

**FINDINGS OF THE SEYMOUR
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
GREEN PASTURES WIND I, LLC**



November 21, 2013

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OF THE
SEYMOUR INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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ON THE APPLICATION SUBMITTED BY
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NOVEMBER 21, 2013

Board Findings of the Seymour Independent School District

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DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
GREEN PASTURES WIND I, LLC.

STATE OF TEXAS

§

COUNTIES OF BAYLOR AND KNOX §

On the 21th day of November, 2013, a public meeting of the Board of Trustees of the Seymour Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Green Pastures Wind I, LLC (Green Pastures) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Seymour Independent School District makes the following findings with respect to the application of Green Pastures, and the economic impact of that application:

On August 26, 2013, the Texas Comptroller of Public Accounts received an Application from Green Pastures for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Amended Application is attached as **Attachment A**.

The Applicant, Green Pastures (Texas Taxpayer Id. 32045637868), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Seymour Independent School District

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on November 1, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

Board Findings of the Seymour Independent School District

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

Board Finding Number 1.

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

In support of Finding 1, the economic impact evaluation states:

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

Board Finding Number 2.

The economic condition of the areas surrounding Seymour ISD are in need of long-term improvement, based on the state's analysis of Baylor County and Knox County data.

Based on information provided by the Comptroller's Office that focused on the county level, Baylor and Knox Counties are the 204th and 217th largest counties in the state, respectively, in terms of population. Between 2009 and 2010, population growth in Baylor County is down by 0.2 percent and in Knox County is up by 1.6 percent, while the state average is up by 1.8 percent.

September 2011 employment levels for Baylor and Knox Counties were down by 2.1 and 2.9 percent from September 2010, respectively, below the state's 0.9 percent increase in total employment during the same period, based on information provided by the Comptroller's

Board Findings of the Seymour Independent School District

Office. The unemployment rates in Baylor and Knox Counties were 7.3 and 6.1 percent in September 2011, respectively, lower than the state average of 8.5 percent.

Baylor and Knox Counties have lower per capita personal incomes than the state as a whole. In terms of per capita income, Baylor County and Knox County totaled \$32,494 and \$32,117 in 2009, respectively, and ranked 126th and 131st among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The underlying trends reported in the analysis prepared by the Comptroller's Office indicate the need for long-term economic growth in the area served by Seymour ISD. The local economy in Baylor and Knox Counties will benefit from economic activity like that associated with the Green Pastures project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$41,259 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Green Pastures indicates that total employment will be approximately 8 new jobs, all of which will be qualifying jobs.

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

After construction, the project will create eight new jobs when fully operational. All eight jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Baylor County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012-2013 for Baylor County is not available. That same year, the county annual average wage for all industries was \$27,729. The regional manufacturing wage for West Central Texas Council of Governments Region where Knox County is located was \$37,941 in 2012. The annual average manufacturing wage for 2012-2013 for Knox

Board Findings of the Seymour Independent School District

County is not available. That same year, the county annual average wage for all industries was \$39,676. In addition to an annual average salary of \$41,259, each qualifying position will receive benefits such as medical insurance coverage (including prescription, dental and vision), short and long-term disability benefits, health care flexible spending account plan, paid holidays, paid vacation and retirement savings plan.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$48.75 million on the basis of the goal of eight (8) new qualifying positions for the entire Green Pastures project.

The project's total investment is \$390 million, resulting in a relative level of investment per qualifying job of \$48.75 million.

Board Finding Number 5.

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

Board Finding Number 6.

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

In support of Finding 5, the economic impact evaluation states:

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

Board Findings of the Seymour Independent School District

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Green Pastures Wind I, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	9	11	20	\$450,000	\$550,000	\$1,000,000
2014	173	176	349	\$8,892,572	\$12,107,428	\$21,000,000
2015	8	15	23	\$330,072	\$2,669,928	\$3,000,000
2016	8	19	27	\$330,072	\$2,669,928	\$3,000,000
2017	8	21	29	\$330,072	\$2,669,928	\$3,000,000
2018	8	19	27	\$330,072	\$2,669,928	\$3,000,000
2019	8	21	29	\$330,072	\$2,669,928	\$3,000,000
2020	8	23	31	\$330,072	\$2,669,928	\$3,000,000
2021	8	25	33	\$330,072	\$2,669,928	\$3,000,000
2022	8	25	33	\$330,072	\$2,669,928	\$3,000,000
2023	8	27	35	\$330,072	\$3,669,928	\$4,000,000
2024	8	23	31	\$330,072	\$3,669,928	\$4,000,000
2025	8	27	35	\$330,072	\$2,669,928	\$3,000,000
2026	8	17	25	\$330,072	\$1,669,928	\$2,000,000
2027	8	17	25	\$330,072	\$2,669,928	\$3,000,000
2028	8	12	20	\$330,072	\$2,669,928	\$3,000,000

Source: CPA, REMI, Green Pastures Wind I, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Seymour ISD's ad valorem tax base in 2012-2013 was \$147 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Seymour ISD's estimated wealth per WADA was \$147,186. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Baylor County, Knox County, Baylor County Hospital District, Knox County Hospital District, and Rolling Plains Groundwater Conservation District, with all property tax incentives sought being granted using estimated market value from Green Pastures Wind I, LLC's application. Green Pastures Wind I, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with each county and each hospital district. Table 3 illustrates the estimated tax impact of the Green Pastures Wind I, LLC project on the region if all taxes are assessed.

Board Findings of the Seymour Independent School District

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Seymour ISD I&S Levy	Seymour ISD M&O Levy	Seymour ISD M&O and I&S Tax Levies (Before Credit Credited)	Seymour ISD M&O and I&S Tax Levies (After Credit Credited)	Baylor County and Road & Bridge Tax Levy (60%)	Knox County and Farm-to-Market Tax Levy (40%)	Baylor County Hospital District Tax Levy (60%)	Knox County Hospital District Tax Levy (40%)	Rolling Plains Groundwater Conservation District Tax Levy (100%)	Estimated Total Property Taxes
				0.0000	1.0400			0.6730	0.7364	0.4145	0.4084	0.0218	
2014	\$19,500,000	\$19,500,000		\$0	\$202,800	\$202,800	\$202,800	\$78,746	\$57,441	\$48,497	\$31,854	\$4,251	\$423,588
2015	\$374,400,000	\$374,400,000		\$0	\$3,893,760	\$3,893,760	\$3,893,760	\$0	\$0	\$0	\$0	\$81,619	\$3,975,379
2016	\$359,424,000	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$0	\$0	\$0	\$0	\$78,354	\$182,354
2017	\$345,047,040	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$75,220	\$127,220
2018	\$331,245,158	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$72,211	\$124,211
2019	\$317,995,352	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$69,323	\$121,323
2020	\$305,275,538	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$66,550	\$118,550
2021	\$293,064,516	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$63,888	\$115,888
2022	\$281,341,936	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$61,333	\$113,333
2023	\$270,088,258	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$0	\$0	\$0	\$58,879	\$110,879
2024	\$259,284,728	\$259,284,728		\$0	\$2,696,561	\$2,696,561	\$0	\$0	\$0	\$0	\$0	\$56,524	\$56,524
2025	\$248,913,339	\$248,913,339		\$0	\$2,588,699	\$2,588,699	\$1,760,700	\$1,005,172	\$733,219	\$619,047	\$406,605	\$54,263	\$4,579,006
2026	\$238,956,805	\$238,956,805		\$0	\$2,485,151	\$2,485,151	\$2,485,151	\$964,965	\$703,890	\$594,286	\$390,341	\$52,093	\$5,190,725
2027	\$229,398,533	\$229,398,533		\$0	\$2,385,745	\$2,385,745	\$2,385,745	\$926,366	\$675,735	\$570,514	\$374,727	\$50,009	\$4,983,096
2028	\$220,222,592	\$220,222,592		\$0	\$2,290,315	\$2,290,315	\$2,290,315	\$889,312	\$648,705	\$547,694	\$359,738	\$48,009	\$4,783,772
						Total	\$13,486,470	\$3,864,560	\$2,818,990	\$2,380,037	\$1,563,264	\$892,526	\$25,005,849

Assumes School Value Limitation and Tax Abatements with Baylor and Knox Counties, and Baylor and Knox Hospital Districts.

Source: CPA, Green Pastures Wind I, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Seymour ISD I&S Levy	Seymour ISD M&O Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County and Road & Bridge Tax Levy (60%)	Knox County and Farm-to-Market Tax Levy (40%)	Baylor County Hospital District Tax Levy (60%)	Knox County Hospital District Tax Levy (40%)	Rolling Plains Groundwater Conservation District Tax Levy (100%)	Estimated Total Property Taxes	
				0.0000	1.0400		0.6730	0.7364	0.4145	0.4084	0.0218		
2014	\$19,500,000	\$19,500,000		\$0	\$202,800	\$202,800	\$78,746	\$57,441	\$48,497	\$31,854	\$4,251	\$423,588	
2015	\$374,400,000	\$374,400,000		\$0	\$3,893,760	\$3,893,760	\$1,511,917	\$1,102,863	\$931,133	\$611,590	\$81,619	\$8,132,882	
2016	\$359,424,000	\$359,424,000		\$0	\$3,738,010	\$3,738,010	\$1,451,440	\$1,058,748	\$893,887	\$587,126	\$78,354	\$7,807,566	
2017	\$345,047,040	\$345,047,040		\$0	\$3,588,489	\$3,588,489	\$1,393,383	\$1,016,398	\$858,132	\$563,641	\$75,220	\$7,495,264	
2018	\$331,245,158	\$331,245,158		\$0	\$3,444,950	\$3,444,950	\$1,337,647	\$975,742	\$823,807	\$541,096	\$72,211	\$7,195,453	
2019	\$317,995,352	\$317,995,352		\$0	\$3,307,152	\$3,307,152	\$1,284,142	\$936,713	\$790,854	\$519,452	\$69,323	\$6,907,635	
2020	\$305,275,538	\$305,275,538		\$0	\$3,174,866	\$3,174,866	\$1,232,776	\$899,244	\$759,220	\$498,674	\$66,550	\$6,631,330	
2021	\$293,064,516	\$293,064,516		\$0	\$3,047,871	\$3,047,871	\$1,183,465	\$863,274	\$728,851	\$478,727	\$63,888	\$6,366,076	
2022	\$281,341,936	\$281,341,936		\$0	\$2,925,956	\$2,925,956	\$1,136,126	\$828,743	\$699,697	\$459,578	\$61,333	\$6,111,433	
2023	\$270,088,258	\$270,088,258		\$0	\$2,808,918	\$2,808,918	\$1,090,681	\$795,594	\$671,709	\$441,195	\$58,879	\$5,866,976	
2024	\$259,284,728	\$259,284,728		\$0	\$2,696,561	\$2,696,561	\$1,047,054	\$763,770	\$644,841	\$423,547	\$56,524	\$5,632,297	
2025	\$248,913,339	\$248,913,339		\$0	\$2,588,699	\$2,588,699	\$1,005,172	\$733,219	\$619,047	\$406,605	\$54,263	\$5,407,005	
2026	\$238,956,805	\$238,956,805		\$0	\$2,485,151	\$2,485,151	\$964,965	\$703,890	\$594,286	\$390,341	\$52,093	\$5,190,725	
2027	\$229,398,533	\$229,398,533		\$0	\$2,385,745	\$2,385,745	\$926,366	\$675,735	\$570,514	\$374,727	\$50,009	\$4,983,096	
2028	\$220,222,592	\$220,222,592		\$0	\$2,290,315	\$2,290,315	\$889,312	\$648,705	\$547,694	\$359,738	\$48,009	\$4,783,772	
						Total	\$42,579,241	\$16,533,192	\$12,060,079	\$10,182,170	\$6,687,889	\$892,526	\$88,935,097

Source: CPA, Green Pastures Wind I, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

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

The Green Pastures project remains fully taxable for debt services taxes, although SISD does not currently levy an I&S tax. While the value of the Green Pastures project is expected to depreciate over the life of the agreement and beyond, full access to the additional value substantially enhances the I&S tax base of SISD.

The Green Pastures project is not expected to affect SISD in terms of enrollment. Eight full-time positions are expected once the project begins operations. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Board Finding Number 8.

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

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

Board Finding Number 9.

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

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

According to Green Pastures Wind I, LLC's application, "Wind farms are currently being developed, built and installed in numerous other states with significant

Board Findings of the Seymour Independent School District

renewable energy portfolio requirements and/or power markets supportive of renewable generation, including but not limited to Alabama, Arizona, California, Connecticut, Maryland, Nevada, New Hampshire and Pennsylvania. Within Texas, at least 20 other counties have wind farms proposed, under construction or operating. The Project could be sites in other states or other counties in Texas that would give the Project the opportunity to maximize its return on capital investments. Securing this Chapter 313 agreement with Seymour ISD will help further the project's economic viability.”

Board Finding Number 10.

During the past two years, eight projects in the NORTEX Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313 and two projects in the West Central Texas Council of Governments Region.

Board Finding Number 11.

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

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Ten Million Dollars (\$10,000,000), which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Seymour ISD is \$1.1 million. Seymour ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Seymour ISD is classified as a “rural” district due to its

Board Findings of the Seymour Independent School District

demographic characteristics. It is classified as a Category III district which can offer a minimum value limitation of \$10 million.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32045637868) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 14.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss under current law in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

Board Finding Number 15.

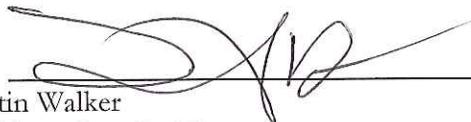
Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

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

Board Findings of the Seymour Independent School District

Dated the 21st day of November 2013.

SEYMOUR INDEPENDENT SCHOOL DISTRICT

By: 
Dustin Walker
President, Board of Trustees

ATTEST:

By: _____
Rance Carrington
Secretary, Board of Trustees



Attachment A

Application

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

August 1, 2013

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

RE: Application to the Seymour Independent School District from Green Pastures
Wind I, LLC

FIRST QUALIFYING YEAR 2014

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Seymour Independent School District is notifying the Applicant Green Pastures Wind I, LLC of its intent to consider Green Pastures Wind I, LLC's application for appraised value limitation on qualified property. The Applicant submitted the application to the school district on July 26, 2013. The Board voted at a properly posted Board meeting to accept the application on July 30, 2013. The application was determined complete by the school district on July 31, 2013. Please prepare the economic impact report.

The Applicant has included confidential materials with the application. The materials have been provided both in electronic and hard copy format. We have not attached the confidential materials to this email to avoid the unintended disclosure of these materials.

No construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement.

The reinvestment zone for this project has not been adopted as yet. The legal description and a final executed copy of the reinvestment zone will be provided upon adoption, before the Board considers final approval of the application.

Letter to Local Government Assistance & Economic Analysis Division

August 1, 2013

Page 2 of 2

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is above the required statutory minimums.

A paper copy of the application will be hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Baylor and Knox County Appraisal Districts.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon". The signature is stylized with several overlapping strokes.

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Baylor County Appraisal District

Chief Appraiser
Knox County Appraisal District

Green Pastures Wind I, LLC

Dr. John Baker, Seymour ISD



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district 7/26/2013
First Name John	Last Name Baker	
Title Superintendent		
School District Name Seymour Independent School District		
Street Address 409 W. Idaho St.		
Mailing Address		
City Seymour	State Texas	ZIP 76380
Phone Number 940-889-3525	Fax Number	
Mobile Number (optional)	E-mail Address john.baker@seymour-isd.net	

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

Will consultant be primary contact? Yes No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

Form fields for consultant information: First Name (Kevin), Last Name (O'Hanlon), Title (Consultant), Firm Name (O'Hanlon, McCollom & Demerath), Street Address (808 West Avenue), Mailing Address (808 West Avenue), City (Austin), State (Texas), ZIP (78701), Phone Number (512-494-9949), Fax Number (512-494-1919), Mobile Number (Optional), E-mail Address (kohanlon@808west.com; mhanley@808west.com)

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

Signature (Authorized School District Representative) and Date fields. Signature: John Becker, Date: 7-30-13

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

If yes, date determined complete. 7/31/13

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed. Rows 1-6 detailing application steps and completion status.



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name

David

Last Name

Savage

Title

Vice President

Organization

Green Pastures Wind I, LLC

Street Address

1802 Lavaca #200

Mailing Address

1802 Lavaca #200

City

Austin

State

Texas

ZIP

78701

Phone Number

512-736-6137

Fax Number

512-852-4452

Mobile Number (optional)

Business e-mail Address

david.savage@pioneergreen.com

Will a company official other than the authorized business representative be responsible for responding to future information requests?

Yes

No

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

E-mail Address

I authorize the consultant to provide and obtain information related to this application.....

Yes

No

Will consultant be primary contact?

Yes

No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Business email Address

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

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

Signature (Authorized Business Representative (Applicant))

Date

[Handwritten Signature]

07/26/2013

GIVEN under my hand and seal of office this 26th day of July, 2013



[Handwritten Signature]
Notary Public, State of TX

(Notary Seal)

My commission expires Feb. 10, 2013

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



FEES AND PAYMENTS

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

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

Please answer only either A OR B:

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

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

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Green Pastures Wind I, LLC

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

32045637868

NAICS code

221119 (1997 NAICS Code)

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

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

Affiliates of Green Pastures Wind I, via its parent company, Pioneer Green Energy, are currently seeking Chpt. 313 agreements with Comanche ISD (2013), Blanket ISD (2013), and Mullin ISD (2013).

APPLICANT BUSINESS STRUCTURE

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

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

limited liability company

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

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

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

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project...
(4) an advanced clean energy project...
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part...
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

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

See Checklist Item 4

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

See Checklist Item 4

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Q4 2013, Begin Hiring New Employees Q4 2013, Construction Complete Q4 2014, Fully Operational Q4 2014, Purchase Machinery & Equipment Q4 2013

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)?

When do you anticipate the new buildings or improvements will be placed in service? Q4 2014



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
N/A	
Total	

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

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

Applicant is pursuing tax abatement agreements from Baylor County and Knox County as well as from the hospital districts in each of those counties.

THE PROPERTY

Identify county or counties in which the proposed project will be located Baylor, Knox

Central Appraisal District (CAD) that will be responsible for appraising the property Baylor County, Knox County

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

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

County: Baylor (60%), Knox (40%) City: N/A
(Name and percent of project) (Name and percent of project)

Hospital District: Baylor Co. Hospital (60%), Knox Co. Hospital (40%) Water District: Rolling Plains GWCD (100%)
(Name and percent of project) (Name and percent of project)

Other (describe): Baylor Co. Road & Bridge (60%) Other (describe): Knox Co. Special (40%)
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No
If not, please provide additional information on the project scope and size to assist in the economic analysis.

INVESTMENT

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

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

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

What is your total estimated qualified investment? \$390,000,000

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

What is the anticipated date of application approval? Dec. 2013

What is the anticipated date of the beginning of the qualifying time period? Dec. 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$390,000,000

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? Oct. 1, 2013

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

Will the project be on leased land? [X] Yes [] No



QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

- [] First Quarter [x] Second Quarter [] Third Quarter [] Fourth Quarter of 2013 (year)

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

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

Total number of new jobs that will have been created when fully operational 8

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 8

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is \$586.58 (Baylor Co.), \$839.30 (Knox Co.)
 110% of the county average weekly wage for manufacturing jobs in the county is \$761.20 (Baylor and Knox Counties)
 110% of the county average weekly wage for manufacturing jobs in the region is \$784.30 (Baylor Co.), \$802.60 (Knox Co.)

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$41,259.35

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$41,259.35

- Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? Yes No
 - Will each qualifying job require at least 1,600 of work a year? Yes No
 - Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes No
 - Will any of the qualifying jobs be retained jobs? Yes No
 - Will any of the qualifying jobs be created to replace a previous employee? Yes No
 - Will any required qualifying jobs be filled by employees of contractors? Yes No
- If yes, what percent? 100%

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

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

see Checklist Item 15

ECONOMIC IMPACT

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No
- Is Schedule A completed and signed for all years and attached? Yes No
- Is Schedule B completed and signed for all years and attached? Yes No
- Is Schedule C (Application) completed and signed for all years and attached? Yes No
- Is Schedule D completed and signed for all years and attached? Yes No

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

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

COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

SEYMOUR INDEPENDENT SCHOOL DISTRICT



409 West Idaho Street
Seymour, TX 76380
Dr. John Baker, Superintendent
(940) 889-3525
www.seymour-isd.net

July 26, 2013

David Savage
Vice President
Pioneer Green Energy
1802 Lavaca St.
Austin, Texas 78701

RE: Application Fee for the Application of Green Pastures Wind I, LLC

Dear Mr. Savage,

In accordance with Board Policy CCG (Local), a nonrefundable Application Fee must be paid by an Applicant to the District to cover the District's costs incurred in the processing and consideration of an Application for Appraised Value Limitation on Qualified Property.

As the authorized representative of the Seymour Independent School District, please be advised that the District has considered your request to defer the immediate payment of the full application fee for the application submitted by Green Pastures Wind I, LLC ("Green Pastures"). I have determined that the District will accept the payment of the application fee in installments. Payments will be due as follows:

1. An initial payment of \$25,000 to the Seymour Independent School District to be made on the date of the Board meeting to consider accepting the application.
2. A second and final payment of \$50,000 to be made on the date of the Board meeting at which final action of the Board of Trustees is scheduled to consider and, if appropriate, to approve the application submitted by Green Pastures.

Green Pastures must provide satisfactory evidence to the District that the payments have been made prior to any action by the Board on the application.

Sincerely,

A handwritten signature in blue ink that reads "John Baker".

John Baker, Ed.D.
Superintendent
Seymour ISD

Greg Roach
High School Principal
(940) 889-2947

Morris Davis
Middle School Principal
(940) 889-4548

John Anderson
Elementary School Principal
(940) 889-2533

Keith Ivy
Athletic Director
(940) 889-3181

Tim Orsak
Finance/Inst. Coordinator
(940) 889-3525

Phil Holub
Transportation/Mtc.
(940) 889-3525

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

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

CHECKLIST ITEM 3

Documentation of Combined Group membership

N/A

CHECKLIST ITEM 4

Detailed Description of Project

The Applicant is requesting an appraised value limitation from Seymour Independent School District for a proposed renewable energy project using wind turbines (the "Project") in Baylor and Knox Counties, Texas. The Project lies entirely within Seymour ISD. A map showing the location of the Project is included as Checklist Item 9.

The Project will be constructed within reinvestment zones established in Baylor and Knox Counties. Current land use for the private property within the reinvestment zone consists primarily of farming and ranching.

Although the exact number of wind turbines and the size of each turbine may vary depending upon the wind turbines selected and the generating capacity of the project completed, Green Pastures Wind I, LLC anticipates that the Project will have a capacity of between 200 and 300 megawatts (MW), comprised of 100 to 150 wind turbines with a nameplate generation capacity rating of 1.6 to 3MW each. Depending on availability of the federal production tax credit, necessary equipment and purchased-power agreements, up to 150 wind turbines will be installed in Seymour ISD.

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

Construction of the Project is proposed to begin in the fourth quarter of 2013 and will take approximately nine (9) to twelve (12) months to complete. During construction the Project will employ an estimated three hundred (300) construction workers at the Project site.

Ability to Relocate

Wind farms are currently being developed, built and installed in numerous other states with significant renewable energy portfolio requirements and/or power markets supportive of renewable generation, including but not limited to Alabama, Arizona, California, Connecticut, Maryland, Nevada, New Hampshire, and Pennsylvania. Within Texas, at least 20 other counties have wind farms proposed, under construction or operating. The Project could be sited in other states or other counties in Texas that would give the Project the opportunity to maximize its return on capital investments. Securing this Chapter 313 agreement with Seymour ISD will help further the project's economic viability.

CHECKLIST ITEM 5

Project Distribution Across Districts

N/A

CHECKLIST ITEM 6

Description of Qualified Investment

This application covers qualified investment necessary for commercial operations of the wind farm located within the Seymour Independent School District. The size and number of wind turbines will be determined by the time Project construction begins and ultimately depends on the availability of the federal production tax credit (PTC), necessary equipment and purchased-power agreements.

Qualified investment includes, but is not limited to, wind turbines, towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; buried and overhead communication cables; FAA-required wind turbine obstruction lighting; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above.

This Page CONFIDENTIAL

CHECKLIST ITEMS 7

Map of Qualified Investment

CHECKLIST ITEM 8

Description of Qualified Property

Although the exact number of wind turbines and the size of each turbine may vary depending upon the wind turbines selected and the generating capacity of the project completed, Green Pastures Wind I, LLC anticipates that the qualified property located within the Seymour ISD will consist of one-hundred (100) wind turbines with a rated capacity of approximately 3MW each. In addition, the qualified property includes, but is not limited to, wind turbines, towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; buried and overhead communication cables; FAA-required wind turbine obstruction lighting; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above.

The exact location and placement of the property has not been finalized at this time due to ongoing planning activities and negotiations with landowners and equipment suppliers. However, all of the qualified property for which Green Pastures Wind I, LLC is requesting an appraised value limitation as defined by Tax Code Section 313.021(2), will be placed within reinvestment zones established by Baylor and Knox Counties.

The applicant expects to build the proposed project within one year, with 100% of the construction expected to be in the Seymour ISD. Applicant intends to begin construction in the fourth quarter of 2013 and intends to complete construction prior to the end of 2014. The applicant expects to meet the minimum qualified investment criteria by the end of 2014, and in any event, prior to the expiration of the Qualifying Period. All of the property for which a limitation on appraised value is hereby sought will be owned by the Applicant.

This Page CONFIDENTIAL

CHECKLIST ITEMS 9

Map of Qualified Property

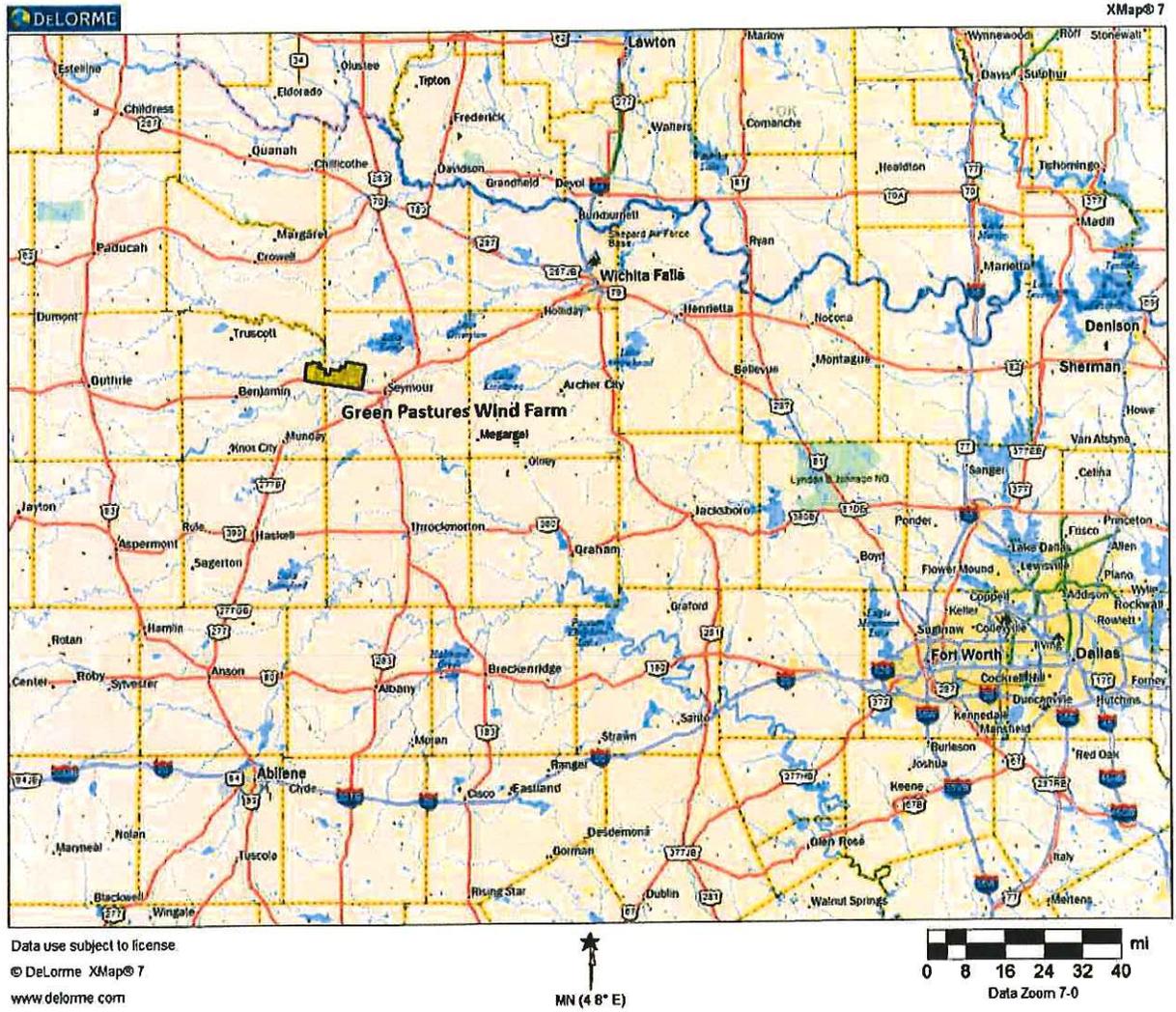
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CHECKLIST ITEM 10

Description of Land

CHECKLIST ITEM 11

Detailed map of land location



CHECKLIST ITEM 12

Description of Existing Improvements

N/A

CHECKLIST ITEM 13

Request for Waiver of Job Creation Requirement

Pursuant to Section 313.025(f-1) of the Texas Tax Code, the governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in this application.

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

The table below illustrates the estimated investment, installed in megawatts, and number of qualifying jobs to be created by the Project. The Project is expected to lie entirely within the Seymour ISD. It is anticipated that the Project will result in the creation of eight (8) new, qualifying jobs to operate and maintain equipment at the Project site. The Applicant believes this number of jobs to be consistent with the industry standard number of full-time jobs, which is approximately 1 job for every 15 to 20 wind turbines installed. The number of jobs required to operate the facility depends on various factors, including the number, size, and type of turbine installed; geographical dispersion of the project site; and the support and technical assistance offered by the turbine manufacturer.

According to econometric projections, and based on Green Pastures Wind I, LLC's experience with existing operational wind projects in many areas of Texas, the Applicant's investments in the Seymour ISD will result in substantially increased local economic activity, in addition to creating new, indirect jobs in Baylor and Knox Counties as well as other parts of the state.

The proposed wind project may not be able to sustain the minimum requirement of 10 new jobs for this Project. Accordingly, Green Pastures Wind I, LLC requests that Seymour ISD find that the jobs creation requirement exceeds industry standard and waive its requirement for the Project, in accordance with Chapter 313 of the Texas Tax Code.

300 MW Project	Seymour ISD
Estimated Investment (\$, millions)	\$390
Percentage within ISD	100%
Estimated Installed Turbines	100
Estimated Installed Capacity (MW)	300
Total Qualifying Jobs	8

CHECKLIST ITEM 14

Wage Information

Project Wage Summary

	Baylor Co.	Knox Co.	Project-Wide (Two County Avg.)
110% Avg. Weekly Wage – All Jobs	\$586.58	\$839.30	\$712.94
110% Avg. Weekly Wage – Mfg. Jobs	\$761.20*	\$761.20*	\$761.20
110% Avg. Weekly Regional Wage – Mfg. Jobs	\$784.30	\$802.60	\$793.45
110% Avg. Annual Regional Wage – Mfg. Jobs	\$40,783.60	\$41,735.10	\$41,259.35

* See methodology for calculating average weekly manufacturing wages below.

Baylor County

110% of **Baylor County** Average Weekly Wage for All Jobs

2012 Q2	\$524
2012 Q3	\$522
2012 Q4	\$531
2013 Q1	\$556

$$\$533.25 \text{ (avg last 4 qtrs)} \times 110\% = \$586.58$$

110% of **Baylor County** Average Weekly Wage for Manufacturing Jobs

Mfg. wage data is not available for **Baylor County**. Mfg. wages for neighboring Archer, Haskell, and Wilbarger Counties are available, however, and will be used to approximate mfg. wages for Baylor County.

	Archer County	Haskell County	Wilbarger County	3 County Avg.
2012 Q2	\$401	\$538	\$856	\$598
2012 Q3	\$542	\$670	\$876	\$696
2012 Q4	\$589	\$588	\$973	\$717
2013 Q1	\$672	\$604	\$996	\$757

$$\$692.00 \text{ (avg last 4 qtrs)} \times 110\% = \$761.20$$

110% of NORTEX Average Annual Wage for Manufacturing Jobs

$$\$37,076 \times 110\% = \$40,783.60$$

110% of NORTEX Average Weekly Wage for Manufacturing Jobs

$$\$37,076 \div 52 \text{ weeks} \times 110\% = \$784.30$$

Knox County

110% of Knox County Average Weekly Wage for All Jobs

2012 Q2 \$698
2012 Q3 \$752
2012 Q4 \$810
2013 Q1 \$792

$\$763.00$ (avg last 4 qtrs) x 110% = $\$839.30$

110% of Knox County Average Weekly Wage for Manufacturing Jobs

Mfg. wage data is not available for **Knox County**. Mfg. wages for neighboring Archer, Haskell, and Wilbarger Counties are available, however, and will be used to approximate mfg. wages for Knox County.

	Archer County	Haskell County	Wilbarger County	3 County Avg.
2012 Q2	\$401	\$538	\$856	\$598
2012 Q3	\$542	\$670	\$876	\$696
2012 Q4	\$589	\$588	\$973	\$717
2013 Q1	\$672	\$604	\$996	\$757

$\$692.00$ (avg last 4 qtrs) x 110% = $\$761.20$

110% of WCTCOG Average Annual Wage for Manufacturing Jobs

$\$37,941$ x 110% = $\$41,735.10$

110% of WCTCOG Average Weekly Wage for Manufacturing Jobs

$\$37,941 \div 52$ weeks x 110% = $\$802.60$

Quarterly Employment and Wages (QCEW)

[Help with Download](#)

Page 1 of 1 (40 results/page)

<input type="checkbox"/> Year <input type="checkbox"/>	<input type="checkbox"/> Period <input type="checkbox"/>	<input type="checkbox"/> Area <input type="checkbox"/>	<input type="checkbox"/> Ownership <input type="checkbox"/>	<input type="checkbox"/> Division <input type="checkbox"/>	<input type="checkbox"/> Level <input type="checkbox"/>	<input type="checkbox"/> Ind Code <input type="checkbox"/>	<input type="checkbox"/> Industry <input type="checkbox"/>	<input type="checkbox"/> Avg Weekly Wages <input type="checkbox"/>
2012	2nd Qtr	Baylor County	Total All	00	0	10	Total, All Industries	\$524
2012	3rd Qtr	Baylor County	Total All	00	0	10	Total, All Industries	\$522
2012	4th Qtr	Baylor County	Total All	00	0	10	Total, All Industries	\$531
2013	1st Qtr	Baylor County	Total All	00	0	10	Total, All Industries	\$556

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

<input type="checkbox"/> Year <input type="checkbox"/>	<input type="checkbox"/> Period <input type="checkbox"/>	<input type="checkbox"/> Area <input type="checkbox"/>	<input type="checkbox"/> Ownership <input type="checkbox"/>	<input type="checkbox"/> Division <input type="checkbox"/>	<input type="checkbox"/> Level <input type="checkbox"/>	<input type="checkbox"/> Ind Code <input type="checkbox"/>	<input type="checkbox"/> Industry <input type="checkbox"/>	<input type="checkbox"/> Avg Weekly Wages <input type="checkbox"/>
2012	2nd Qtr	Knox County	Total All	00	0	10	Total, All Industries	\$698
2012	3rd Qtr	Knox County	Total All	00	0	10	Total, All Industries	\$752

2012	4th Qtr	Knox County	Total All	00	0	10	Total, All Industries	\$810
2013	1st Qtr	Knox County	Total All	00	0	10	Total, All Industries	\$792

Manufacturing Average Weekly Wages for Selected Counties						
County	Ind Code	Industry	1Q13	4Q12	3Q12	2Q12
Archer County	31-33	Manufacturing	\$672	\$589	\$542	\$401
Haskell County	31-33	Manufacturing	\$604	\$588	\$670	\$538
Wilbarger County	31-33	Manufacturing	\$996	\$973	\$876	\$856

Source: Texas Workforce Commission,
 Labor Market and Career Information Department.
 Quarterly Census of Employment & Wages, 07-24-13 (LS).

**2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

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

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

Data intended for TAC 313 purposes only.

CHECKLIST ITEM 15

Description of Benefits

In addition to the annual salary, qualified employees of Green Pastures Wind I, LLC will be offered medical insurance coverage (including prescription, dental and vision) with at least 80% of the premiums for the employee paid by the Applicant. Additionally, each qualified position will receive, but not be limited to, the following benefits:

- Short and long-term disability benefits
- Health care flexible spending account plan
- Paid holidays
- Paid vacation
- Retirement savings plan

CHECKLIST ITEM 16

Economic Impact

N/A

CHECKLIST ITEM 17

Schedule A (Rev. May 2010): Investment

Applicant Name: Green Pastures Wind I, LLC
 ISD Name: Seymour
 Form 50-296

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	School Year (YYYY-YYYY)	Tax Year (fill in final tax year only) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) in services during this year	Column B: Building or permanent nonmovable component of building (total amount only)	Column C: Sum of A and B Qualifying investment (including time period)	Column D: Other investment that is not qualified investment but investment affecting total value	Column E: Total Investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year or qualifying time period (qualified investment) and eligible to become qualified property Complete tax years of qualifying time period Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	1	2014-2015	\$19,500,000	-	\$19,500,000	-	\$19,500,000		
	2	2015-2016	-	-	-	-	-		
	3	2016-2017	-	-	-	-	-		
	4	2017-2018	-	-	-	-	-		
	5	2018-2019	-	-	-	-	-		
	6	2019-2020	-	-	-	-	-		
	7	2020-2021	-	-	-	-	-		
	8	2021-2022	-	-	-	-	-		
	9	2022-2023	-	-	-	-	-		
	10	2023-2024	-	-	-	-	-		
	11	2024-2025	-	-	-	-	-		
	12	2025-2026	-	-	-	-	-		
	13	2026-2027	-	-	-	-	-		
	14	2027-2028	-	-	-	-	-		
	15	2028-2029	-	-	-	-	-		
Tax Credit Period (with 50% cap on credit)			\$370,500,000	-	\$370,500,000	-	\$370,500,000		

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonmovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. This must be eligible for property tax credit. Other investments that are not eligible for tax credit, such as investments in professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

07/26/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: *[Signature]* DATE: 07/26/2013

Green Pastures Wind I, LLC
 Application for Ch. 313 AVL Agreement

CHECKLIST ITEM 18

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

Applicant Name: **Green Pastures Wind I** Form 50-296
 ISD Name: **Seymour**

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value	
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for IRS - after all reductions	Final taxable value for MCO - after all reductions
pre-year 1	2013-2014	2013	-	-	-	-	-	-
1	2014-2015	2014	-	\$19,500,000	-	-	\$19,500,000	\$19,500,000
2	2015-2016	2015	-	\$374,400,000	-	-	\$374,400,000	\$374,400,000
3	2016-2017	2016	-	\$359,424,000	-	-	\$359,424,000	\$10,000,000
4	2017-2018	2017	-	\$345,047,040	-	-	\$345,047,040	\$10,000,000
5	2018-2019	2018	-	\$331,245,158	-	-	\$331,245,158	\$10,000,000
6	2019-2020	2019	-	\$317,995,352	-	-	\$317,995,352	\$10,000,000
7	2020-2021	2020	-	\$305,275,538	-	-	\$305,275,538	\$10,000,000
8	2021-2022	2021	-	\$293,064,516	-	-	\$293,064,516	\$10,000,000
9	2022-2023	2022	-	\$281,341,936	-	-	\$281,341,936	\$10,000,000
10	2023-2024	2023	-	\$270,088,258	-	-	\$270,088,258	\$10,000,000
11	2024-2025	2024	-	\$259,284,728	-	-	\$259,284,728	\$259,284,728
12	2025-2026	2025	-	\$248,913,339	-	-	\$248,913,339	\$248,913,339
13	2026-2027	2026	-	\$238,956,805	-	-	\$238,956,805	\$238,956,805
14	2027-2028	2027	-	\$229,398,533	-	-	\$229,398,533	\$229,398,533
15	2028-2029	2028	-	\$220,222,592	-	-	\$220,222,592	\$220,222,592

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Signature:  DATE: 07/26/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

CHECKLIST ITEM 19

Schedule C- Application: Employment Information

Applicant Name: Green Pastures Wind I
 ISD Name: Seymour

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Construction		New Jobs		Qualifying Jobs	
			Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
pre-year 1	2013-2014	2013	18,000	\$52,000				
1	2014-2015	2014	342,500	\$52,000	8	\$41,259	8	\$41,259
2	2015-2016	2015			8	\$41,259	8	\$41,259
3	2016-2017	2016			8	\$41,259	8	\$41,259
4	2017-2018	2017			8	\$41,259	8	\$41,259
5	2018-2019	2018			8	\$41,259	8	\$41,259
6	2019-2020	2019			8	\$41,259	8	\$41,259
7	2020-2021	2020			8	\$41,259	8	\$41,259
8	2021-2022	2021			8	\$41,259	8	\$41,259
9	2022-2023	2022			8	\$41,259	8	\$41,259
10	2023-2024	2023			8	\$41,259	8	\$41,259
11	2024-2025	2024			8	\$41,259	8	\$41,259
12	2025-2026	2025			8	\$41,259	8	\$41,259
13	2026-2027	2026			8	\$41,259	8	\$41,259
14	2027-2028	2027			8	\$41,259	8	\$41,259
15	2028-2029	2028			8	\$41,259	8	\$41,259

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

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

[Signature]
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

07/26/2013
 DATE

CHECKLIST ITEM 20

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

Applicant Name Green Pastures Wind I		Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought					
		Sales Taxable Expenditures		Franchise Tax		Seymour					
		Sales Taxable Expenditures		Franchise Tax		Form 50-296					
	Year	School Year (YYYY-YYYY)	Tax Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	\$1,799,850	\$17,700,150	0%	0%	0%	0%	0%	
	Complete tax years of qualifying time period	1	2014-2015	2014	\$34,197,150	\$336,302,850	0%	0%	0%	0%	0%
		2	2015-2016	2015				100%	0%	100%	0%
		3	2016-2017	2016				100%	0%	100%	0%
		4	2017-2018	2017				100%	0%	100%	0%
		5	2018-2019	2018				100%	0%	100%	0%
	Value Limitation Period	6	2019-2020	2019				100%	0%	100%	0%
		7	2020-2021	2020			\$ 221,907	100%	0%	100%	0%
		8	2021-2022	2021			\$ 221,251	100%	0%	100%	0%
		9	2022-2023	2022			\$ 221,068	100%	0%	100%	0%
	Tax Credit Period (with 50% cap on credit)	10	2023-2024	2023			\$ 223,805	100%	0%	100%	0%
		11	2024-2025	2024			\$ 225,655	100%	0%	100%	0%
		12	2025-2026	2025			\$ 204,611	0%	0%	0%	0%
		13	2026-2027	2026			\$ 202,276	0%	0%	0%	0%
		14	2027-2028	2027			\$ 382,055	0%	0%	0%	0%
15		2028-2029	2028			\$ 388,628	0%	0%	0%	0%	

*For planning, construction and operation of the facility.

07/26/2013
DATE


 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

CHECKLIST ITEM 21

Reinvestment Zone Map

[to be submitted upon approval of reinvestment zone by Baylor & Knox Counties.]

CHECKLIST ITEM 22

Resolution Establishing Reinvestment Zone

[to be submitted upon approval by Baylor & Knox Counties]

CHECKLIST ITEM 23

Legal Description of Reinvestment Zone

[to be submitted upon approval of reinvestment zone by Baylor & Knox Counties]

CHECKLIST ITEM 24

Guidelines & Criteria for Reinvestment Zone

[to be submitted upon approval by Baylor & Knox Counties]



Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of 11/15/2013 07:58:53 AM

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

GREEN PASTURES WIND I, LLC	
Texas Taxpayer Number	32045637868
Mailing Address	5 PALO ALTO SQ STE 700 PALO ALTO, CA 94306-2109
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	11/14/2011
Texas SOS File Number	0801507123
Registered Agent Name	ANDREW BOWMAN
Registered Office Street Address	1802 LAVACA ST., STE. 200 AUSTIN, TX 78701



Attachment C

State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 1, 2013

John Baker
Superintendent
Seymour Independent School District
409 W. Idaho St.
Seymour, Texas 76380

Dear Superintendent Baker:

On August 26, 2013, the Comptroller received the completed application (Application # 328) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Seymour Independent School District (the school district) by Green Pastures Wind I, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$390 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Baylor and Knox Counties, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

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

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

Note that any new building or other improvement existing as of the application review start date of August 26, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood



Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Green Pastures Wind I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Seymour ISD
2011-2012 Enrollment in School District	570
County	Baylor, Knox
Total Investment in District	\$390,000,000
Qualified Investment	\$390,000,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	8*
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$793
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$793
Minimum Annual Wage committed to by applicant for qualified jobs	\$41,259
Investment per Qualifying Job	\$48,750,000
Estimated 15 year M&O levy without any limit or credit:	\$42,579,241
Estimated gross 15 year M&O tax benefit	\$29,092,771
Estimated 15 year M&O tax benefit (after deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$28,589,058
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$3,888,560
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$13,990,183
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	67.1%
Percentage of tax benefit due to the limitation	86.6%
Percentage of tax benefit due to the credit.	13.4%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

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

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

After construction, the project will create eight new jobs when fully operational. All eight jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the NORTEX Regional Planning Commission Region, where Baylor County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012-2013 for Baylor County is not available. That same year, the county annual average wage for all industries was \$27,729. The regional manufacturing wage for West Central Texas Council of Governments Region where Knox County is located was \$37,941 in 2012. The annual average manufacturing wage for 2012-2013 for Knox County is not available. That same year, the county annual average wage for all industries was \$39,676. In addition to an annual average salary of \$41,259, each qualifying position will receive benefits such as medical insurance coverage (including prescription, dental and vision), short and long-term disability benefits, health care flexible spending account plan, paid holidays, paid vacation and retirement savings plan. The project's total investment is \$390 million, resulting in a relative level of investment per qualifying job of \$48.75 million.

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

According to Green Pastures Wind I, LLC's application, "Wind farms are currently being developed, built and installed in numerous other states with significant renewable energy portfolio requirements and/or power markets supportive of renewable generation, including but not limited to Alabama, Arizona, California, Connecticut, Maryland, Nevada, New Hampshire and Pennsylvania. Within Texas, at least 20 other counties have wind farms proposed, under construction or operating. The Project could be sites in other states or other counties in Texas that would give the Project the opportunity to maximize its return on capital investments. Securing this Chapter 313 agreement with Seymour ISD will help further the project's economic viability."

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

During the past two years, eight projects in the NORTEX Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313 and two projects in the West Central Texas Council of Governments Region.

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

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

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

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Green Pastures Wind I, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	9	11	20	\$450,000	\$550,000	\$1,000,000
2014	173	176	349	\$8,892,572	\$12,107,428	\$21,000,000
2015	8	15	23	\$330,072	\$2,669,928	\$3,000,000
2016	8	19	27	\$330,072	\$2,669,928	\$3,000,000
2017	8	21	29	\$330,072	\$2,669,928	\$3,000,000
2018	8	19	27	\$330,072	\$2,669,928	\$3,000,000
2019	8	21	29	\$330,072	\$2,669,928	\$3,000,000
2020	8	23	31	\$330,072	\$2,669,928	\$3,000,000
2021	8	25	33	\$330,072	\$2,669,928	\$3,000,000
2022	8	25	33	\$330,072	\$2,669,928	\$3,000,000
2023	8	27	35	\$330,072	\$3,669,928	\$4,000,000
2024	8	23	31	\$330,072	\$3,669,928	\$4,000,000
2025	8	27	35	\$330,072	\$2,669,928	\$3,000,000
2026	8	17	25	\$330,072	\$1,669,928	\$2,000,000
2027	8	17	25	\$330,072	\$2,669,928	\$3,000,000
2028	8	12	20	\$330,072	\$2,669,928	\$3,000,000

Source: CPA, REMI, Green Pastures Wind I, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Seymour ISD's ad valorem tax base in 2012-2013 was \$147 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Seymour ISD's estimated wealth per WADA was \$147,186. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Baylor County, Knox County, Baylor County Hospital District, Knox County Hospital District, and Rolling Plains Groundwater Conservation District, with all property tax incentives sought being granted using estimated market value from Green Pastures Wind I, LLC's application. Green Pastures Wind I, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with each county and each hospital district. Table 3 illustrates the estimated tax impact of the Green Pastures Wind I, LLC project on the region if all taxes are assessed.

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$42,579,241. The estimated gross 15 year M&O tax benefit, or levy loss, is \$29,092,771.

Attachment 3 is an economic overview of Baylor and Knox Counties.

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.



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

October 30, 2013

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

Dear Mr. Wood:

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

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

October 30, 2013

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Green Pastures Wind I LLC project for the Seymour Independent School District (SISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Green Pastures Wind I LLC project on SISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Baylor County

Population

- Total county population in 2010 for Baylor County: 3,651 , down 0.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Baylor County was the state's 214th largest county in population in 2010 and the 205 th fastest growing county from 2009 to 2010.
- Baylor County's population in 2009 was 81.7 percent Anglo (above the state average of 46.7 percent), 3.9 percent African-American (below the state average of 11.3 percent) and 11.7 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Baylor County:

Seymour: 2,571

Economy and Income

Employment

- September 2011 total employment in Baylor County: 1,691 , down 2.1 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Baylor County unemployment rate: 7.3 percent, up from 6.3 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

- Baylor County's ranking in per capita personal income in 2009: 126th with an average per capita income of \$32,494, down 4.6 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Baylor County averaged \$53.04 million annually from 2007 to 2010. County total agricultural values in 2010 were up 7.8 percent from 2009. Major agriculture related commodities in Baylor County during 2010 included:
 - Wheat
 - Sesame
 - Sorghum
 - Hunting
 - Other Beef
- 2011 oil and gas production in Baylor County: 59,582.0 barrels of oil and 0.0 Mcf of gas. In September 2011, there were 135 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Baylor County during the fourth quarter 2010: \$4.00 million, up 4.6 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Seymour: \$3.50 million, up 1.5 percent from the same quarter in 2009.

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

- Taxable sales in Baylor County through the fourth quarter of 2010: \$14.76 million, down 0.4 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Seymour: \$13.32 million, up 0.6 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Baylor County during 2010: \$14.76 million, down 0.4 percent from 2009.
- Baylor County sent an estimated \$922,586.63 (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Seymour: \$13.32 million, up 0.6 percent from 2009.

Sales Tax - Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Baylor County based on the sales activity month of August 2011: \$13,695.24, up 7.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 - Seymour: \$13,695.24, up 7.1 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Baylor County based on sales activity months from September 2010 through August 2011: \$195,417.64, up 13.4 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 - Seymour: \$195,417.64, up 13.4 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Baylor County based on sales activity months through August 2011: \$118,378.10, up 4.2 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 - Seymour: \$118,378.10, up 4.2 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Baylor County based on sales activity in the 12 months ending in August 2011: \$195,417.64, up 13.4 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 - Seymour: \$195,417.64, up 13.4 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

- Payment to the cities from January 2011 through October 2011:
 - Seymour: \$156,174.61, up 7.6 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Baylor County based on sales activity months in 2010: \$190,637.34, up 14.5 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Seymour: \$190,637.34, up 14.5 percent from 2009.

Property Tax

- As of January 2009, property values in Baylor County: \$644.23 million, up 4.5 percent from January 2008 values. The property tax base per person in Baylor County is \$175,205, above the statewide average of \$85,809. About 6.9 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Baylor County's ranking in state expenditures by county in fiscal year 2010: 204th. State expenditures in the county for FY2010: \$17.45 million, down 0.5 percent from FY2009.
- In Baylor County, 8 state agencies provide a total of 40 jobs and \$309,603.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Health & Human Services Commission
 - Department of Transportation
 - Department of Family and Protective Services
 - Department of Public Safety

- Department of Aging and Disability Services

Higher Education

- Community colleges in Baylor County fall 2010 enrollment:
 - None.

- Baylor County is in the service area of the following:
 - Vernon College with a fall 2010 enrollment of 3,167 . Counties in the service area include:
 - Archer County
 - Baylor County
 - Clay County
 - Cottle County
 - Foard County
 - Hardeman County
 - Haskell County
 - King County
 - Knox County
 - Throckmorton County
 - Wichita County
 - Wilbarger County

- Institutions of higher education in Baylor County fall 2010 enrollment:
 - None.

School Districts

- Baylor County had 1 school districts with 3 schools and 580 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Seymour ISD had 580 students in the 2009-10 school year. The average teacher salary was \$42,890. The percentage of students meeting the 2010 TAKS passing standard for all tests was 89 percent.

Knox County

Population

- Total county population in 2010 for Knox County: 3,390 , up 1.6 percent from 2009. State population increased 1.8 percent in the same time period.
- Knox County was the state's 217nd largest county in population in 2010 and the 52nd fastest growing county from 2009 to 2010.
- Knox County's population in 2009 was 62.3 percent Anglo (above the state average of 46.7 percent), 8.8 percent African-American (below the state average of 11.3 percent) and 26.8 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Knox County:

Munday:	1,187	Knox City:	953
Goree:	252	Benjamin:	209

Economy and Income

Employment

- September 2011 total employment in Knox County: 1,678 , down 2.9 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Knox County unemployment rate: 6.1 percent, up from 5.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

- Knox County's ranking in per capita personal income in 2009: 131st with an average per capita income of \$32,117, down 8.2 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Knox County averaged \$64.54 million annually from 2007 to 2010. County total agricultural values in 2010 were down 12.9 percent from 2009. Major agriculture related commodities in Knox County during 2010 included:
 - Recreation ▪ Hunting ▪ Wheat ▪ Cotton ▪ Other Beef
- 2011 oil and gas production in Knox County: 116,381.0 barrels of oil and 30.0 Mcf of gas. In September 2011, there were 223 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Knox County during the fourth quarter 2010: \$5.99 million, up 21.0 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Munday:	\$1.50 million, up 8.3 percent from the same quarter in 2009.
Knox City:	\$2.76 million, up 25.2 percent from the same quarter in 2009.
Goree:	\$193,983.00, up 2.2 percent from the same quarter in 2009.
Benjamin:	\$140,294.00, down 3.1 percent from the same quarter in 2009.

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

- Taxable sales in Knox County through the fourth quarter of 2010: \$23.09 million, up 18.3 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Munday:	\$5.65 million, up 5.9 percent from the same period in 2009.
Knox City:	\$10.92 million, up 30.1 percent from the same period in 2009.
Goree:	\$812,797.00, up 4.0 percent from the same period in 2009.
Benjamin:	\$541,844.00, down 3.1 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Knox County during 2010: \$23.09 million, up 18.3 percent from 2009.
- Knox County sent an estimated \$1.44 million (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Munday:	\$5.65 million, up 5.9 percent from 2009.
Knox City:	\$10.92 million, up 30.1 percent from 2009.
Goree:	\$812,797.00, up 4.0 percent from 2009.
Benjamin:	\$541,844.00, down 3.1 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Knox County based on the sales activity month of August 2011: \$43,777.76, up 14.3 percent from August 2010.

- Payment based on the sales activity month of August 2011 to the city of:

Munday:	\$13,824.09, up 10.2 percent from August 2010.
Knox City:	\$26,806.36, up 18.1 percent from August 2010.
Goree:	\$1,975.56, up 11.4 percent from August 2010.
Benjamin:	\$1,171.75, down 9.9 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Knox County based on sales activity months from September 2010 through August 2011: \$464,001.36, up 5.5 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Munday:	\$170,003.05, up 7.1 percent from fiscal 2010.
Knox City:	\$255,539.30, up 4.0 percent from fiscal 2010.
Goree:	\$22,346.32, up 12.7 percent from fiscal 2010.
Benjamin:	\$16,112.69, up 4.7 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Knox County based on sales activity months through August 2011: \$304,477.12, up 2.5 percent from the same period in 2010.

- Payments based on sales activity months through August 2011 to the city of:

Munday:	\$111,789.37, up 5.1 percent from the same period in 2010.
Knox City:	\$168,833.59, unchanged 0.0 percent from the same period in 2010.
Goree:	\$13,597.62, up 10.4 percent from the same period in 2010.
Benjamin:	\$10,256.54, up 6.4 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Knox County based on sales activity in the 12 months ending in August 2011: \$464,001.36, up 5.5 percent from the previous 12-month period.

- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Munday:	\$170,003.05, up 7.1 percent from the previous 12-month period.
Knox City:	\$255,539.30, up 4.0 percent from the previous 12-month period.
Goree:	\$22,346.32, up 12.7 percent from the previous 12-month period.
Benjamin:	\$16,112.69, up 4.7 percent from the previous 12-month period.

- ***City Calendar Year-To-Date (RJ 2011)***

- Payment to the cities from January 2011 through October 2011:

Munday:	\$141,817.43, up 5.9 percent from the same period in 2010.
Knox City:	\$213,474.22, up 3.6 percent from the same period in 2010.
Goree:	\$17,283.40, up 12.1 percent from the same period in 2010.
Benjamin:	\$13,048.76, up 6.1 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.

- Payments to all cities in Knox County based on sales activity months in 2010: \$456,644.38, up 16.6 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Munday:	\$164,627.36, up 11.1 percent from 2009.
Knox City:	\$255,460.25, up 23.3 percent from 2009.
Goree:	\$21,062.25, down 2.6 percent from 2009.
Benjamin:	\$15,494.52, up 6.7 percent from 2009.

Property Tax

- As of January 2009, property values in Knox County: \$419.98 million, up 2.8 percent from January 2008 values. The property tax base per person in Knox County is \$126,423, above the statewide average of \$85,809. About 16.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Knox County's ranking in state expenditures by county in fiscal year 2010: 208th. State expenditures in the county for FY2010: \$16.50 million, down 0.1 percent from FY2009.
- In Knox County, 5 state agencies provide a total of 26 jobs and \$273,146.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):

▪ Department of Transportation	▪ Health & Human Services Commission
▪ Department of Public Safety	▪ AgriLife Extension Service

Higher Education

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

School Districts

- Knox County had 3 school districts with 6 schools and 761 students in the 2009-10 school year. (Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Benjamin ISD had 86 students in the 2009-10 school year. The average teacher salary was \$36,450. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.
 - Knox City-O'Brien ISD had 297 students in the 2009-10 school year. The average teacher salary was \$40,254. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
 - Munday ISD had 378 students in the 2009-10 school year. The average teacher salary was \$39,474. The percentage of students meeting the 2010 TAKS passing standard for all tests was 77 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED GREEN
PASTURES WIND I, LLC PROJECT ON THE FINANCES OF THE
SEYMOUR INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

August 19, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Green Pastures Wind I, LLC Project on the Finances of the Seymour Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Green Pastures Wind I (Green Pastures) has requested that the Seymour Independent School District (SISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to SISD on July 30, 2013, Green Pastures proposes to invest \$390 million to construct a new renewable wind energy electric generation project in SISD.

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

Under the provisions of Chapter 313, SISD may offer a minimum value limitation of \$10 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning with the 2016-17 school year, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period; however, SISD does not currently levy an I&S tax. The full taxable value of the investment is expected to reach \$374 million in the 2015-16 school year. While depreciation is expected to reduce the taxable value of the project over the course of the value limitation agreement, at its peak value the Green Pastures project would add more than twice the value of the current underlying tax base for I&S purposes, should the District decide to pursue a bond issue in the future.

In the case of the Green Pastures project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. Under current law, SISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$503,712). No out-year losses are anticipated.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$28.6 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

SISD is classified as a formula district in most years under the estimates presented below. The exception is the 2016-17 initial value limitation year, when approximately \$3 million in ASATR

funds are expected under current law to offset the reduction in M&O taxes that would occur that year. This issue will be discussed in more detail below.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

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

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and underlying base property values in order to isolate the effects of the value limitation in the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below.

The projected taxable values of the Green Pastures project are also factored into the base model used here in order to simulate the financial effects of having the project completed in the absence of a value limitation agreement. The impact of the limitation value for the proposed Green Pastures project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 545 students in average daily attendance (ADA) in analyzing the effects of the Green Pastures project on the finances of SISD. The District's local underlying tax base reached \$159.5 million for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 per \$100 is used throughout this analysis. SISD has estimated state property wealth per weighted ADA or WADA of approximately \$152,528 for the 2013-14 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for SISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Green Pastures facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A second model is developed which adds the Green Pastures value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, SISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$503,712). The revenue reduction results from the mechanics of the one-year lag in value associated with the property value study, with a substantial offset in ASATR funding and a small offsetting reduction in recapture costs.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.63 percent adjustment adopted for the 2013-14 school year. It is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2016-17 school year. The formula loss of \$503,712 cited above between the base and the limitation models is based on an assumption that Green Pastures would receive M&O tax savings of \$3,634,010 in the 2016-17 school year. Under the estimates presented here and highlighted in Table 4, an increase in ASATR funding of \$3 million is expected to offset this reduction, along with a reduction in recapture costs of \$163,135.

In general, the ASATR offset poses little financial risk to SISD as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$10 million value limitation takes effect.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state property value determinations are also made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$25.2 million over the life of the agreement. In addition, Green Pastures would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$3.9 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key SISD revenue loss is expected to total approximately \$503,712 in the initial year the limitation takes effect (2016-17) under the agreement. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$28.6 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial limitation year, there would still be a substantial tax benefit to Green Pastures under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Green Pastures project remains fully taxable for debt services taxes, although SISD does not currently levy an I&S tax. While the value of the Green Pastures project is expected to depreciate over the life of the agreement and beyond, full access to the additional value substantially enhances the I&S tax base of SISD.

The Green Pastures project is not expected to affect SISD in terms of enrollment. Eight full-time positions are expected once the project begins operations. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Green Pastures renewable energy electric generation project enhances the tax base of SISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$28.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of SISD in meeting its future debt service obligations, should the District decide to pursue a future bond issue.

Table 1 – Base District Information with Green Pastures Wind I Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	545.20	1,018.39	\$1.0400	\$0.0000	\$159,525,580	\$159,525,580	\$155,332,503	\$155,332,503	\$152,528	\$152,528
1	2014-15	545.20	1,018.27	\$1.0400	\$0.0000	\$179,025,580	\$179,025,580	\$155,332,503	\$155,332,503	\$152,545	\$152,545
2	2015-16	545.20	1,018.27	\$1.0400	\$0.0000	\$533,925,580	\$533,925,580	\$174,832,503	\$174,832,503	\$171,695	\$171,695
3	2016-17	545.20	1,018.27	\$1.0400	\$0.0000	\$518,949,580	\$169,525,580	\$529,732,503	\$529,732,503	\$520,227	\$520,227
4	2017-18	545.20	1,018.27	\$1.0400	\$0.0000	\$504,572,620	\$169,525,580	\$514,756,503	\$165,332,503	\$505,519	\$162,366
5	2018-19	545.20	1,018.27	\$1.0400	\$0.0000	\$490,770,738	\$169,525,580	\$500,379,543	\$165,332,503	\$491,401	\$162,366
6	2019-20	545.20	1,018.27	\$1.0400	\$0.0000	\$477,520,932	\$169,525,580	\$486,577,661	\$165,332,503	\$477,846	\$162,366
7	2020-21	545.20	1,018.27	\$1.0400	\$0.0000	\$464,801,118	\$169,525,580	\$473,327,855	\$165,332,503	\$464,834	\$162,366
8	2021-22	545.20	1,018.27	\$1.0400	\$0.0000	\$452,590,096	\$169,525,580	\$460,608,041	\$165,332,503	\$452,343	\$162,366
9	2022-23	545.20	1,018.27	\$1.0400	\$0.0000	\$440,867,516	\$169,525,580	\$448,397,019	\$165,332,503	\$440,351	\$162,366
10	2023-24	545.20	1,018.27	\$1.0400	\$0.0000	\$429,613,838	\$169,525,580	\$436,674,439	\$165,332,503	\$428,839	\$162,366
11	2024-25	545.20	1,018.27	\$1.0400	\$0.0000	\$418,810,308	\$418,810,308	\$425,420,761	\$165,332,503	\$417,787	\$162,366
12	2025-26	545.20	1,018.27	\$1.0400	\$0.0000	\$408,438,919	\$408,438,919	\$414,617,231	\$414,617,231	\$407,177	\$407,177
13	2026-27	545.20	1,018.27	\$1.0400	\$0.0000	\$398,482,385	\$398,482,385	\$404,245,842	\$404,245,842	\$396,992	\$396,992
14	2027-28	545.20	1,018.27	\$1.0400	\$0.0000	\$388,924,113	\$388,924,113	\$394,289,308	\$394,289,308	\$387,214	\$387,214
15	2028-29	545.20	1,018.27	\$1.0400	\$0.0000	\$379,748,172	\$379,748,172	\$384,731,036	\$384,731,036	\$377,827	\$377,827

Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation*

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$1,562,763	\$3,688,891	\$0	\$0	\$0	\$62,429	\$183,026	\$0	\$5,497,108
1	2014-15	\$1,753,872	\$3,781,955	\$0	\$0	\$0	\$70,064	\$214,058	\$0	\$5,819,949
2	2015-16	\$5,232,066	\$3,586,946	\$0	\$0	\$0	\$209,011	\$552,676	\$0	\$9,580,698
3	2016-17	\$5,155,183	\$182,792	\$0	\$0	-\$152,759	\$205,939	\$41,753	\$0	\$5,432,908
4	2017-18	\$5,011,406	\$187,536	\$0	\$0	-\$14,310	\$200,196	\$47,594	\$0	\$5,432,421
5	2018-19	\$4,873,380	\$331,312	\$0	\$0	\$0	\$194,682	\$53,206	\$0	\$5,452,580
6	2019-20	\$4,740,875	\$469,338	\$0	\$0	\$0	\$189,388	\$58,600	\$0	\$5,458,201
7	2020-21	\$4,613,671	\$601,843	\$0	\$0	\$0	\$184,307	\$63,783	\$0	\$5,463,604
8	2021-22	\$4,491,554	\$729,047	\$0	\$0	\$0	\$179,429	\$68,765	\$0	\$5,468,794
9	2022-23	\$4,374,323	\$851,164	\$0	\$0	\$0	\$174,745	\$73,553	\$0	\$5,473,784
10	2023-24	\$4,261,781	\$968,395	\$0	\$0	\$0	\$170,250	\$78,154	\$0	\$5,478,579
11	2024-25	\$4,103,880	\$1,080,938	\$0	\$0	\$0	\$163,942	\$81,586	\$0	\$5,430,346
12	2025-26	\$4,002,235	\$1,188,978	\$0	\$0	\$0	\$159,881	\$85,805	\$0	\$5,436,899
13	2026-27	\$3,904,656	\$1,292,697	\$0	\$0	\$0	\$155,983	\$89,862	\$0	\$5,443,199
14	2027-28	\$3,810,981	\$1,392,268	\$0	\$0	\$0	\$152,241	\$93,766	\$0	\$5,449,255
15	2028-29	\$3,721,052	\$1,487,855	\$0	\$0	\$0	\$148,649	\$97,521	\$0	\$5,455,076

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$1,562,763	\$3,688,891	\$0	\$0	\$0	\$62,429	\$183,026	\$0	\$5,497,108
1	2014-15	\$1,753,872	\$3,781,955	\$0	\$0	\$0	\$70,064	\$214,058	\$0	\$5,819,949
2	2015-16	\$5,232,066	\$3,586,946	\$0	\$0	\$0	\$209,011	\$552,676	\$0	\$9,580,698
3	2016-17	\$1,660,768	\$182,792	\$3,055,053	\$0	-\$49,212	\$66,344	\$13,451	\$0	\$4,929,196
4	2017-18	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
5	2018-19	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
6	2019-20	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
7	2020-21	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
8	2021-22	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
9	2022-23	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
10	2023-24	\$1,660,768	\$3,681,950	\$0	\$0	\$0	\$66,344	\$189,323	\$0	\$5,598,385
11	2024-25	\$4,103,880	\$3,681,950	\$0	\$0	\$0	\$163,942	\$467,832	\$0	\$8,417,603
12	2025-26	\$4,002,235	\$1,188,978	\$0	\$0	\$0	\$159,881	\$85,805	\$0	\$5,436,899
13	2026-27	\$3,904,656	\$1,292,697	\$0	\$0	\$0	\$155,983	\$89,862	\$0	\$5,443,199
14	2027-28	\$3,810,981	\$1,392,268	\$0	\$0	\$0	\$152,241	\$93,766	\$0	\$5,449,255
15	2028-29	\$3,721,052	\$1,487,855	\$0	\$0	\$0	\$148,649	\$97,521	\$0	\$5,455,076

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 4 – Value Limit less Project Value with No Limit*

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$3,494,415	\$0	\$3,055,053	\$0	\$103,547	-\$139,595	-\$28,302	\$0	-\$503,712
4	2017-18	-\$3,350,638	\$3,494,414	\$0	\$0	\$14,310	-\$133,851	\$141,729	\$0	\$165,964
5	2018-19	-\$3,212,612	\$3,350,638	\$0	\$0	\$0	-\$128,337	\$136,117	\$0	\$145,805
6	2019-20	-\$3,080,107	\$3,212,612	\$0	\$0	\$0	-\$123,044	\$130,723	\$0	\$140,184
7	2020-21	-\$2,952,904	\$3,080,107	\$0	\$0	\$0	-\$117,963	\$125,540	\$0	\$134,781
8	2021-22	-\$2,830,786	\$2,952,903	\$0	\$0	\$0	-\$113,084	\$120,558	\$0	\$129,591
9	2022-23	-\$2,713,555	\$2,830,786	\$0	\$0	\$0	-\$108,401	\$115,771	\$0	\$124,601
10	2023-24	-\$2,601,013	\$2,713,555	\$0	\$0	\$0	-\$103,905	\$111,169	\$0	\$119,805
11	2024-25	\$0	\$2,601,012	\$0	\$0	\$0	\$0	\$386,246	\$0	\$2,987,258
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 5 - Estimated Financial impact of the Green Pastures Wind I Project Property Value Limitation Request Submitted to SISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$19,500,000	\$19,500,000	\$0	\$1.040	\$202,800	\$202,800	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$374,400,000	\$374,400,000	\$0	\$1.040	\$3,893,760	\$3,893,760	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$359,424,000	\$10,000,000	\$349,424,000	\$1.040	\$3,738,010	\$104,000	\$3,634,010	\$0	\$3,634,010	-\$503,712	\$3,130,297
4	2017-18	\$345,047,040	\$10,000,000	\$335,047,040	\$1.040	\$3,588,489	\$104,000	\$3,484,489	\$52,000	\$3,536,489	\$0	\$3,536,489
5	2018-19	\$331,245,158	\$10,000,000	\$321,245,158	\$1.040	\$3,444,950	\$104,000	\$3,340,950	\$52,000	\$3,392,950	\$0	\$3,392,950
6	2019-20	\$317,995,352	\$10,000,000	\$307,995,352	\$1.040	\$3,307,152	\$104,000	\$3,203,152	\$52,000	\$3,255,152	\$0	\$3,255,152
7	2020-21	\$305,275,538	\$10,000,000	\$295,275,538	\$1.040	\$3,174,866	\$104,000	\$3,070,866	\$52,000	\$3,122,866	\$0	\$3,122,866
8	2021-22	\$293,064,516	\$10,000,000	\$283,064,516	\$1.040	\$3,047,871	\$104,000	\$2,943,871	\$52,000	\$2,995,871	\$0	\$2,995,871
9	2022-23	\$281,341,936	\$10,000,000	\$271,341,936	\$1.040	\$2,925,956	\$104,000	\$2,821,956	\$52,000	\$2,873,956	\$0	\$2,873,956
10	2023-24	\$270,088,258	\$10,000,000	\$260,088,258	\$1.040	\$2,808,918	\$104,000	\$2,704,918	\$52,000	\$2,756,918	\$0	\$2,756,918
11	2024-25	\$259,284,728	\$259,284,728	\$0	\$1.040	\$2,696,561	\$2,696,561	\$0	\$2,696,561	\$2,696,561	\$0	\$2,696,561
12	2025-26	\$248,913,339	\$248,913,339	\$0	\$1.040	\$2,588,699	\$2,588,699	\$0	\$827,999	\$827,999	\$0	\$827,999
13	2026-27	\$238,956,805	\$238,956,805	\$0	\$1.040	\$2,485,151	\$2,485,151	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$229,398,533	\$229,398,533	\$0	\$1.040	\$2,385,745	\$2,385,745	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$220,222,592	\$220,222,592	\$0	\$1.040	\$2,290,315	\$2,290,315	\$0	\$0	\$0	\$0	\$0
						\$42,579,241	\$17,375,030	\$25,204,211	\$3,888,560	\$29,092,771	-\$503,712	\$28,589,058

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	\$98,800	\$3,789,760	\$3,888,560
Credits Earned			\$3,888,560
Credits Paid			\$3,888,560
Excess Credits Unpaid			\$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.



Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

012/Baylor

012-901/Seymour ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	59,807,520	.9531	62,750,519	59,807,520
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	698,070	N/A	698,070	698,070
D. Rural Real(Taxable)	65,321,070	.9623	67,881,906	65,321,070
F1. Commercial Real	9,649,380	.9462	10,198,034	9,649,380
F2. Industrial Real	266,990	N/A	266,990	266,990
G. Oil, Gas, Minerals	13,320,040	.9555	13,940,387	13,320,040
J. Utilities	15,942,050	.9956	16,012,505	15,942,050
L1. Commercial Personal	9,267,220	1.0035	9,234,898	9,267,220
L2. Industrial Personal	748,890	N/A	748,890	748,890
M. Other Personal	238,750	N/A	238,750	238,750
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0

S. Special Inventory	405,040	N/A	405,040	405,040
Subtotal	175,665,020		182,375,989	175,665,020
Less Total Deductions	25,788,217		27,017,057	25,788,217
Total Taxable Value	149,876,803		155,358,932	149,876,803 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	21,307,670	.9680	22,012,056
Prod Value Qualified Acres	44,013,400	.9595	45,869,850
Taxable Value	65,321,070		67,881,906

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
160,400,073	149,876,803	160,400,073	149,876,803	149,876,803	149,876,803

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
10,523,270	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead

exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
160,400,073	149,876,803	160,400,073	149,876,803	149,876,803	149,876,803

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

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

138/Knox

012-901/Seymour ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	439,900	N/A	439,900	439,900
B. Multi-Family				

Residences	0	N/A	0	0
C. Vacant Lots	3,490	N/A	3,490	3,490
D. Rural Real(Taxable)	4,558,170	N/A	4,558,170	4,558,170
F1. Commercial Real	12,290	N/A	12,290	12,290
F2. Industrial Real	120,030	N/A	120,030	120,030
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	453,650	N/A	453,650	453,650
L1. Commercial Personal	205,100	N/A	205,100	205,100
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	5,792,630		5,792,630	5,792,630
Less Total Deductions	336,930		336,930	336,930
Total Taxable Value	5,455,700		5,455,700	5,455,700 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	1,696,240	N/A	1,696,240
Prod Value Qualified Acres	2,861,930	N/A	2,861,930
Taxable Value	4,558,170		4,558,170

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
5,612,810	5,455,700	5,612,810	5,455,700	5,455,700	5,455,700

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
157,110	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
5,612,810	5,455,700	5,612,810	5,455,700	5,455,700	5,455,700

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead

exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

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

012-901/Seymour ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	60,247,420	.9534	63,190,419	60,247,420
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	701,560	N/A	701,560	701,560
D. Rural Real(Taxable)	69,879,240	.9646	72,440,076	69,879,240
F1. Commercial Real	9,661,670	.9463	10,210,324	9,661,670
F2. Industrial Real	387,020	N/A	387,020	387,020
G. Oil, Gas, Minerals	13,320,040	.9555	13,940,387	13,320,040
J. Utilities	16,395,700	.9957	16,466,155	16,395,700
L1. Commercial Personal	9,472,320	1.0034	9,439,998	9,472,320
L2. Industrial Personal	748,890	N/A	748,890	748,890
M. Other Personal	238,750	N/A	238,750	238,750

N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	405,040	N/A	405,040	405,040
Subtotal	181,457,650		188,168,619	181,457,650
Less Total Deductions	26,125,147		27,353,987	26,125,147
Total Taxable Value	155,332,503		160,814,632	155,332,503 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	23,003,910	.9703	23,708,296
Prod Value Qualified Acres	46,875,330	.9619	48,731,780
Taxable Value	69,879,240		72,440,076

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

See the ISD DEDUCTION Report for a breakdown of deduction values



Attachment G

Participation Agreement

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

by and between

SEYMOUR INDEPENDENT SCHOOL DISTRICT

and

GREEN PASTURES WIND I, LLC

(Texas Taxpayer ID # 32045637868)

TEXAS COMPTROLLER APPLICATION NUMBER 328

Dated

November 21, 2013

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

STATE OF TEXAS §

COUNTY OF BAYLOR & KNOX §

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 **SEYMOUR 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 **GREEN PASTURES WIND I, LLC**, a Texas limited liability company (Texas Taxpayer Identification Number 32045637868), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on July 26, 2013, the Superintendent of Schools of the Seymour Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on July 30, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Green Pastures Wind I, LLC; and,

WHEREAS, on July 31, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as "Comptroller") for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Comptroller established August 27, 2013 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code § 9.1054, the Application was delivered for review to the Appraisal District established in Baylor and Knox County, Texas (the "Appraisal District"), pursuant to Texas Tax Code § 6.01; and,

WHEREAS, the Comptroller, pursuant to Texas Tax Code § 313.025(d), reviewed the Application, and on November 1, 2013, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was presented to the Board of Trustees at the November 21, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

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

WHEREAS, on November 21, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on November 21, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on November 21, 2013, pursuant to the provisions of Texas Tax Code §313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code §313.051(b), based upon its factual Finding, made on November 21, 2013, that the if the number of jobs required by law (*i.e.* 10 jobs) was applied to this project, given its size and scope as described in the Application and in **Exhibit 3**, the number of jobs will exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

WHEREAS, the Seymour Independent School District qualifies as a rural school district under the provisions of Texas Tax Code § 313.051(a)(2); and,

WHEREAS, on November 21, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code § 9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on November 1, 2013 that the Application be approved; and,

WHEREAS, on November 21, 2013, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2016, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of November 21, 2013 and ending on December 31, 2015 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2023. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

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

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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
8	January 1, 2021	2021-22	2021	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-23	2022	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2023	2023-24	2023	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

“Affiliate” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right

to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

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

“Aggregate Limit” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s average daily attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2013, which, by virtue of the Commencement Date is the date on which the Qualifying Time Period commences under this Agreement.

“Applicant” means Green Pastures Wind I, LLC, (Texas Taxpayer ID #32045637868), the company listed in the Preamble of this Agreement who, on July 26, 2013, filed with the District the Original Application for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest, and their direct and indirect subsidiaries.

“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); the provisions of Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; 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 or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant’s ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Application” means the Original 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 26, 2013, which has been certified by the Comptroller to constitute a complete final Application as of the date of August 27, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation

submitted by the Applicant to the District or the Comptroller for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

“Appraisal District” means the Baylor and Knox County Appraisal District.

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

“Commencement Date” means November 21, 2013, the date upon which this Agreement was approved by the District’s Board of Trustees.

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

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

“County” means Baylor and Knox County, Texas.

“Determination of Breach” shall have the meaning assigned to such term in Section 7.8 of the Agreement

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

“Final Termination Date” means December 31, 2026. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

“Force Majeure” means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant’s Qualified Property or the Applicant’s Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant’s Qualified Property or the Applicant’s Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or

otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents Applicant's performance of its obligations under this Agreement.

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

"Lenders" shall mean any entity or person providing for the the project any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing of the project, whether that financing or refinancing takes the form of private debt, public debt or any other form of debt (including debt financing or refinancing) in connection with the project, (b) a leasing transaction, including a sale leaseback, inverted lease or leveraged leasing structure with respect to the Project, (c) tax equity financing, partnership "flip" transaction or other arrangement monetizing the value of any renewable energy incentives or tax credits associated with the Project, and/or (d) any interest rate protection agreements to hedge any of the foregoing obligations.

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code, as such number may be waived or modified by the Board of Trustees as set forth in this Agreement, from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

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

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution,

plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

"Net Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article IV, below.

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes which the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations *ad valorem* school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code § 9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code § 313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

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

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project which is the subject of its Application, which meet the requirements of Texas Tax Code §313.021(3).

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

"Qualifying Time Period" means the period that begins on the Commencement Date of November 21, 2013 and ends on December 31, 2015.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this Agreement between the Applicant and the District and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required by Comptroller's Rule, and any application requesting school tax credits under Texas Tax Code, § 313.103.

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

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

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

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

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

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

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

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

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment").

Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2 above, and the definition of Qualifying Time Period set forth in Section 1.3, above.

Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after August 27, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to

Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

- (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

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

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

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code § 313.024(b)(1) as a renewable energy electric generation facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

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

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for: any loss that the District incurs in its Maintenance and Operations Revenue; or for any new uncompensated operating cost incurred 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, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

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

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

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

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to

the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.

- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 3.2:

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

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

- (a) All non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute.

- (b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the 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.
- (c) All non-reimbursed increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.
- (d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

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

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all

reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is

changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of Article IV, the Parties agree as follows:

(a) **Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to such limitations as are contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT

In any year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2016), the Stipulated Supplemental Payment amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF NET AGGREGATE LIMIT

For each year of this Agreement, beginning with year three (Tax Year 2016) and continuing thereafter through year thirteen (Tax Year 2026), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Net Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2026), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments described in Section 4.4, above.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement beginning after the 2016 Tax Year and ending on the Final Termination Date, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such current Tax Year and all preceding Tax Years of this Agreement, 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 Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the June 30 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this agreement by notifying the District of its exercise of such option. Any termination of this agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If, after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All

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

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code § 313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement. The applicant shall not be in default of any reporting obligation hereunder, unless the Applicant has received thirty (30) days prior notice of its reporting obligation from the District.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District 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 (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

Section 7.4. 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 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the

District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem 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 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District. 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.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

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

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.

- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (h) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (i) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

Section 7.7 LENDER RIGHTS

The District shall send a copy of any notice, in a manner specified in Section 8.1, of default provided to the Applicant to the Lenders; provided that the Applicant has provided contact information for such Lenders to the District. Such notice shall be sent at the same time and via the same method that such notice is sent to Applicant and no such notice of default shall be effective unless and until a copy of such notice has been delivered to such Lenders. Lenders shall have the same time and rights to timely cure any default as Applicant, and the District shall accept a timely cure by Lenders as if such cure had been performed by Applicant. Applicant

shall provide written notice to the District as to the name and address of any Lender for such notices to be sent.

Section 7.8 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.9. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement as defined in Section 7.6, above, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by 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 material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to 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 whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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

Section 7.10. DISPUTE RESOLUTION

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

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

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

Section 7.11. 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 greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.11 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.12. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

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

John Baker, Superintendent
SEYMOUR INDEPENDENT SCHOOL DISTRICT
409 W. Idaho St.
Seymour, Texas 76380
Fax: (940) 889-5340
Email: john.baker@seymour-isd.net

With a copy to:

Kevin O’Hanlon
O’Hanlon, McCollom & Demerath
808 West Avenue
Austin, Texas 78701

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

Notices to the Applicant shall be addressed to:

Benoit Allehaut
Green Pastures Wind I, LLC
c/o Capital Dynamics, Inc.
645 Madison Avenue, 19th Floor
New York, NY 10022
Fax: (212) 798-3499
Email: BAlledaut@capdyn.com

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2015.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

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

Applicant may also assign its rights and obligations under this agreement to a Lender for purposes of granting a security interest in the Agreement, provided that such financial institution or other lender first executes a written agreement with the District governing the rights and obligations of the District, the Applicant and the financial institution or other lender with respect to such security interest and provided that prior to any such Lender taking an actual assignment of this Agreement, such Lender shall demonstrate that it is a Texas state franchise tax payor in good standing.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles

thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Baylor County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

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

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, 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 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall

require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Texas Administrative Code § 9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

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

- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. 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 Texas Tax Code § 313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 23 day of December, 2013.

GREEN PASTURES WIND I, LLC

SEYMOUR INDEPENDENT SCHOOL DISTRICT

By: Capital Dynamics Ltd, as manager of Capital Dynamics Clean Energy and Infrastructure LP

By: _____
DUSTIN WALKER
President
Board of Trustees

By:  _____
Authorized Representative

Attest: _____
By: _____
RANCE CARRINGTON
Secretary
Board of Trustees

Name: WILLIAM J. GRIPTON
Title: MANAGING DIRECTOR

By:  _____
Authorized Representative

Name: MARK DRUGAN
Title: MANAGING DIRECTOR

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ___ day of _____, 2013.

GREEN PASTURES WIND I, LLC

By: _____
Authorized Representative

Name: _____

Title: _____

By: _____
Authorized Representative

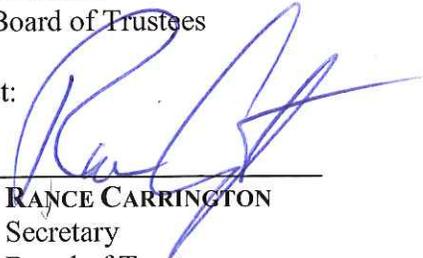
Name: _____

Title: _____

SEYMOUR INDEPENDENT SCHOOL DISTRICT

By: 

DUSTIN WALKER
President
Board of Trustees

Attest: 
By: _____
RANCE CARRINGTON
Secretary
Board of Trustees

The *Kox County Renewable Energy Reinvestment Zone* was originally created on September 9, 2013 by action of the Knox County Commissioner's Court. As a result of the, all the following real property within Knox County, Texas is located within the boundaries of the *Kox County Renewable Energy Reinvestment Zone*. A map of the *Kox County Renewable Energy Reinvestment Zone* is attached to this **Exhibit 1**.

LEGAL DESCRIPTION: BEING ALL OF AND ANY PORTIONS OF THE FOLLOWING SECTIONS OF LAND LYING IN AND BEING SITUATED OUT OF KNOX COUNTY, TEXAS AND CONTAINING APPROXIMATELY 18,884.62 ACRES OF LAND, MORE OR LESS; SAID SECTIONS OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

<u>Section No.</u>	<u>Block</u>	<u>Survey</u>	<u>Abstract</u>	<u>Acreege</u>
210	A	BB&C RR CO		70
211	A	BB&C RR CO		173
2	B	GH&H RR CO		640
3	B	GH&H RR CO		640
4	B	GH&H RR CO, CT RR CO		640
24	B	GH&H RR CO		640
25	B	GH&H RR CO		640
26	B	GH&H RR CO		640
27	A, B	GH&H RR CO		640
38	B	GH&H RR CO		640
39	B	GH&H RR CO		640
40	B	GH&H RR CO		640
41	B	GH&H RR CO		640
60	B, 2	GH&H RR CO		640
61	B	GH&H RR CO		640
62	A, B	GH&H RR CO		640
63	B	GH&H RR CO		640
2	C	CT RR CO		640
3	C	CT RR CO		640
4	C	CT RR CO		640
5	C	CT RR CO		640
15	C	CT RR CO		640
16	C	CT RR CO		640
17	C	CT RR CO		640
		D. Pevehouse	991	174.12
3		B. Smith	616	1280
3		J.C. Patton	1029	160
2		J. Hefflefinger	578	1280
1		J. C. Patton	1028	160
39	C	H&TC RR CO	225	640
40	C	H&TC RR CO	1847	320
2		J. C. Lewis	1736	221
		A. Green	984	160

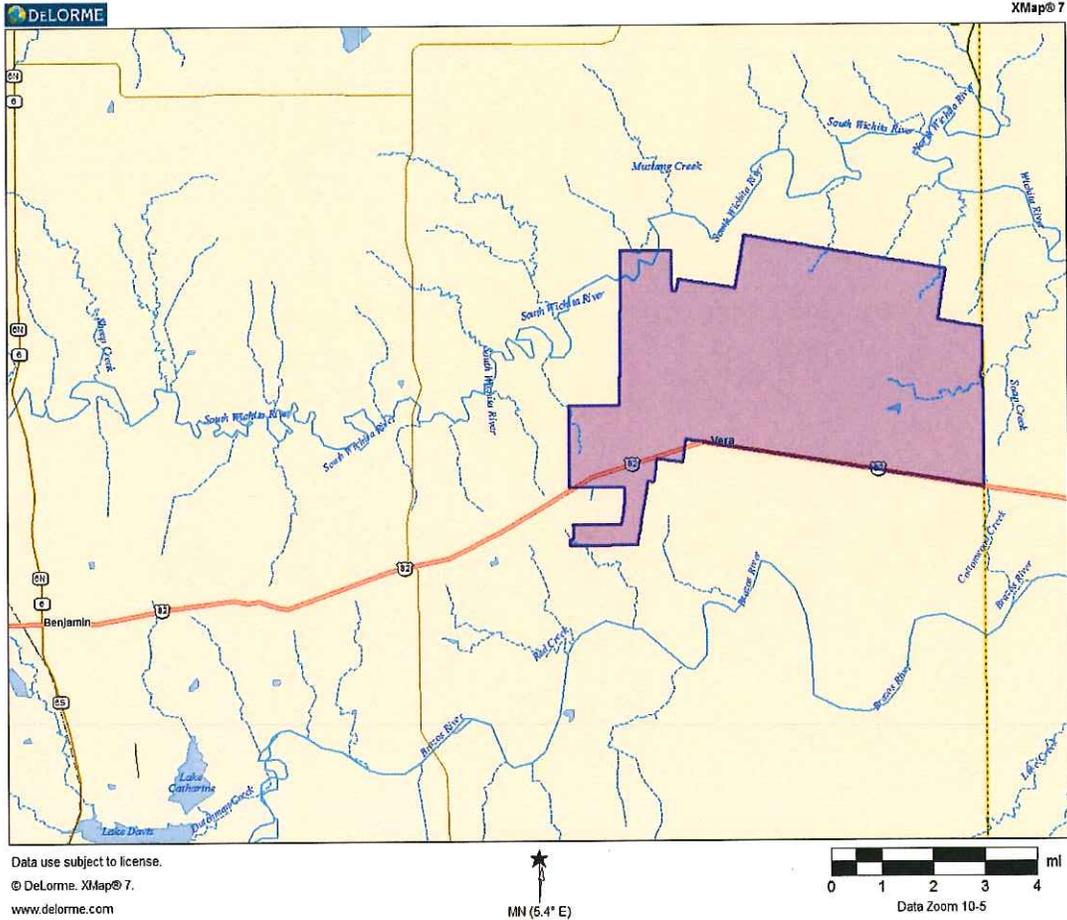


EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Baylor Independent School District and the *West Baylor County Wind Energy Reinvestment Zone* and *Kox County Renewable Energy Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the following sections of land is included, to wit:

West Baylor County Wind Energy Reinvestment Zone

West ½ of the following: Sections 6, 7 and 8, H.T. & B R.R. Co Survey; Sections 80 and 81, T & N.O. R.R.Co. Survey; Section 82, J.J. Drew Survey, Block A in each of the following sections: Sections 42, 44, 45, 46, 63, 64, 65, 66, 67, 78, 79, 80, 81, 82, 99, 100, 101, 102, 103, 114, 115, 116, 117, 118, 135, 136, 137, 138, 139, 150, 151, 152, 153, 173, 174, 175, 186, 187, 188, 210, and 211, B.B.B. & C. R.R. Co. Survey.

Kox County Renewable Energy Reinvestment Zone

LEGAL DESCRIPTION: BEING ALL OF AND ANY PORTIONS OF THE FOLLOWING SECTIONS OF LAND LYING IN AND BEING SITUATED OUT OF KNOX COUNTY, TEXAS AND CONTAINING APPROXIMATELY 18,884.62 ACRES OF LAND, MORE OR LESS; SAID SECTIONS OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

<u>Section No.</u>	<u>Block</u>	<u>Survey</u>	<u>Abstract</u>	<u>Acreage</u>
210	A	BB&C RR CO		70
211	A	BB&C RR CO		173
2	B	GH&H RR CO		640
3	B	GH&H RR CO		640
4	B	GH&H RR CO, CT RR CO		640
24	B	GH&H RR CO		640
25	B	GH&H RR CO		640
26	B	GH&H RR CO		640
27	A, B	GH&H RR CO		640
38	B	GH&H RR CO		640
39	B	GH&H RR CO		640
40	B	GH&H RR CO		640
41	B	GH&H RR CO		640
60	B, 2	GH&H RR CO		640
61	B	GH&H RR CO		640
62	A, B	GH&H RR CO		640
63	B	GH&H RR CO		640
2	C	CT RR CO		640

3	C	CT RR CO		640
4	C	CT RR CO		640
5	C	CT RR CO		640
15	C	CT RR CO		640
16	C	CT RR CO		640
17	C	CT RR CO		640
		D. Pevehouse	991	174.12
3		B. Smith	616	1280
3		J.C. Patton	1029	160
2		J. Hefflefinger	578	1280
1		J. C. Patton	1028	160
39	C	H&TC RR CO	225	640
40	C	H&TC RR CO	1847	320
2		J. C. Lewis	1736	221
		A. Green	984	160
18	C	CTRR CO	1479	166.5

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Green Pastures Wind I, LLC anticipates that the qualified property located within the Seymour ISD will consist of up to one-hundred (100) wind turbines with a rated capacity of approximately 3MW each. In addition, the qualified property includes, but is not limited to, wind turbines, towers, reinforced concrete slabs supporting the weight of each turbine tower; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity *off* of the project site; buried and overhead communication cables; FAA-required wind turbine obstruction lighting; one or more operation and maintenance buildings used to store maintenance supplies, replacement parts and related equipment; and various appurtenant equipment and small items related to the above.

The exact location and placement of the property has not been finalized at this time due to ongoing planning activities and negotiations with landowners and equipment suppliers. However, all of the qualified property for which Green Pastures Wind I, LLC is requesting an appraised value limitation as defined by Tax Code Section 313.021(2), will be placed within reinvestment zones established by Baylor and Knox Counties.