$14,848,496
	2031	\$964,163	\$8,817,328	\$0	\$14,848,496
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$876,512	\$9,693,840	\$0	\$14,848,496
	2033	\$788,861	\$10,482,701	\$0	\$14,848,496
	2034	\$701,210	\$11,183,910	\$0	\$14,848,496
	2035	\$613,558	\$11,797,469	\$0	\$14,848,496
	2036	\$525,907	\$12,323,376	\$0	\$14,848,496
	2037	\$438,256	\$12,761,632	\$0	\$14,848,496
	2038	\$438,256	\$13,199,888	\$0	\$14,848,496
	2039	\$438,256	\$13,638,144	\$0	\$14,848,496
	2040	\$438,256	\$14,076,400	\$0	\$14,848,496
	2041	\$438,256	\$14,514,656	\$0	\$14,848,496

\$14,514,656

is less than

\$14,848,496

Analysis Summary

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

No

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, Hale Wind Energy Project 3, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	0	0	0	\$0	\$0	\$0	0	0	\$0
2016	175	173	348	\$8,750,000	\$12,250,000	\$21,000,000	1174926.8	-595092.8	\$1,770,020
2017	5	19	24	\$190,000	\$2,810,000	\$3,000,000	198364.3	244140.6	-\$45,776
2018	5	13	18	\$190,000	\$1,810,000	\$2,000,000	160217.3	244140.6	-\$83,923
2019	5	9	14	\$190,000	\$1,810,000	\$2,000,000	144958.5	236511.2	-\$91,553
2020	5	7	12	\$190,000	\$1,810,000	\$2,000,000	152587.9	213623	-\$61,035
2021	5	9	14	\$190,000	\$810,000	\$1,000,000	144958.5	175476.1	-\$30,518
2022	5	7	12	\$190,000	\$810,000	\$1,000,000	122070.3	160217.3	-\$38,147
2023	5	7	12	\$190,000	\$810,000	\$1,000,000	114440.9	129699.7	-\$15,259
2024	5	7	12	\$190,000	\$810,000	\$1,000,000	152587.9	106811.5	\$45,776
2025	5	13	18	\$190,000	\$810,000	\$1,000,000	152587.9	91552.7	\$61,035
2026	5	9	14	\$190,000	\$810,000	\$1,000,000	175476.1	91552.7	\$83,923
2027	5	9	14	\$190,000	\$810,000	\$1,000,000	129699.7	45776.4	\$83,923
2028	5	7	12	\$190,000	\$810,000	\$1,000,000	122070.3	30517.6	\$91,553
2029	5	3	8	\$190,000	\$810,000	\$1,000,000	137329.1	38147	\$99,182
2030	5	7	12	\$190,000	\$810,000	\$1,000,000	76293.9	0	\$76,294
2031	5	1	6	\$190,000	\$810,000	\$1,000,000	61035.2	-15258.8	\$76,294
2032	5	5	10	\$190,000	-\$190,000	\$0	53405.8	-30517.6	\$83,923
2033	5	(1)	4	\$190,000	-\$190,000	\$0	45776.4	-91552.7	\$137,329
2034	5	1	6	\$190,000	-\$190,000	\$0	30517.6	-99182.1	\$129,700
2035	5	(1)	4	\$190,000	-\$190,000	\$0	-7629.4	-129699.7	\$122,070
2036	5	(1)	4	\$190,000	-\$190,000	\$0	-68664.6	-183105.5	\$114,441
2037	5	(1)	4	\$190,000	-\$190,000	\$0	-61035.2	-205993.7	\$144,959
2038	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-76293.9	-228881.8	\$152,588
2039	5	(5)	0	\$190,000	-\$190,000	\$0	-61035.2	-259399.4	\$198,364
2040	5	(5)	0	\$190,000	-\$190,000	\$0	-106811.5	-282287.6	\$175,476
2041	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-122070.3	-335693.4	\$213,623
2042	5	(3)	2	\$190,000	-\$1,190,000	-\$1,000,000	-122070.3	-343322.8	\$221,253
						Total	\$2,723,694	-\$991,822	\$3,715,516
							\$18,230,172	is greater than	\$14,848,496

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 Hale Wind Energy Project 3, 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:

- According to the company, a 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation, the project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment.
- Comptroller research notes a January 13, 2014, Plainview Daily Herald article of approval for Reinvestment Zone No. 5 to Hale Community Energy, a combined group of four wind farms in the southeastern part of the county.
- Comptroller research notes a July 28, 2014, Plainview Daily Herald article of approval for Tri Global Energy’s tax abatement application on its Hale Community Energy Project by Hale County commissioners.

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 type="checkbox"/> Land has no existing improvements	<input checked="" 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
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

Attachment 5

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

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.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Hale Wind Energy Project 3, LLC was formed in 2015.

In support of its creation the participating members, Tri Global Energy, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with Hale Community Energy, LLC.

Since its formation Hale Community Energy, LLC and its subsidiaries have entered into the following representative agreements and contracts for the development of a project phase within the Plainview ISD and intend to assign these assets to Hale Wind Energy Project 3, LLC:

- Grants of leases and easements covering approximately 20,000 acres with 70 landowners.
- Avian Study and contract with Turner Biological Consulting
- Bat Study and contract with Turner Biological Consulting
- Threatened & Endangered Species Studies and contract with Turner Biological Consulting
- Jurisdictional Wetland Study and contract with Turner Biological Consulting
- Wind Data Measurement & Analysis contract with Wireless Innovations for data transmission for 60m Met Tower
- Contract with V-Bar for data storage and verification of met towers
- FCC & RF Studies and contract with ATDI, Inc.
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities these agreements and contracts listed above represent will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Plainview ISD.

These contracts and initial investments are preliminary in nature as Tri Global and Hale Wind Energy 3 have determined that a value limitation agreement with Plainview ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Tri Global's management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States. It has been responsible for the development, construction, and operations of approximately 3,100 MWs, or approximately 5%, of the U.S.' installed wind energy capacity. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The Hale Wind Energy 3 Project is currently in such a period of assessment to determine whether the identified site in Plainview ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$228M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

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?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Hale Wind Energy 3.

Supporting Information

Additional information
located by the Comptroller

County approves two wind energy reinvestment zones

Plainview Daily Herald (TX) - January 13, 2014

- Section: News
- Readability: 11-12 grade level (Lexile: 1240)

In what was already assumed to be a foregone conclusion, Hale County commissioners on Monday unanimously approved two 5-year reinvestment zones for wind farm projects going up on opposite sides of the county.

The zones, which can be renewed after five years, were approved in two separate public hearings held after Monday's regularly scheduled commissioners court session. The first, held at 10 a.m., awarded Reinvestment Zone No. 5 to Hale Community Energy, the combined group of four wind farms in the southeastern part of the county.

That project will utilize 123,000 acres of land near Petersburg to south of Plainview. Once completed, the project is expected to produce 1100 megawatts of power. With the construction of phase one, the project will produce between 200 to 240 megawatts.

Attorney Lanny Voss, representing Hale Community Energy, told the court once finished, the project will be the largest community owned wind farm in the nation. "If not the world," he said.

County Judge Bill Coleman, following the unanimous vote, told Voss and the assembled group of project leaders "This forms the foundation of what I hope to be a long and profitable partnership."

Attorney Joe Heflin, who represented the other group, asked to address the crowd. "I'm glad you are pushing for this," he told the Hale Community Energy organizers. Heflin, who previously served as a state representative, talked about the push for wind energy in West Texas and was grateful to see action being taken.

Following a recess, the commissioners reconvened at 11 a.m. to hear from the second group, Plain View Orchard Wind, a smaller wind farm that will operate in an area from just northwest of Plainview up to the Hale/Swisher County line.

That group, represented by Heflin, will produce approximately 200 megawatts of power at full capacity.

Their reinvestment zone, known as Reinvestment Zone No. 6, was approved on a motion from Precinct 1 Commissioner Harold King. "I would be glad to make this motion," he told the court. "We're ready for this to happen."

Upon approval Heflin thanked the court. "How excited we all are for our opportunity."

Coleman reaffirmed the county's commitment to wind energy. "We look forward to a good working relationship in the future."

Among other items voted on in Monday's regular meeting was the approval of the 2014 estimated county payroll, set for \$7.9 million. Coleman decided to table a draft review of economic development agreements with the City of Plainview so that the court could have more time to review the agreement. The court accepted a report from Hale Center EMS on its current operating system, and set a joint Republican and Democrat primary for March 4.

To comment:

rpcrowe@hearstnp.com

806.296.1360

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County approves tax abatement application

Plainview Daily Herald (TX) - July 28, 2014

- Author/Byline: DOUG McDONOUGH Herald Editor
- Section: News
- Readability: 11-12 grade level (Lexile: 1270)

Following a 45-minute executive session with County Attorney Jim Tirey, Hale County commissioners on Monday approved Tri Global Energy's tax abatement application on its Hale Community Energy Project.

The approval came with a caveat.

"We approved the application, but not the specific terms of the agreement," says County Judge Bill Coleman. "The specific terms will be negotiated at a later date."

Precinct 4 Commissioner Benny Cantwell said the two sides are not very far off from a final figure. "They attached a proposal with their application that they say is in line with they did with other surrounding counties, such as Castro, Crosby, Briscoe, Randall, Floyd, Potter and Swisher. We're sending them our counter offer. It's all part of the negotiation process."

Part of the successful motion to approve the abatement application is a clause that Tirey will draft the commissioners' proposed agreement and present it to representatives of Hale Community Energy.

"What has been presented in open court previously," Coleman said, "are payments in lieu of taxes of about \$1,000 per nameplate megawatt."

Tri Global's Hale Community Energy Project is located in the southern half of Hale County, generally south and east of Plainview, and comprising 122,312 leased acres of privately owned farm and ranchland.

A combination of four wind projects, when fully constructed it will have a total installed capacity of 1,100 megawatts, according to Tri Global officials, which will produce enough power to supply the energy needs of 220,000 to 330,000 households.

Construction of the first phase of the project is slated to being later this year. It will have a capacity of 240-300 MWs and include 80 to 150 wind turbines ranging in size from 2 to 3 MWs each. It will be in commercial operation sometime in 2016.

Before going into executive session, commissioners received some good news from Debra Lambright, director of indigent health. She reported that the three programs under her department are all running below budget through the first two quarters of the year.

The Welfare Assistance Program has \$2,840 remaining from a total annual budget of \$3,500, with \$474 spent during the first quarter and \$185 during the second quarter.

With \$7,000 budgeted for cremations during 2014, her department has expended \$3,500. The county reimbursed local funeral homes \$700 for each of five cremations involving indigents during the first half of the year.

Lambright's department had \$500,000 budgeted for indigent health care for 2014, with \$281,105 remaining for the rest of the year. The department expended \$402,147 during the first quarter and \$212,042 during the second quarter.

In recent weeks the number of clients has increased from 40 to 60, Lambright reports. "That's because many former Cargill workers had their benefits cut off in December," she said. "While the number of clients is up, we are still running below budget."

Quarterly reviews by the county auditor's office, attached to Lambright's report, indicate a clean report with all related client documentation properly filed and eligibility verification rigidly enforced.

Commissioners authorized Coleman to sign a letter of commitment with the Texas Department of Transportation to include in the county's 2015 budget additional funding for the Airport Development Project.

The annual activity report from Olton Fire and Rescue was accepted and payment of its annual \$3,000 stipend authorized. Also, the monthly report from Petersburg EMS was approved.

County Treasurer Ida Tyler reported current accounts payable of \$172,604.61 with \$2,931.67 payable through a Substance Abuse and Mental Health Administration grant.

The ending balance of all funds for the county on June 30 was \$17,498,002.22, she reported.

The county's investment portfolio returned \$20,641.06 during the first half of the year, Tyler said.

To comment:

dmcDonough@hearstnp.com

806.296.1353

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**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Hale Wind Energy Project 3, LLC**

October 25, 2015

McDowell & Brown, LLC
School Finance Consulting

**Summary of Plainview ISD Financial Impact
of the
Limited Appraised Value Application
from
Hale Wind Energy Project 3, LLC**

Introduction

Hale Wind Energy Project 3, LLC applied for a property value limitation from Plainview Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 28, 2015 and subsequently approved for consideration by the Plainview ISD Board of Trustees. Hale Wind Energy Project 3, LLC (“Hale Wind 3”), 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.

Plainview ISD Financial Impact of Chapter 313 Agreement

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

Years Prior to Start of Value Limitation Period:

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

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller’s Office. Plainview ISD is considered a Rural category 1 District as categorized with total taxable value of industrial property of at least \$200 million. Thus, Plainview ISD has a minimum limitation amount of \$30 million. A qualifying entity’s taxable value would be reduced to \$30 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 Plainview ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2017 and continue through tax year 2026.

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

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

Plainview ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Hale Wind 3 reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2015-2016	2015	0	0
	0	2016-2017	2016	0	0
Value Limitation Period	1	2017-2018	2017	\$210,700,000	\$30,000,000
	2	2018-2019	2018	\$202,272,000	\$30,000,000
	3	2019-2020	2019	\$193,844,000	\$30,000,000
	4	2020-2021	2020	\$185,416,000	\$30,000,000
	5	2021-2022	2021	\$176,988,000	\$30,000,000
	6	2022-2023	2022	\$168,560,000	\$30,000,000
	7	2023-2024	2023	\$160,132,000	\$30,000,000
	8	2024-2025	2024	\$151,704,000	\$30,000,000
	9	2025-2026	2025	\$143,276,000	\$30,000,000
	10	2026-2027	2026	\$134,848,000	\$30,000,000
Continue to Maintain Viable Presence	11	2027-2028	2027	\$126,420,000	\$126,420,000
	12	2028-2029	2028	\$117,992,000	\$117,992,000
	13	2029-2030	2029	\$109,564,000	\$109,564,000
	14	2030-2031	2030	\$101,136,000	\$101,136,000
	15	2031-2032	2031	\$92,708,000	\$92,708,000
Additional Years for 25 Year Economic Impact Study	16	2032-2033	2032	\$84,280,000	\$84,280,000
	17	2033-2034	2033	\$75,852,000	\$75,852,000
	18	2034-2035	2034	\$67,424,000	\$67,424,000
	19	2035-2036	2035	\$58,996,000	\$58,996,000
	20	2036-2037	2036	\$50,568,000	\$50,568,000
	21	2037-2038	2037	\$42,140,000	\$42,140,000
	22	2038-2039	2038	\$42,140,000	\$42,140,000
	23	2039-2040	2039	\$42,140,000	\$42,140,000
	24	2040-2041	2040	\$42,140,000	\$42,140,000
	25	2041-2042	2041	\$42,140,000	\$42,140,000

Plainview ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Hale Wind 3” 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 \$30,000,000 minimum qualified investment of Plainview ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Hale Wind 3	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	0	n/a	0	0
Jan. 1, 2017	210,700,000	(30,000,000)	180,700,000	30,000,000
Jan. 1, 2018	202,272,000	(30,000,000)	172,272,000	30,000,000
Jan. 1, 2019	193,844,000	(30,000,000)	163,844,000	30,000,000
Jan. 1, 2020	185,416,000	(30,000,000)	155,416,000	30,000,000
Jan. 1, 2021	176,988,000	(30,000,000)	146,988,000	30,000,000
Jan. 1, 2022	168,560,000	(30,000,000)	138,560,000	30,000,000
Jan. 1, 2023	160,132,000	(30,000,000)	130,132,000	30,000,000
Jan. 1, 2024	151,704,000	(30,000,000)	121,704,000	30,000,000
Jan. 1, 2025	143,276,000	(30,000,000)	113,276,000	30,000,000
Jan. 1, 2026	134,848,000	(30,000,000)	104,848,000	30,000,000
Jan. 1, 2027	126,420,000	n/a	0	126,420,000
Jan. 1, 2028	117,992,000	n/a	0	117,992,000
Jan. 1, 2029	109,564,000	n/a	0	109,564,000
Jan. 1, 2030	101,136,000	n/a	0	101,136,000
Jan. 1, 2031	92,708,000	n/a	0	92,708,000

Plainview ISD Financial Impact of Chapter 313 Agreement

Hale Wind 3's Tax Benefit from Agreement

The projected amount of the net tax savings for Hale Wind 3 is \$12.72 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.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement.
- The district does not currently have outstanding bonded indebtedness; however, the district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.0400	0.000	0	0	0	0
2016-2017	1.0400	0.000	0	0	0	0
2017-2018	1.0400	0.000	2,191,280	1,879,280	(2,127,722)	(248,442)
2018-2019	1.0400	0.000	2,103,629	1,791,629	0	1,791,629
2019-2020	1.0400	0.000	2,015,978	1,703,978	0	1,703,978
2020-2021	1.0400	0.000	1,928,326	1,616,326	0	1,616,326
2021-2022	1.0400	0.000	1,840,675	1,528,675	0	1,528,675
2022-2023	1.0400	0.000	1,753,024	1,441,024	0	1,441,024
2023-2024	1.0400	0.000	1,665,373	1,353,373	0	1,353,373
2024-2025	1.0400	0.000	1,577,722	1,265,722	0	1,265,722
2025-2026	1.0400	0.000	1,490,070	1,178,070	0	1,178,070
2026-2027	1.0400	0.000	1,402,419	1,090,419	0	1,090,419
2027-2028	1.0400	0.000	1,314,768	0	0	0
2028-2029	1.0400	0.000	1,227,117	0	0	0
2029-2030	1.0400	0.000	1,139,466	0	0	0
2030-2031	1.0400	0.000	1,051,814	0	0	0
2031-2032	1.0400	0.000	964,163	0	0	0
Totals			23,665,824	14,848,496	(2,127,722)	12,720,774

Plainview ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Plainview ISD. 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 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2014-2015 was increased by .25% per year for the life of the agreement.

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

Plainview ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Hale Wind 3 (Table III), the addition of Hale Wind 3's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Hale Wind 3's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Hale Wind Energy Project 3, 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	1,050,948,331	11,212,755	26,502,263	0	37,715,018	2,272,692	39,987,710
2016-2017	1,061,457,814	11,315,748	26,583,675	0	37,899,423	2,297,404	40,196,827
2017-2018	1,142,072,392	12,105,771	26,568,659	0	38,674,430	2,439,549	41,113,979
2018-2019	1,152,793,116	12,210,834	25,857,892	0	38,068,726	2,292,746	40,361,472
2019-2020	1,163,621,048	12,316,948	25,840,769	0	38,157,717	2,296,891	40,454,607
2020-2021	1,174,557,258	12,424,123	25,822,571	0	38,246,693	2,301,056	40,547,749
2021-2022	1,185,602,831	12,532,369	25,815,299	0	38,347,669	2,305,241	40,652,910
2022-2023	1,196,758,859	12,641,698	25,788,214	0	38,429,912	2,309,447	40,739,359
2023-2024	1,208,026,447	12,752,121	25,772,037	0	38,524,158	2,313,672	40,837,830
2024-2025	1,219,406,712	12,863,647	25,749,443	0	38,613,090	2,317,919	40,931,008
2025-2026	1,230,900,779	12,976,289	25,731,022	0	38,707,311	2,322,185	41,029,496
2026-2027	1,242,509,787	13,090,057	25,706,163	0	38,796,220	2,326,472	41,122,692
2027-2028	1,254,234,885	13,204,963	25,685,455	0	38,890,418	2,330,779	41,221,197
2028-2029	1,266,077,234	13,321,018	25,670,423	0	38,991,442	2,335,106	41,326,547
2029-2030	1,278,038,006	13,438,234	25,635,239	0	39,073,473	2,339,453	41,412,927
2030-2031	1,290,118,386	13,556,622	25,611,017	0	39,167,638	2,343,821	41,511,460
2031-2032	1,302,319,570	13,676,193	25,585,593	0	39,261,786	2,348,209	41,609,995

Plainview ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Hale Wind Energy Project 3 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	1,050,948,331	11,212,755	26,502,263	0	37,715,018	2,272,692	39,987,710
2016-2017	1,061,457,814	11,315,748	26,583,675	0	37,899,423	2,297,404	40,196,827
2017-2018	1,352,772,392	14,170,631	26,568,658	0	40,739,289	2,855,658	43,594,947
2018-2019	1,355,065,116	14,193,100	23,750,894	0	37,943,993	2,249,866	40,193,860
2019-2020	1,357,465,048	14,216,619	23,818,049	0	38,034,668	2,255,406	40,290,074
2020-2021	1,359,973,258	14,241,199	23,884,130	0	38,125,329	2,260,950	40,386,279
2021-2022	1,362,590,831	14,266,852	23,961,140	0	38,227,992	2,266,497	40,494,489
2022-2023	1,365,318,859	14,293,586	24,018,335	0	38,311,921	2,272,048	40,583,969
2023-2024	1,368,158,447	14,321,414	24,086,438	0	38,407,852	2,277,602	40,685,454
2024-2025	1,371,110,712	14,350,347	24,148,122	0	38,498,469	2,283,161	40,781,630
2025-2026	1,374,176,779	14,380,394	24,213,982	0	38,594,376	2,288,722	40,883,099
2026-2027	1,377,357,787	14,411,568	24,273,402	0	38,684,970	2,294,288	40,979,258
2027-2028	1,380,654,885	14,443,879	24,336,976	0	38,780,855	2,299,856	41,080,712
2028-2029	1,384,069,234	14,477,340	24,406,224	0	38,883,564	2,305,428	41,188,992
2029-2030	1,387,602,006	14,511,961	24,455,320	0	38,967,281	2,311,004	41,278,285
2030-2031	1,391,254,386	14,547,755	24,515,376	0	39,063,130	2,316,583	41,379,713
2031-2032	1,395,027,570	14,584,732	24,574,233	0	39,158,965	2,322,165	41,481,130

TABLE V – District Revenues with Hale Wind Energy Project 3 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	1,050,948,331	11,212,755	26,502,263	0	37,715,018	2,272,692	0	39,987,710
2016-2017	1,061,457,814	11,315,748	26,583,675	0	37,899,423	2,297,404	0	40,196,827
2017-2018	1,172,072,392	12,399,771	26,568,659	0	38,968,430	2,498,796	2,127,722	43,594,947
2018-2019	1,182,793,116	12,504,834	25,557,892	0	38,062,726	2,287,851	0	40,350,577
2019-2020	1,193,621,048	12,610,948	25,540,769	0	38,151,717	2,292,068	0	40,443,785
2020-2021	1,204,557,258	12,718,123	25,522,571	0	38,240,693	2,296,305	0	40,536,998
2021-2022	1,215,602,831	12,826,369	25,515,299	0	38,341,669	2,300,560	0	40,642,229
2022-2023	1,226,758,859	12,935,698	25,488,214	0	38,423,912	2,304,835	0	40,728,747
2023-2024	1,238,026,447	13,046,121	25,472,037	0	38,518,158	2,309,130	0	40,827,287
2024-2025	1,249,406,712	13,157,647	25,449,443	0	38,607,090	2,313,443	0	40,920,533
2025-2026	1,260,900,779	13,270,289	25,431,022	0	38,701,311	2,317,776	0	41,019,087
2026-2027	1,272,509,787	13,384,057	25,406,163	0	38,790,220	2,322,128	0	41,112,348
2027-2028	1,380,654,885	14,443,879	25,385,456	0	39,829,335	2,489,352	0	42,318,687
2028-2029	1,384,069,234	14,477,340	24,406,224	0	38,883,564	2,305,428	0	41,188,992
2029-2030	1,387,602,006	14,511,961	24,455,320	0	38,967,281	2,311,004	0	41,278,285
2030-2031	1,391,254,386	14,547,755	24,515,376	0	39,063,130	2,316,583	0	41,379,713
2031-2032	1,395,027,570	14,584,732	24,574,233	0	39,158,965	2,322,165	0	41,481,130

Plainview ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

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

Plainview ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Hale Wind Energy Project 3, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Plainview ISD by Hale Wind 3, the projected amount of these payments over the life of the agreement is \$7.17 of the \$12.72 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	Plainview ISD \$100/ADA	Hale Wind 3's Share
2015-2016	0	0	0
2016-2017	0	512,700	(512,700)
2017-2018	(248,442)	512,700	(761,142)
2018-2019	1,791,629	512,700	1,278,929
2019-2020	1,703,978	512,700	1,191,278
2020-2021	1,616,326	512,700	1,103,626
2021-2022	1,528,675	512,700	1,015,975
2022-2023	1,441,024	512,700	928,324
2023-2024	1,353,373	512,700	840,673
2024-2025	1,265,722	512,700	753,022
2025-2026	1,178,070	512,700	665,370
2026-2027	1,090,419	512,700	577,719
2027-2028	0	512,700	(512,700)
2028-2029	0	512,700	(512,700)
2029-2030	0	512,700	(512,700)
2030-2031	0	0	0
2031-2032	0	0	0
Totals	12,720,774	7,177,800	5,542,974

Plainview ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth

On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Hillcrest Elementary	EE-5	29	638	448	190
La Mesa Elementary	EE-5	34	748	551	197
College Hill Elementary	PK-5	26	572	451	121
Edgemere Elementary	PK-5	28	616	522	94
Highland Elementary	PK-5	23	506	446	60
Thunderbird Elementary	PK-5	30	660	535	125
Coronado Middle	6-8	34	680	597	83
Estacado Middle	6-8	35	700	604	96
Plainview High	9-12	102	2,040	1,426	614
Total		341	7,160	5,580	1,580

The building capacities are based on 22 students per classroom for elementary and 20 students per grade level at secondary schools. Plainview ISD is a early-education through 12th grade district.

Hale Wind Energy Project 3, 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 Plainview ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Plainview ISD Financial Impact of Chapter 313 Agreement

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 Plainview ISD as displayed in Table VII above.

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Hale Wind Energy Project 3, LLC, would be beneficial to both Hale Wind 3 and Plainview ISD under the current school finance system.

Hale Wind Energy Project 3, 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, Hale Wind 3 is projected to benefit from an 82% tax savings during that ten year period of this Agreement. Hale Wind 3 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.

Plainview ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Hale Wind 3 to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.



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

Michael Williams
Commissioner

September 11, 2015

Brandon Brownlee, President
Board of Trustees
Plainview Independent School District
PO Box 1540
Plainview, TX 79073-1540

Dear Mr. Brownlee:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Hale Wind Energy 3 LLC project on the number and size of school facilities in Plainview Independent School District (PISD). Based on an examination of PISD enrollment and the number of potential new jobs, the TEA has determined that the Hale Wind Energy 3 LLC project should not have a significant impact on the number or size of school facilities in PISD.

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: Rocky Kirk



2015 ISD Summary Worksheet

077/Floyd

095-905/Plainview ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 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)	2,825,150	N/A	2,825,150	2,825,150
D2. Real Prop Farm & Ranch	41,890	N/A	41,890	41,890
E. Real Prop NonQual Acres	490,460	N/A	490,460	490,460
F1. Commercial Real	129,360	N/A	129,360	129,360
F2. Industrial Real	600	N/A	600	600
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	623,790	N/A	623,790	623,790
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	14,900	N/A	14,900	14,900
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	4,126,150		4,126,150	4,126,150
Less Total Deductions	202,590		202,590	202,590
Total Taxable Value	3,923,560		3,923,560	3,923,560 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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1		T2		T3		T4
3,983,280		3,923,560		3,983,280		3,923,560
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption		
	59,720		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

Value Taxable For I&S Purposes

T7		T8		T9		T10
3,983,280		3,923,560		3,983,280		3,923,560

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

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

095/Hale

095-905/Plainview ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	488,817,827	N/A	488,817,827	488,817,827
B. Multi-Family Residences	21,542,553	N/A	21,542,553	21,542,553
C1. Vacant Lots	7,784,114	N/A	7,784,114	7,784,114
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	64,057,489	N/A	64,057,489	64,057,489
D2. Real Prop Farm & Ranch	2,849,018	N/A	2,849,018	2,849,018
E. Real Prop NonQual Acres	71,917,618	N/A	71,917,618	71,917,618
F1. Commercial Real	128,446,697	N/A	128,446,697	128,446,697
F2. Industrial Real	59,484,462	N/A	59,484,462	59,484,462
G. Oil, Gas, Minerals	500	N/A	500	500
J. Utilities	70,569,574	N/A	70,569,574	70,569,574
L1. Commercial Personal	90,171,107	N/A	90,171,107	90,171,107
L2. Industrial Personal	331,054,439	N/A	331,054,439	331,054,439
M. Other Personal	1,507,002	N/A	1,507,002	1,507,002
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	8,538,686	N/A	8,538,686	8,538,686
Subtotal	1,346,741,086		1,346,741,086	1,346,741,086
Less Total Deductions	233,158,741		233,158,741	233,158,741
Total Taxable Value	1,113,582,345		1,113,582,345	1,113,582,345 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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
1,155,862,995	1,113,582,345	1,155,862,995	1,113,582,345
	Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption
42,280,650		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

Value Taxable For I&S Purposes

T7	T8	T9	T10
1,228,655,155	1,186,374,505	1,228,655,155	1,186,374,505

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

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

095-905/Plainview ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	488,817,827	N/A	488,817,827	488,817,827
B. Multi-Family Residences	21,542,553	N/A	21,542,553	21,542,553
C1. Vacant Lots	7,784,114	N/A	7,784,114	7,784,114
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	66,882,639	N/A	66,882,639	66,882,639
D2. Real Prop Farm & Ranch	2,890,908	N/A	2,890,908	2,890,908
E. Real Prop NonQual Acres	72,408,078	N/A	72,408,078	72,408,078
F1. Commercial Real	128,576,057	N/A	128,576,057	128,576,057
F2. Industrial Real	59,485,062	N/A	59,485,062	59,485,062
G. Oil, Gas, Minerals	500	N/A	500	500
J. Utilities	71,193,364	N/A	71,193,364	71,193,364
L1. Commercial Personal	90,171,107	N/A	90,171,107	90,171,107
L2. Industrial Personal	331,054,439	N/A	331,054,439	331,054,439
M. Other Personal	1,521,902	N/A	1,521,902	1,521,902
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	8,538,686	N/A	8,538,686	8,538,686
Subtotal	1,350,867,236		1,350,867,236	1,350,867,236
Less Total Deductions	233,361,331		233,361,331	233,361,331
Total Taxable Value	1,117,505,905		1,117,505,905	1,117,505,905 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

PLAINVIEW INDEPENDENT SCHOOL DISTRICT

and

HALE WIND ENERGY PROJECT 3, LLC

(Texas Taxpayer ID #32057436175)

Comptroller Application #1089

Dated

August 5, 2016

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

STATE OF TEXAS §

COUNTY OF HALE §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **PLAINVIEW INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **HALE WIND ENERGY PROJECT 3, LLC**, Texas Taxpayer Identification Number 32057436175 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on July 28, 2015, the Superintendent of Schools of the Plainview Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on July 28, 2015, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (LOCAL), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and September 8, 2015 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Hale County Appraisal District established in Hale County, Texas (the “Hale 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 December 3, 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 District's Board of Trustees, by resolution dated January 21, 2016, extended the statutory deadline by which the District must consider the Application until May 5, 2016, and by resolution dated April 19, 2016, the Board of Trustees further extended the statutory deadline by which the District must consider the Application to the maximum time allowed, i.e., December 2, 2016, and the Comptroller was provided notice of each of such extensions as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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

WHEREAS, on August 5, 2016, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on August 5, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on August 5, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.021(3) the TEXAS TAX CODE;

WHEREAS, on July 26, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on August 5, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized [*Insert Name*] to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants

and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

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

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

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

“Applicant” means **HALE WIND ENERGY PROJECT 3, LLC**, (Texas Taxpayer ID # 32057436175), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on July 28, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

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

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

“Appraisal District” means the Hale County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Plainview Independent School District.

“Commercial Operation” means the date on which the Project becomes commercially operational and placed into service, such that all of the following events have occurred and remain simultaneously true and accurate:

A. The Project has been constructed, tested, and is fully capable of operating for the purpose of generating electricity for sale on one or more commercial markets;

B. The Project has received written authorization from the grid operator for interconnection, integration, and synchronization of the plant with the grid; and,

C. The Project has obtained all permits, required approvals, and has met all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

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

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

“County” means Hale County, Texas.

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

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

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within thirty (30) days of the existence of such Force Majeure or otherwise waive this right as a defense.

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

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

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

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

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

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

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

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

“State” means the State of Texas.

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

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

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

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

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

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

"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.

"Consultant" shall have the same meaning as assigned to such term in Section 4.5 of the Agreement.

"Deferred Payments" shall have the same meaning as assigned to such term in Section 6.4 of the Agreement.

"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.

"Net Tax Savings" shall have the same meaning as assigned to such term in Section 6.3 of

the Agreement.

“*New M&O Revenue*” shall have the same meaning as assigned to such term in Section 4.2.A.ii of the Agreement.

“*Original M&O Revenue*” shall have the same meaning as assigned to such term in Section 4.2.A.i of the Agreement.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is September 8, 2015, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is August 5, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on August 5, 2016, the Application Approval Date; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2017, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. 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 Section 2.3.B. This

Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection 2.3.E, unless extended by the express terms of this Agreement.

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. Thirty Million Dollars (\$30,000,000).

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

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

- A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$740.00 for all New Non-Qualifying Jobs created by the Applicant.

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

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

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

ARTICLE III **QUALIFIED PROPERTY**

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

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

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

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

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

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 one or more independent third parties ("Consultant") selected by the District. 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. 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 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 paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement; provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure under the Texas Public Information Act (TEXAS GOVERNMENT CODE § 552.001, *et seq.*).

Section 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant will issue a final determination of the calculations within 15 days of receiving Applicant's appeal.

The Applicant may appeal the final determination of the Consultant to the District within 15 District business days of its receipt, pursuant to District Policy GF (LOCAL).

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

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

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

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

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

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

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make Supplemental Payments as set out in Section 6.2 annually, starting with the first year of the Agreement, and continuing through the third year following the end of the Tax Limitation Period.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

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

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2014-15 Average Daily Attendance of 5,127, rounded to the whole number.

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 above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i)

the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year. This Section 6.3 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 above; otherwise, Section 6.2 shall apply.

Section 6.4. LIMITATION BASED ON NET TAX SAVINGS.

A. Notwithstanding Section 6.1, for any Supplemental Payment occurring prior to the start of the Tax Limitation Period, if the amount of the Supplemental Payments calculated in Section 6.2 exceeds Applicant's Net Tax Savings, the difference between the amount of the Supplemental Payments and Applicant's Net Tax Savings shall be carried forward from year-to-year (the "Deferred Payments"). Beginning in the first year of the Tax Limitation Period, and in addition to the Supplemental Payment for that year, all Deferred Payments owed to the District shall be paid by Applicant to the extent all Supplemental Payments from Applicant to the District for that year do not exceed forty percent (40%) of Applicant's total Net Tax Savings to date. Any amount of Deferred Payments that remain unpaid shall be carried forward from year to year until paid in full; provided however, the total of the Supplemental Payments paid to the District over the Term of the Agreement pursuant to this Article shall not exceed forty percent (40%) of Applicant's total Net Tax Savings under this Agreement.

B. Should Applicant fail to make the Minimum Qualified Investment during the Qualifying Time Period causing this Agreement to become null and void, Applicant's obligation to make any Deferred Payments that was carried over by operation of Section 6.4.A. shall be cancelled.

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

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year)

if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all

reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

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

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

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

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

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

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

ARTICLE IX **MATERIAL BREACH OR EARLY TERMINATION**

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

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

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

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

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

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

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

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

Agreement;

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

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

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

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Hale County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District

or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Hale County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payments in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

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

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

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

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2

and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

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

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

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

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

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

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

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

To the District:

Plainview Independent School District
Attn: Dr. Rocky Kirk, Superintendent
(or the successor Superintendent)
912 Portland St.
Plainview, TX 79073
Phone #: (806) 296-6392
Fax #: (806) 296-4014
Email: superintendent@plainviewisd.org

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

To Applicant:

Hale Wind Energy Project 3, LLC
c/o Daryl Hart, Project Director
NextEra Energy Resources, LLC
700 Universe Boulevard
Juno Beach, FL 33408
Phone #: (561) 304-5415
Email: daryl.hart@NEE.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for

compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

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

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

Section 10.3. ASSIGNMENT.

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

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

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

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the

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

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

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

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

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

Section 10.9. INTERPRETATION.

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

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

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

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

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

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

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

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

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

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

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

the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

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

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

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

[signatures follow on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 5th day of August, 2016.

HALE WIND ENERGY PROJECT 3, LLC

PLAINVIEW INDEPENDENT SCHOOL DISTRICT

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

DRAFT

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Hale County Commissioners Court passed Order No. R0824-15B Designating Reinvestment Zone 9 on August 24, 2015, which is more particularly described below.

All of Sections 19, 20, 21, and 22, Block D-7, EL & RR RR CO. Survey, Hale County, Texas

All of Sections 11 and 12, Block D-7, TT RR CO. Survey, Hale County, Texas

All of Sections 13 and 14, Block D-7, D&SE RR CO. Survey, Hale County, Texas

All of Sections 15, 16, 17, 18, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, and 36, Block D-7, D & P RR CO. Survey, Hale County, Texas

All of Sections 31, 33, 34, 35, 36, 37, and 38, Block D-6, EL & RR RR CO. Survey, Hale County, Texas

All of Sections 1, 2, 3, and 4, Block D-6, GC&SF RR CO. Survey, Hale County, Texas

All of Sections 16, 68, and 69, Block D-2, TT RR CO. Survey, Hale County, Texas

All of Sections 19, 20, 21, 22, 23, and 24, Block D-5, D&P RR CO. Survey, Hale County, Texas

All of Sections 7, 8, 17, 18, 19, and 20, Block N, B&B Survey, Hale County, Texas

All of sections 25, 27, and 28, Block N, C&M RR CO. Survey, Hale County, Texas

All of Sections 5 and 6, Block N, H&OB RR CO. Survey, Hale County, Texas

All of Section 30, Block N, WILSON, LG Survey, Hale County, Texas

All of Section 26 Blcok [sic] N, BELL, JA Survey, Hale County, Texas

All of Section 1, Block NK, DODSON, WR Survey, Hale County, Texas

All of Section 2, Block NK, BELL, JA Survey, Hale County, Texas

All of Section 5, Block NK, BRACKEN, WM Survey, Hale County, Texas

All of Section 6, Block NK, WILLIAMS, JK Survey, Hale County, Texas

All of Section 7, Block NK, DODSON, WR Survey, Hale County, Texas

All of Sections 8, 9, and 24, Block A-1, EL & RR RR CO. Survey, Hale County, Texas

All of Section 8, Block A-4, EL & RR RR Co. Survey, Hale County, Texas

All of Sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 59, 61, and 62, Block R, EL & RR RR CO. Survey, Hale County, Texas

Agreement for Limitation on Appraised Value
Between Plainview ISD and Hale Wind Energy Project 3, LLC
(App No. 1089), August 5, 2016
Exhibit 1

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

All of Sections 5 and 6, Block R, HE & WT RR CO. Survey, Hale County, Texas

All of Sections 29 and 30, Block R, B&C Survey, Hale County, Texas

The West Half (W 1/2) of Section 39, Block D-6, EL & RR RR CO. Survey, Hale County, Texas

The West Half (W 1/2) of Section 40, Block D-6, EL & RR RR CO. Survey, Hale County, Texas

The West Half (W 1/2) of Section 67, Block D-5, TT RR CO. Survey, Hale County, Texas

The West Half (W 1/2) of Section 18, Block D-5, CLUBB, W Survey, Hale County, Texas

The West Half (W 1/2) of Section 18, Block D-5, COX, B Survey, Hale County, Texas

The West Half (W 1/2) of Section 17, Block D-5, D&P RR CO. Survey, Hale County, Texas

The West Two Thirds (W 2/3) of Section 21, Block N, BS&F Survey, Hale County, Texas

The West Two Thirds (W 2/3) of Section 16, Block N, TWNG RR CO. Survey, Hale County, Texas

The West Two Thirds (W 2/3) of Section 9, Block N, AB&M Survey, Hale County, Texas

The West Two Thirds (W 2/3) of Section 5, Block N, TWNG RR CO. Survey, Hale County, Texas

The West Two Thirds (W 2/3) of Section 4, Block N, TWNG RR CO. Survey, Hale County, Texas

The East Half (E 1/2) of Section 9, Block A-4, EL & RR RR CO. Survey, Hale County, Texas

The East Half (E 1/2) of Section 24, Block A-4, EL & RR RR CO. Survey, Hale County, Texas

The East Half (E 1/2) of Section 25, Block A-4, EL & RR RR CO. Survey, Hale County, Texas

BAKER, WF Survey, Hale County, Texas

PORTWOOD, WH Survey, Hale County, Texas

DODSON, WR Survey, Hale County, Texas

LOWE, WA Survey, Hale County, Texas

HOOD, WC Survey, Hale County, Texas

HOOD, PS Survey, Hale County, Texas

HINSHEW, SA Survey, Hale County, Texas

BALLARD, DE Survey, Hale County, Texas

The West and South Part (Wand S Part) of CALLAHAN CSL Survey, Hale County, Texas

EXHIBIT 2

DESCRIPTION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of both the Plainview Independent School District and the Hale County Reinvestment Zone #9, and is located in an area more particularly described **EXHIBIT 1**.

Draft

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Hale Wind Energy Project 3, LLC plans to construct an estimated 172MW wind farm in Hale County, located entirely within Plainview ISD in Hale County, Texas. All of the Qualified Investment for this Project will be located entirely within Plainview ISD, with the exception of 4 miles of 345kV transmission line to be located in Hale Center ISD. The portion of the transmission line that is planned in Hale Center ISD is not listed as a Qualified Investment in this Application or in an application with Hale Center ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, 6.5 miles of 345kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 1.7-3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Plainview ISD. Current plans are to install 55-101 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Hale Wind Energy 3 intends to connect to the Hale Wind Energy Project 2, LLC Substation, a neighboring project substation via a 6.5 mile 345kV transmission line, of which all but 4 miles will be located in Plainview ISD. That transmission line then extends 11 miles into the Elk Substation, an ERCOT substation. All of the infrastructure except the external transmission line will remain within the project boundary and within the Reinvestment Zone. The attached map shows the proposed project area with the anticipated improvement locations.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Hale Wind Energy Project 3, LLC plans to construct an estimated 172MW wind farm in Hale County, located entirely within Plainview ISD in Hale County, Texas. All of the Qualified Property for this Project will be located entirely within Plainview ISD, with the exception of 4 miles of 345kV transmission line to be located in Hale Center ISD. The portion of the transmission line that is planned in Hale Center ISD is not listed as a Qualified Property in this Application or in an application with Hale Center ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, 6.5 miles of 345kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 1.7-3.0 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Plainview ISD. Current plans are to install 55-101 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Hale Wind Energy 3 intends to connect to the Hale Wind Energy Project 2, LLC Substation, a neighboring project substation via a 6.5 mile 345kV transmission line, of which all but 4 miles will be located in Plainview ISD. That transmission line then extends 11 miles into the Elk Substation, an ERCOT substation. All of the infrastructure except the external transmission line will remain within the project boundary and within the Reinvestment Zone. The attached map shows the proposed project area with the anticipated improvement locations.

EXHIBIT 5

AGREEMENT SCHEDULE

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Year	1	January 1, 2016	2016-17	2016	Limitation Pre-Year
Limitation Period (10 Years)	2	January 1, 2017	2017-18	2017	\$30 million appraisal limitation
	3	January 1, 2018	2018-19	2018	\$30 million appraisal limitation
	4	January 1, 2019	2019-20	2019	\$30 million appraisal limitation
	5	January 1, 2020	2020-21	2020	\$30 million appraisal limitation
	6	January 1, 2021	2021-22	2021	\$30 million appraisal limitation
	7	January 1, 2022	2022-23	2022	\$30 million appraisal limitation
	8	January 1, 2023	2023-24	2023	\$30 million appraisal limitation
	9	January 1, 2024	2024-25	2024	\$30 million appraisal limitation
	10	January 1, 2025	2025-26	2025	\$30 million appraisal limitation
	11	January 1, 2026	2026-27	2026	\$30 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 Plainview ISD and Hale Wind Energy Project 3, LLC
 (App No. 1089), August 5, 2016
 Exhibit 5

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



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 26, 2016

Rockwell Kirk
Superintendent
Plainview Independent School District
912 Portland
Plainview, Texas 79072

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Plainview Independent School District and Hale Wind Energy Project 3, LLC, App. # 1089

Dear Superintendent Kirk:

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 Plainview Independent School District and Hale Wind Energy Project 3, 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 black ink, appearing to read "Will Counihan", is written over a light blue horizontal line.

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Mike Price, Hale Wind Energy Project 3, LLC
Stephen Johns, Tri Global Energy, LLC
Melissa Miller, Miller Wind & Renewables LLC

Hale Wind Energy Project 3, LLC

July 28, 2015

Mr. Rockwell Kirk, Ed. D.
Plainview Independent School District
912 Portland
Plainview, Texas 79072

Re: Chapter 313 Job Waiver Request for Hale Wind Energy Project 3, LLC

Dear Mr.Kirk,

Hale Wind Energy Project 3, LLC requests that the Plainview Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.02S (f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Hale Wind Energy Project 3, LLC requests that the Plainview Independent School District makes such a finding and waive the job creation requirement for 25 permanent jobs. In line with industry standards for job requirements, Hale Wind Energy Project 3, LLC has committed to create 5 total jobs for the project, all of which will be in Plainview I.S.D.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 - 20 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



Mike Price, President
Hale Wind Energy Project 3, LLC



Plainview ISD

P. O. Box 1540
Plainview, Texas 79073-1540
(806) 293-6000
FAX (806) 296-4014

HOPE. BELIEVE. ACHIEVE... TOGETHER!

Rockwell Kirk, Ed. D. ♦ Superintendent of Schools

January 22, 2016

Wes Jackson
Cummings Westlake LLC
12837 Louetta Rd, Suite 201
Cypress, TX 77429

via email: wjackson@cwlp.net

Re: Request for Extension on Application of Hale Wind Energy Project 3, LLC
For an Appraised Value Limitation Agreement

Dear Mr. Jackson:

Please be advised that at a properly called meeting of the Plainview Independent School District Board of Trustees on January 21, 2016, the Board took action on the request for an extension to consider the application of Hale Wind Energy Project 3, LLC for an Appraised Value Limitation Agreement with Plainview ISD. The District approved the request, and has granted the extension on the application up to an additional 90 day period (*i.e.*, May 5, 2016). See enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,

Dr. Rocky Kirk, Superintendent

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
PLAINVIEW INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Plainview Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Hale Wind Energy Project 3, LLC (“Hale Wind 3”) for an appraised value limitation agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about July 28, 2015, Hale Wind 3 submitted to the District an application under Texas Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”); and

WHEREAS, on or about July 31, 2015, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about September 8, 2015, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code §313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the “Deadline”), unless the Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, due to ongoing negotiations with Hale Wind 3, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the Deadline; and,

WHEREAS, on January 6, 2016, Hale Wind 3 submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District’s best interest to extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Hale Wind 3’s request, and extend the Deadline for an additional ninety (90) days in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent or his designated representative is directed to provide notice to Hale Wind 3 of the Board's decision to grant its request, and extend the deadline until May 5, 2016.

Passed and approved by the Plainview Independent School District Board of Trustees on this 21st day of January, 2016.

Plainview Independent School District



By: President of the Board of Trustees



By: Secretary of the Board of Trustees

EXHIBIT A

CUMMINGS WESTLAKE LLC

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

January 6, 2016

Dr. Rockwell Kirk, Superintendent
Plainview ISD
912 Portland.
Plainview, TX 79311

Re: Request for Extension to consider 313 Application

Dear Dr. Rockwell,

Due to delays with the Comptroller's office, our recent receipt of the Certificate, and ongoing negotiations regarding the terms of the Limitation on Appraised Value Agreement (the "LAVA"), we do not believe that Hale Wind Energy Project 3, LLC and Plainview ISD's Board of Trustees will have adequate time for consideration, approval, and execution of the LAVA within the 151 day deadline imposed by Texas Tax Code Chapter 313, Section 313.025(b). Accordingly, we ask that Plainview ISD extend that deadline by no less than 90 days.

Thank you for your consideration.

Sincerely,



J. Weston Jackson
Consultant for
Hale Wind Energy Project 1, LLC



Plainview ISD

P. O. Box 1540
Plainview, Texas 79073-1540
(806) 293-6000
FAX (806) 296-4014

HOPE. ACHIEVE TOGETHER!

Rockwell Kirk, Ed. D. ♦ Superintendent of Schools

April 20, 2016

Wes Jackson
Cummings Westlake LLC
12837 Louetta Rd, Suite 201
Cypress, TX 77429

via email: wjackson@cwlp.net

Re: Second Request for Extension on Application of Hale Wind Energy Project 3, LLC
For an Appraised Value Limitation Agreement

Dear Mr. Jackson:

Please be advised that at a properly called meeting of the Plainview Independent School District Board of Trustees on April 19, 2016, the Board took action on the second request for an extension to consider the application of Hale Wind Energy Project 3, LLC for an Appraised Value Limitation Agreement with Plainview ISD. The District approved the request, and has granted the extension on the application up to the maximum time allowed *i.e.*, December 2, 2016. See enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,

Dr. Rocky Kirk, Superintendent

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
PLAINVIEW INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Plainview Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Hale Wind Energy Project 3, LLC (“Hale Wind 3”) for an appraised value limitation agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about July 28, 2015, Hale Wind 3 submitted to the District an application under Texas Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”); and

WHEREAS, on or about July 31, 2015, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about September 8, 2015, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code §313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the “Deadline”), unless the Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, the Comptroller completed its economic impact analysis and issued its certificate decision for limitation on appraised value on December 3, 2015, and such certificate is contingent on the District approving and executing an Agreement within one year from December 3, 2015; and,

WHEREAS, by Resolution dated January 21, 2016, the District granted Applicant’s first request for an extension of the Deadline, and provided notice to Applicant on January 22, 2016 that the Deadline was extended to May 5, 2016; and,

WHEREAS, due to the Comptroller’s implementation of new Rules and a new form Agreement for Limitation on Appraised Value as of January 24, 2016, including an extended period of time for the Comptroller to approve the proposed Agreement for Limitation on Appraised Value once submitted for review, and due to ongoing negotiations between the parties, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact and to approve and execute such an Agreement before the Deadline; and,

WHEREAS, on March 30, 2016, Hale Wind 3 submitted a second request to the District to extend the Deadline, a copy of which is attached here to as Exhibit "A."

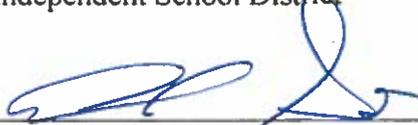
NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District's best interest to further extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Hale Wind 3's second request, and further extend the Deadline for the maximum time allowed, *i.e.*, December 2, 2016, in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent or his designated representative is directed to provide notice to Hale Wind 3 of the Board's decision to grant its second request, and extend the deadline until December 2, 2016.

Passed and approved by the Plainview Independent School District Board of Trustees on this 19th day of April, 2016.

Plainview Independent School District



By: President of the Board of Trustees



By: Secretary of the Board of Trustees

EXHIBIT A

CUMMINGS WESTLAKE LLC

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

March 30, 2016

Dr. Rockwell Kirk, Superintendent
Plainview ISD
912 Portland.
Plainview, TX 79311

Re: Hale Wind Energy Project 3, LLC – Extension Request to Approve the LAVA

Dear Dr. Rockwell,

Due to the Comptroller's recent revision to the Limitation of Appraised Value Agreement (the "LAVA") and NextEra's internal delays with legal review of same. Underwood has recommended that we request an additional deadline extension for school board approval. Therefore, we respectfully request that Plainview ISD grant an extension until December 2, 2016 so that Plainview ISD, Hale Wind Energy Project 3, LLC, and the Comptroller have adequate time to consider, approve and execute the LAVA between the Project and the District.

We apologize for any inconvenienced caused by the continuing delays.

Thank you for your consideration.

Sincerely,



J. Weston Jackson
Consultant for
Hale Wind Energy Project 3, LLC