Chapter 313 Annual Eligibility Report Form

SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2016

   NOTE: This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.

2. Application number: 101

   NOTE: You can find your application number and all agreement documents and reports on the website comptroller.texas.gov/economy/local/ch313/agreement-docs.php

3. Name of school district: Robert Lee ISD

4. Name of project on original application *(or short description of facility)*: Capricorn Ridge Wind II; Capricorn Ridge Wind, LLC

5. Name of applicant on original application: Capricorn Ridge Wind II, LLC

6. Name the company entering into original agreement with district: Capricorn Ridge Wind II, LLC

7. Amount of limitation at time of application approval: 10 Million

8. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. *(Use attachments if necessary.)*

   N/A

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Capricorn Ridge Wind, LLC; Capricorn Ridge Wind, LLC

2. Complete mailing address of current agreement holder 700 Universe Blvd., PSX/JB, June Beach, FL 33408

3. Company contact person for agreement holder:

   Joseph Esposito — Name
   Tax Project Manager — Title
   561-691-7254 — Phone
   joseph.esposito@nee.com — Email

4. Texas franchise tax ID number of current agreement holder: 12608543166, 13645968556

5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

   NextEra Energy Power Marketing, Inc. — Name
   32002608134 — Tax ID

6. If the authorized company representative *(same as signatory for this form)* is different from the contact person listed above, complete the following:

   N/A — Name
   N/A — Title
   N/A — Complete Mailing Address
   N/A — Phone
   N/A — Email

7. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. *(Use attachments if necessary.)*

   Capricorn Ridge Wind II, LLC partially assigned a 15% portion of the abatement agreement to Capricorn Ridge Wind, LLC

SECTION 3: Applicant Eligibility Information

1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? *(Attach printout from Comptroller website: https://mycpa.cpa.state.tx.us/coa/)* ☑ Yes ☐ No
2. Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No
3. Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

   a) 3a. Please identify business activity: Electric Wind Generation Facility

SECTION 4: Market Value and Limitation Amount

Please identify the county appraisal district (CAD) in which the project is located: Coke County Appraisal District

If the project is located in more than one CAD, please identify the name(s) of the other CADs and provide on a separate sheet for each CAD, the responses to items 1 through 5 applicable to the property (or portion of property) that is reflected in each CAD's property tax account records.

For purposes of item 1, "total market value" should reflect the market value as determined by the CAD (and as adjusted after protest) for only eligible property in all of the CAD property tax accounts covered by the 313 agreement in that county. Please note: "qualified property" is defined by Tax Code section 313.021(2) and 34 Tex. Admin. Code § 9.1051(16) and identified in the executed Chapter 313 agreement.

1. Total market value of all qualified property from all CAD property accounts subject to the 313 agreement $ 299940990
2. Total value of all applicable exemptions for the qualified property included in item 1 $ 0
3. Total taxable value for school I&S tax purposes for the qualified property (Item 1 less Item 2) $ 299940990
4. Limitation amount on appraised value specified as qualified in the 313 agreement $ 10000000
5. Total taxable value for school M&O tax purposes for the qualified property (lesser of item 3 or item 4) $ 10000000

SECTION 5A: Wage and Employment Information for Applications Prior to Jan. 1, 2014 (#1 Through 999)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at comptroller.texas.gov/economy/local/ch313/agreement-docs.php

NOTE: All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

1. How many new jobs were based on the qualified property in the year covered by this report? *(See note above)* 10
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 6
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? ☑ Yes ☐ No

   3a. If yes, how many new jobs must the approved applicant create under the waiver? 5
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 8
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? $ 48,262.00
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:

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

   6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? ☐ Yes ☑ No

   7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report?

   7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? $

7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? ..... _____

8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 8

8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? 8

8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 0

8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☐ Yes ☐ No ☑ N/A

SECTION 5B: Wage and Employment Information for Applications After Jan. 1, 2014 (#1000 and Above)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at comptroller.texas.gov/economy/local/ch313/agreement-docs.php.

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

QUALIFYING JOBS

1. What is the number of new qualifying jobs the applicant committed to create in the year covered by this report? ..... _____

2. Did the applicant request that the governing body waive the minimum qualifying job requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☐ No

2a. If yes, how many new qualifying jobs must the approved applicant create under the waiver? ..... _____

3. Which Tax Code section are you using to determine the wage standard required for this project? ☐ §313.021(5)(A) or ☐ §313.021(5)(B)

3a. Attach calculations and cite exact Texas Workforce Commission data sources as defined in TAC §9.1051.

4. What is the minimum required annual wage for each qualifying job in the year covered by this report? ..... $ _____

5. What is the annual wage the applicant committed to pay for each of the qualifying jobs in the year covered by this report? ..... $ _____

6. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? ..... _____

6a. Of the qualifying job-holders last year, how many were employees of the approved applicant? ..... _____

6b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? ..... _____

6c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☐ Yes ☐ No ☐ N/A

7. Do the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3) and TAC 9.1051(30)? ..... ☐ Yes ☐ No

NON-QUALIFYING JOBS

8. What is the number of non-qualifying jobs the applicant had on Dec. 31 of the year covered by this report? ..... _____

9. What was the average wage you were paying for non-qualifying jobs on Dec. 31 of the year covered by this report? .. $ _____

10. What is the county average weekly wage for non-qualifying jobs, as defined in TAC §9.1051? ..... $ _____

MISCELLANEOUS

11. Did the applicant rely on a determination by the Texas Workforce Commission under the provisions §313.024(3)(F) in meeting the minimum qualifying job requirements? ..... ☐ Yes ☐ No

11a. If yes, attach supporting documentation to evidence that the requirements of §313.021(3)(F) were met.

12. Are you part of a Single Unified Project (SUP) and relying on the provisions in Tax Code §313.024(d-2) to meet the qualifying job requirements? ..... ☐ Yes ☐ No

12a. If yes, attach supporting documentation from the Texas Economic Development and Tourism Office including a list of the other school district(s) and the qualifying jobs located in each.

SECTION 6: Qualified Investment During Qualified Time Period

ENTITIES ARE NOT REQUIRED TO COMPLETE THIS SECTION IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

1. What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? ..... $ _____
2. Was any of the land classified as qualified investment? ..... ☐ Yes ☐ No
3. Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☐ No
4. Was any of the qualified Investment leased under an operating lease? ..... ☐ Yes ☐ No
5. Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☐ No

SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT.
For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement:
1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? 10,000,000.00
2. Please describe your interest in the agreement and identify all the documents creating that interest.

Capricorn Ridge Wind II, LLC assigned a 15% interest of its agreement for limitation on appraised value of property for school district maintenance and operations taxes to Capricorn Ridge Wind LLC. This agreement was executed between The Robert Lee Independent School District and Capricorn Ridge Wind II, LLC on December 5th of 2007, and was effective starting January 1st of 2008

SECTION 8: Approval

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

print here ➧ Joseph Esposito
Print Name *(Authorized Company Representative)*

Tax Project Manager
Title

sign here ➧
Signature *(Authorized Company Representative)*

11/22/2017
Date

print here ➧ Joseph Esposito
Print Name of Preparer *(Person Who Completed the Form)*

561-691-7254
Phone

Franchise Tax Account Status

As of : 09/25/2017 15:30:24

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

CAPRICORN RIDGE WIND, LLC	
Texas Taxpayer Number	13645968556
Mailing Address	700 UNIVERSE BLVD C/O PSX/JB JUNO BEACH, FL 33408-2657
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/24/2006
Texas SOS File Number	0800725033
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Franchise Tax Account Status

As of : 09/25/2017 15:32:43

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CAPRICORN RIDGE WIND II, LLC

Texas Taxpayer Number	12608543166
Mailing Address	700 UNIVERSE BLVD C/O CTX/JB JUNO BEACH, FL 33408-2657
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	08/31/2007
Texas SOS File Number	0800865802
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Franchise Tax Account Status

As of : 09/25/2017 15:31:15

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NEXTERA ENERGY MARKETING, LLC

Texas Taxpayer Number	32002608134
Mailing Address	700 UNIVERSE BLVD C/O PSX/JB JUNO BEACH, FL 33408-2657
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/28/2009
Texas SOS File Number	0801079569
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Table 1: Coke County Employment Trends (NAICS)

Description	Employment 2002:Q1	Employment 2006:Q1	Employment 2007:Q1	Change 06:07	% Change 06:07
Natural Resources & Mining	121	25	30	5	20.0%
Construction	0	12	20	0	66.7%
Manufacturing	5	0	0	0	0.0%
Trade, Transport & Utilities	121	81	70	-11	-13.6%
Information	6	4	5	0	25.0%
Financial Activities	50	33	33	0	0.0%
Professional & Bus. Services	0	0	0	0	0.0%
Education & Health Services	34	30	28	-2	-9.7%
Leisure & Hospitality	23	34	33	-1	-2.9%
Other Services	11	12	13	1	8.3%
Nonclassifiable	198	147	164	17	11.6%
Federal Government	17	16	15	-1	-6.3%
State Government	20	28	36	8	28.6%
Local Government	404	367	363	-4	-1.1%
Total Employment	1,000	789	810	21	2.7%

Source: Texas Workforce Commission

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least $27,742 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 county average manufacturing wage. Capricorn Ridge Wind II, LLC indicates that total employment will be approximately three (3) new jobs.

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

The following table highlights the total employment for the wind farm project and allocates capital investment in Robert Lee I.S.D. Based on approved Texas Economic Development Act wind farm applications and industry standards, the typical wind farm employs one person per 15 wind turbines. Capricorn Ridge's project is consistent with this ratio.

For this analysis, TXP has focused on calculating the economic impact of Capricorn Ridge energy investment in Coke County. In part, the process entails combining

Capricorn Ridge's total employment and payroll estimates with standard industry output ratios. The economic assumptions underlying the analysis are summarized in the tables below.

Table 2: Capricorn Ridge Coke County Total Investment

Year	Employment	Payroll	Average Salary per Job	Robert Lee ISD Investment Value	Sterling City ISD Investment Value
2008	0	$0	$0	$0	$0
2009	3	$83,226	$27,742	$82,000,000	$27,333,333
2010	3	$85,385	$28,462	$81,000,000	$27,000,000
2011	3	$87,600	$29,200	$79,000,000	$26,333,333
2012	3	$89,872	$29,957	$76,000,000	$25,333,333
2013	3	$92,204	$30,735	$73,000,000	$24,333,333
2014	3	$94,595	$31,532	$70,000,000	$23,333,333
2015	3	$97,049	$32,350	$67,000,000	$22,333,333
2016*	3	$99,567	$33,189	$64,000,000	$21,333,333
2017	3	$102,150	$34,050	$61,000,000	$20,333,333
Average	3	$93,553	$31,184	$65,300,000	$21,766,667

Source: TXP, Capricorn Ridge Wind II, LLC
* TXP has applied an inflation factor to the payroll data based on growth in the county's average annual wage over the past ten years.

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 $21.7 million on the basis of the goal of three new qualifying positions for the Capricorn Ridge Wind projects.

The benefits of Capricorn Ridge to Coke County economy consist of the day-to-day operation of the wind energy project, normal operating expenditures, purchases from local vendors, and spending of people employed by these businesses. The economic benefits of this economic activity materialize primarily in the form of increased Coke County employment and income.

As stated above, TXP has calculated the total economic impact of business activity of Capricorn Ridge based on annual investment and employment levels. Specifically, this analysis measures the anticipated economic impacts of Capricorn Ridge's wind energy project using the IMPLAN input-output economic system, RIMS II, and the Job and Economic Development Impact model (JEDI). TXP has customized the models by