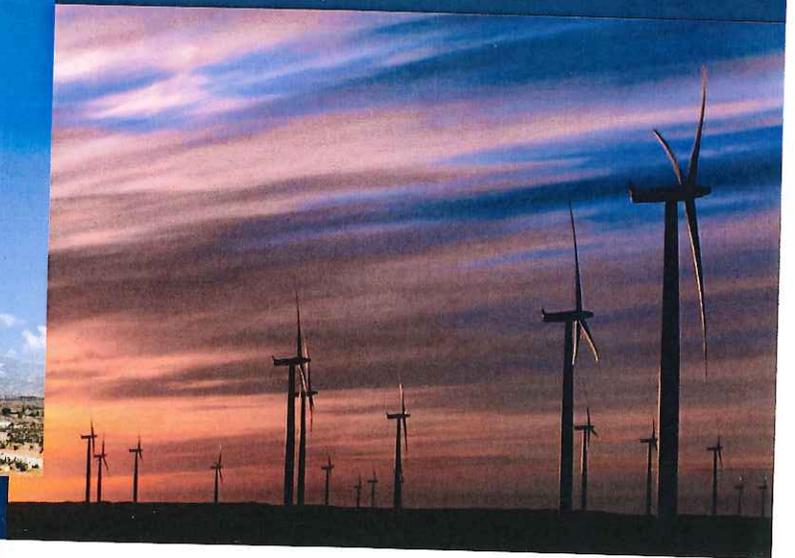
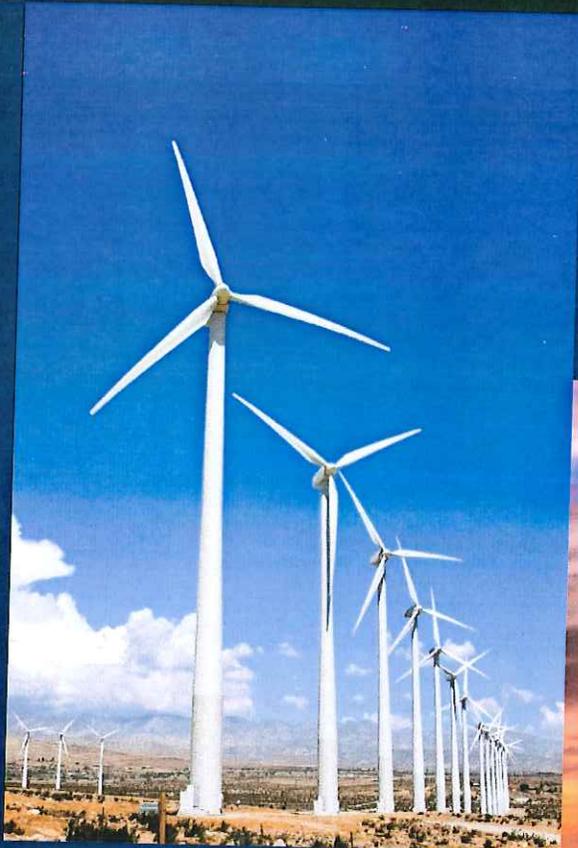


**FINDINGS OF THE SMYER
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
RED RAIDER WIND, LLC (#1057)**



November 09, 2015

**FINDINGS
OF THE
SMYER INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
RED RAIDER WIND, LLC (#1057)**

NOVEMBER 9, 2015

FINDINGS OF THE SMYER INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
RED RAIDER WIND, LLC (#1057)

STATE OF TEXAS

§

COUNTIES OF HOCKLEY AND LUBBOCK

§

On the 9th day of November, 2015, a public meeting of the Board of Trustees of the Smyer Independent School District (“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 Red Raider Wind, LLC (“Applicant”) 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. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On January 29, 2015, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32049262986), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Hockley County Appraisal District and the Lubbock Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On May 6, 2015, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on August 4, 2015 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-286) as promulgated by the Comptroller's Office. Form 50-286 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The

proposed Agreement is attached to these findings as **Attachment G**. In November 2014, the Texas Comptroller's Office announced its intention to modify Comptroller Form 50-286 and to permit amendments to existing agreements including the agreement for which these Findings are being made. The Board will consider all authorized amendments to the Agreement on Applicant's request, in the event a new form is adopted.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Red Raider Wind, LLC (Red Raider) is requesting an appraised value limitation from Smyer Independent School District (ISD) for the Red Raider Project (the "Project"), a proposed solar and wind powered electric generating facility in Lubbock and Hockley Counties.

Property which is used for renewable energy electric generation satisfies the requirements of §313.024(b)(5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.

In support of Finding 2, the Comptroller's Economic Impact Evaluation and Certification, Attachment C, states:

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$234,000	\$234,000	\$2,965,775	\$2,965,775
	2018	\$234,000	\$468,000	\$2,702,243	\$5,668,017
	2019	\$234,000	\$702,000	\$2,451,923	\$8,119,940
	2020	\$234,000	\$936,000	\$2,201,474	\$10,321,414
	2021	\$234,000	\$1,170,000	\$1,962,208	\$12,283,622
	2022	\$234,000	\$1,404,000	\$1,733,231	\$14,016,853
	2023	\$234,000	\$1,638,000	\$1,501,434	\$15,518,287
	2024	\$234,000	\$1,872,000	\$1,290,632	\$16,808,919
	2025	\$234,000	\$2,106,000	\$1,124,697	\$17,933,616
	2026	\$234,000	\$2,340,000	\$1,002,988	\$18,936,604
Maintain Viable Presence (5 Years)	2027	\$1,158,916	\$3,498,916	\$0	\$18,936,604
	2028	\$1,087,084	\$4,585,999	\$0	\$18,936,604
	2029	\$1,020,992	\$5,606,991	\$0	\$18,936,604
	2030	\$960,182	\$6,567,173	\$0	\$18,936,604
	2031	\$904,231	\$7,471,404	\$0	\$18,936,604
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$852,751	\$8,324,155	\$0	\$18,936,604
	2033	\$805,383	\$9,129,538	\$0	\$18,936,604
	2034	\$761,799	\$9,891,337	\$0	\$18,936,604
	2035	\$721,697	\$10,613,033	\$0	\$18,936,604
	2036	\$684,797	\$11,297,831	\$0	\$18,936,604
	2037	\$650,845	\$11,948,676	\$0	\$18,936,604
	2038	\$619,605	\$12,568,281	\$0	\$18,936,604
	2039	\$590,859	\$13,159,139	\$0	\$18,936,604
	2040	\$564,408	\$13,723,548	\$0	\$18,936,604
	2041	\$540,068	\$14,263,616	\$0	\$18,936,604

\$14,263,616	is less than	\$18,936,604
---------------------	--------------	---------------------

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

Source: CPA, Red Raider Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	150	426	576	\$6,000,000	\$26,470,703	\$32,470,703	\$3,509,521	-\$999,451	\$4,508,972
2017	5	19	24	\$201,350	\$4,193,181	\$4,394,531	\$251,770	\$404,358	-\$152,588
2018	5	5	10	\$201,350	\$2,484,197	\$2,685,547	\$175,476	\$404,358	-\$228,882
2019	5	(3)	2	\$201,350	\$1,507,634	\$1,708,984	\$137,329	\$389,099	-\$251,770
2020	5	(9)	-4	\$201,350	\$1,019,353	\$1,220,703	\$99,182	\$366,211	-\$267,029
2021	5	(7)	-2	\$201,350	\$286,931	\$488,281	\$76,294	\$297,546	-\$221,252
2022	5	(1)	4	\$201,350	\$653,142	\$854,492	\$106,812	\$236,511	-\$129,699
2023	5	(1)	4	\$201,350	\$409,002	\$610,352	\$99,182	\$183,105	-\$83,923
2024	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$183,105	-\$68,664
2025	5	3	8	\$201,350	\$164,861	\$366,211	\$99,182	\$137,329	-\$38,147
2026	5	1	6	\$201,350	\$409,002	\$610,352	\$106,812	\$106,812	\$0
2027	5	1	6	\$201,350	\$286,931	\$488,281	\$99,182	\$53,406	\$45,776
2028	5	1	6	\$201,350	\$286,931	\$488,281	\$106,812	\$45,776	\$61,036
2029	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$22,888	\$91,553
2030	5	(3)	2	\$201,350	-\$445,491	-\$244,141	\$76,294	-\$15,259	\$91,553
2031	5	(7)	-2	\$201,350	-\$201,350	\$0	\$68,665	-\$45,776	\$114,441
2032	5	(1)	4	\$201,350	-\$689,631	-\$488,281	\$61,035	-\$53,406	\$114,441
2033	5	(7)	-2	\$201,350	-\$445,491	-\$244,141	\$45,776	-\$99,182	\$144,958
2034	5	(9)	-4	\$201,350	-\$933,772	-\$732,422	-\$7,629	-\$106,812	\$99,183
2035	5	(13)	-8	\$201,350	-\$1,177,913	-\$976,563	-\$45,776	-\$129,700	\$83,924
2036	5	(13)	-8	\$201,350	-\$2,154,475	-\$1,953,125	-\$114,441	-\$190,735	\$76,294
2037	5	(15)	-10	\$201,350	-\$2,398,616	-\$2,197,266	-\$152,588	-\$236,511	\$83,923
2038	5	(17)	-12	\$201,350	-\$2,642,756	-\$2,441,406	-\$152,588	-\$274,658	\$122,070
2039	5	(17)	-12	\$201,350	-\$2,398,616	-\$2,197,266	-\$137,329	-\$312,805	\$175,476
2040	5	(19)	-14	\$201,350	-\$3,619,319	-\$3,417,969	-\$213,623	-\$389,099	\$175,476
2041	5	(21)	-16	\$201,350	-\$3,375,178	-\$3,173,828	-\$213,623	-\$419,617	\$205,994
						TOTAL	\$4,310,609	-\$442,507	\$4,753,116
							\$19,016,732	is greater than	\$18,936,604

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

Board Finding Number 3.

The limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

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

- According to the company, NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S. with nearly 17,800 MW of generating capacity across 24 states.
- Per the company, the project is still in the early stages of development, further investment could be, if necessary, redeployed to other countries and states competing for similar wind projects.
- Per the applicant, state and local tax incentives contribute to the lowering of the cost of power sold to customers making the investment more viable and marketable.
- Comptroller research includes a July 28, 2014 article, by Fox 34 News, of the Hockley County Commissioners Court giving clearance to Red Raider wind farm to start construction; and, the Court approving their tax abatement application.
- Comptroller research includes a July 31, 2014 article states the applicant is given clearance to start construction, planned for spring 2015, and will last approximately 5 to 6 months.
- Comptroller research includes a July 31, 2014 article, by The Daily Toreador, regarding the sale agreement of the Red Raider Wind, LLC project from Group NIRE to NextEra Energy Resources was signed December 2013.

Board Finding Number 4.

The Board finds that the Application Fee received for the Application for which these Findings are being made was reasonable and only in such an amount as was necessary to cover the District's costs of processing such Application.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the information provided in the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment B, package, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286, contains all required provisions and information related to the required job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating four (4) new qualifying jobs. The average salary level of qualifying jobs will be at least \$38,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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 7.

The Applicant intends to create one (1) non-qualifying job.

In its Application, Applicant has indicated that it does intend to create one (1) non-qualifying job. The average salary level of the non-qualifying job will be at least \$49,348 per year, which represents pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$272.9 million to the tax base for debt service purposes at the peak investment level for the 2017-18 school year. The project remains fully taxable for debt services taxes, with SISD currently levying a \$0.15 per \$100 I&S rate. While the value of the Red Raider Wind project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's projected I&S taxable value above the level available through the state's facility programs. As a result, local taxpayers should benefit from the addition of the Red Raider Wind project to the local I&S tax roll.

Board Finding Number 9.

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 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 project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

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

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code § 37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an “official proceeding,” a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant’s future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-286, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.4B of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2014 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F.

The total industrial value for the District is \$2.2 million. The District 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. The District is classified as a "rural" district due to its population characteristics. Given that the value of industrial property is more than \$1 million, but less than \$90 million, it is classified as a Category II district which can offer a minimum value limitation of \$20 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.4B of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form. (Attachment I)

Board Finding Number 14.

The Applicant (Taxpayer No. 32049262986) is eligible for the limitation on appraised value of qualified property as specified in the Agreement as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32049262986), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286 contains all required provisions necessary for the Board to assess the eligibility of any business to which an agreement is transferred, to wit: the requirement that all assignments are amendments to the provision forth in Section 10.4 of said Agreement.

Board Finding Number 15.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first 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. The Agreement contains adequate revenue protection measures for the duration of the Agreement.

Board Finding Number 17.

The Board finds that the methodology and processes for determining Applicant's revenue protection payments as are set forth in Article IV of the Chapter 313 Tax Limitation Agreement (Attachment G) comply with Texas Tax Code, Chapter 313.

In support of this Finding, the Board relies upon the recommendation of its consultants. (Attachment H)

Board Finding Number 18.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G), in accordance with Comptroller's Form 50-286 contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 19.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, is in the form of the template Texas Economic Development Act adopted by the Comptroller. Should a new template be adopted that corrects the broken cross references, clarifies wording and grammatical errors, and corrects contractual ambiguities not

acceptable to either party, the Board finds that it would be in the District's best interest to agree to amend the Agreement.

Board Finding Number 20.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <http://pol.tasb.org/Home/Index/588>, that it has taken appropriate action to ensure that all District Trustees, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, and DH BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be mad if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings. In addition, Smyer ISD should ensure that disclosure occurs at the meeting at which the school board will vote on the business's application.

Board Finding Number 21.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 22.

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 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 District.

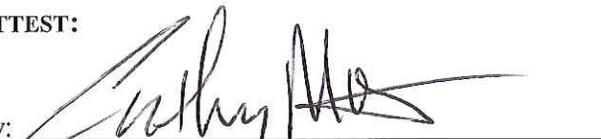
It is further ORDERED that upon the issuance by the Comptroller's Office of a new Form 50-286 that the Board, in accordance with Comptroller rules and new form 50-286, will consider an amendment to Attachment G upon the request of Applicant or District staff.

Dated the 9th day of November 2015.

SMYER INDEPENDENT SCHOOL DISTRICT

By: 
Darren Robertson, President, Board of Trustees

ATTEST:

By: 
Anthony Maye, Secretary, Board of Trustees

Attachment A

Application



Application for Appraised Value Limitation on Qualified Property

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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

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

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

SECTION 1: School District Information

1. Authorized School District Representative

January 29, 2015

Date Application Received by District

Dane

Kerns

First Name

Last Name

Superintendent

Title

Smyer ISD

School District Name

401 Lincoln

Street Address

P.O. Box 206

Mailing Address

Smyer

TX

79367-0206

City

State

ZIP

(806) 234-2935

(806) 234-2411

Phone Number

Fax Number

dkerns@smyer-isd.org

Mobile Number (optional)

Email Address

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



Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Form fields for authorized school district consultant including names (Dan, Casey), titles (Partner), firm name (Moak, Casey & Associates), phone numbers, fax number, and email address (dcasey@moakcasey.com).

- 4. On what date did the district determine this application complete? 2/19/2015
5. Has the district determined that the electronic copy and hard copy are identical? [X] Yes [] No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Form fields for authorized company representative including names (John, DiDonato), titles (Vice President, Development), organization (NextEra Energy Resources, LLC), address (700 Universe Blvd., Juno Beach, FL 33408), and phone numbers.

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

Form fields for contact information of the company official including names (Noah, Hyte), titles (Project Manager), organization (NextEra Energy Resources, LLC), address (700 Universe Blvd., Juno Beach, FL 33408), and phone numbers.

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

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

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

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Red Raider Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32049262986
3. List the NAICS code 221114 & 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

- | | |
|---|---|
| 1. Application approval by school board | July 2015 |
| 2. Commencement of construction | Q2 - 2016 |
| 3. Beginning of qualifying time period | July 1, 2016 |
| 4. First year of limitation | 2017 |
| 5. Begin hiring new employees | Q4 - 2016 |
| 6. Commencement of commercial operations | Q4 -2016 |
| 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Note: Improvements made before that time may not be considered qualified property. | |
| 8. When do you anticipate the new buildings or improvements will be placed in service? | Q4 -2016 |

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Hockley & Lubbock
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Hockley CAD & Lubbock CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
- | | |
|--|--|
| County: <u>(Hockley, \$0.34834, 91%) & (Lubbock, \$0.341358, 9%)</u>
<i>(Name, tax rate and percent of project)</i> | City: _____
<i>(Name, tax rate and percent of project)</i> |
| Hospital District: <u>UMC Hospital District, \$0.11680, 9%</u>
<i>(Name, tax rate and percent of project)</i> | Water District: <u>High Plains WD, \$0.008026, 100%</u>
<i>(Name, tax rate and percent of project)</i> |
| Other (describe): <u>South Plains College, \$0.26532, 91%</u>
<i>(Name, tax rate and percent of project)</i> | Other (describe): <u>(Shallowater ISD, \$1.530, 10%) & (Frenship ISD, \$1.52005, 5%)</u>
<i>(Name, tax rate and percent of project)</i> |
5. Is the project located entirely within the ISD listed in Section 1? Yes No
5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? March 2015

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

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

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

Application for Appraised Value Limitation on Qualified Property



SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 - First Quarter
 - Second Quarter
 - Third Quarter
 - Fourth Quarter of 2014 (year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
 Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 4
5. What is the number of new non-qualifying jobs you are estimating you will create? 1
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 949.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 923.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 727.00
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 37,818.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 38,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in Tab 14. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in Tab 15. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in Tab 15.

SECTION 15: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here → Dane Kerns Superintendent
Print Name (Authorized School District Representative)
 sign here → *Dane Kerns* Title
Signature (Authorized School District Representative) Date 4/7/15

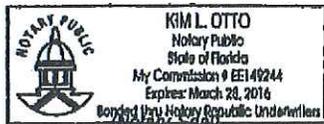
2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here → John DiDonato Vice President, Development
Print Name (Authorized Company Representative (Applicant))
 sign here → *John DiDonato* Title
Signature (Authorized Company Representative (Applicant)) Date April 7, 2015

GIVEN under my hand and seal of office this, the
7th day of April, 2015
Kim L. Otto
 Notary Public in and for the State of Texas
 My Commission expires: 3-28-2016



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

Application for Appraised Value Limitation on Qualified Property



APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$75,000 application fee to Smyer Independent School District.

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

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

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 3

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

See Attached

*Note – This is the most recent report filed and Red Raider Wind, LLC had not been formed during the reporting time period of the 2014 report. Red Raider Wind, LLC will be reported on the 2015 Report for NextEra Energy Power Marketing, LLC.

"AMENDED"

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 8-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134 Report year 2014 Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

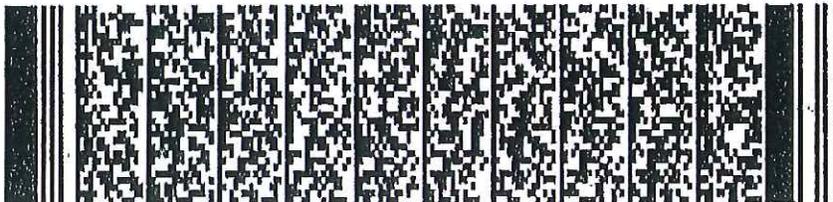
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

Form with 3 sections for affiliates: NEPM II, LLC; Lone Star Transmission, LLC; and Red River Wind Holdings, LLC. Each section includes fields for legal name, taxpayer number, NAICS code, reporting dates, and financial data like gross receipts and cost of goods sold.

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

5

AMENDED

TX233P01 F3.00.04

TX2014 06-166
Ver. 5.0 (Rev. 9-13/16)

Texas Franchise Tax Affiliate Schedule

Code 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate High Majestic Wind II, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32046000470		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 10830290.00			
10. Gross receipts in Texas (before eliminations) 10830290.00		11. Cost of goods sold or compensation (before eliminations) 27545343.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate FPL Energy Cellaehan Wind, LP		2. Affiliate taxpayer number (if none, use FEI number) 12011189607		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 11563106.00			
10. Gross receipts in Texas (before eliminations) 10597219.00		11. Cost of goods sold or compensation (before eliminations) 5202675.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

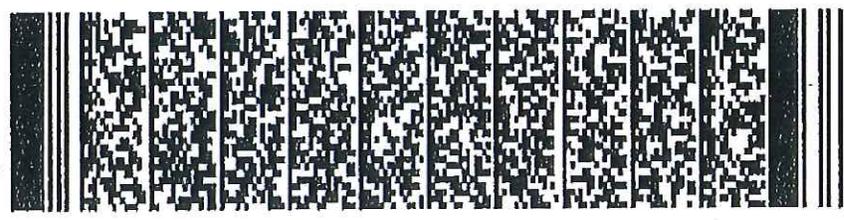
*

1. Legal name of affiliate Wolf Ridge Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 17532449588		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 13595928.00			
10. Gross receipts in Texas (before eliminations) 13256317.00		11. Cost of goods sold or compensation (before eliminations) 11267701.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 06-102 or Form 06-107) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

10

"AMENDED"

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Code 13253 Annual
Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

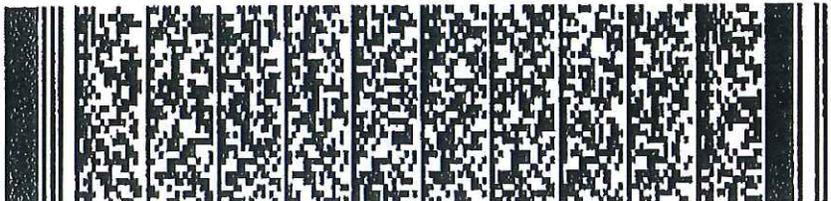
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate USG Properties Permian Basin I, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32049751616		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm dd yy 010113	7. Affiliate reporting end date mm dd yy 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 8230687.00			
10. Gross receipts in Texas (before eliminations) 8187081.00		11. Cost of goods sold or compensation (before eliminations) 10865842.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate Capricorn Ridge Wind II, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12608543166		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm dd yy 010113	7. Affiliate reporting end date mm dd yy 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate Blue Summit Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 11137881576		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm dd yy 010113	7. Affiliate reporting end date mm dd yy 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 12378106.00			
10. Gross receipts in Texas (before eliminations) 12060355.00		11. Cost of goods sold or compensation (before eliminations) 41323923.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



" AMENDED "

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/16)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate West Texas Wind Energy Partners LP		2. Affiliate taxpayer number (if none, use FEI number) 16508237076		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm d d y y 010113		7. Affiliate reporting end date mm d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 4874311 .00		
10. Gross receipts in Texas (before eliminations) 4862739 .00			11. Cost of goods sold or compensation (before eliminations) 2518965 .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate NextEra Energy Operating Services, LLC		2. Affiliate taxpayer number (if none, use FEI number) 16504717980		3. Affiliate NAICS code 541600	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm d d y y 010113		7. Affiliate reporting end date mm d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 153276346 .00		
10. Gross receipts in Texas (before eliminations) 4778185 .00			11. Cost of goods sold or compensation (before eliminations) 4720133 .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

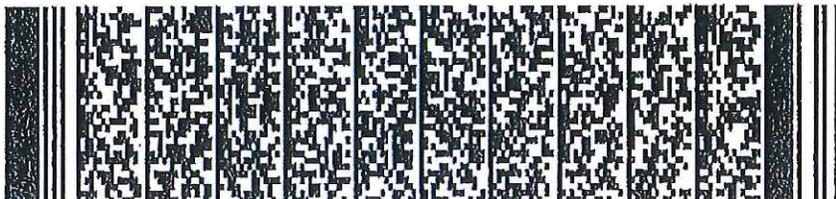
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date mm d d y y		7. Affiliate reporting end date mm d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

14

" AMENDED "

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 8-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134
Report year 2014
Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

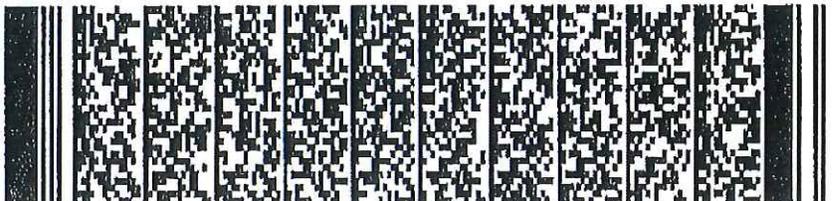
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax		5. Check box if this affiliate does NOT have NEXUS in Texas		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)		Check box if this is a Corporation or Limited Liability Company	
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax		5. Check box if this affiliate does NOT have NEXUS in Texas		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)		Check box if this is a Corporation or Limited Liability Company	
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax		5. Check box if this affiliate does NOT have NEXUS in Texas		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)		Check box if this is a Corporation or Limited Liability Company	

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

"AMENDED"

TX233P01 F8.00.04

TX2014 05-166
Ver. 5.0 (Rev. 8-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134 Report year 2014 Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate: FPL Energy Services, Inc. 2. Affiliate taxpayer number: 32039078749 3. Affiliate NAICS code: 541990 4. Check box if entity is disregarded for franchise tax: [] 5. Check box if this affiliate does NOT have NEXUS in Texas: [] 6. Affiliate reporting begin date: 010113 7. Affiliate reporting end date: 123113

8. Gross receipts subject to throwback in other states (before eliminations): 0.00 9. Gross receipts everywhere (before eliminations): 112644260.00 10. Gross receipts in Texas (before eliminations): 1371892.00 11. Cost of goods sold or compensation (before eliminations): 71270893.00 Check box if this is a Corporation or Limited Liability Company: [X] Check box if this is an Entity other than a Corporation or Limited Liability Company: []

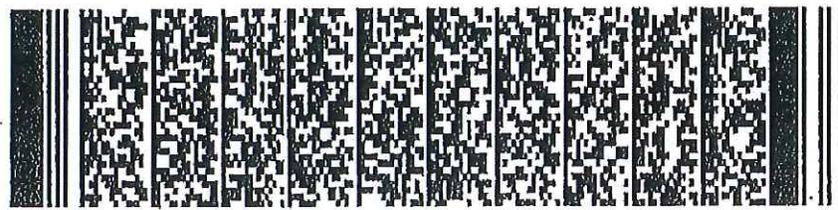
1. Legal name of affiliate: NextEra Energy Project Management, LLC 2. Affiliate taxpayer number: 16509098097 3. Affiliate NAICS code: 541600 4. Check box if entity is disregarded for franchise tax: [] 5. Check box if this affiliate does NOT have NEXUS in Texas: [] 6. Affiliate reporting begin date: 010113 7. Affiliate reporting end date: 123113

8. Gross receipts subject to throwback in other states (before eliminations): 0.00 9. Gross receipts everywhere (before eliminations): 27065793.00 10. Gross receipts in Texas (before eliminations): 928570.00 11. Cost of goods sold or compensation (before eliminations): 889160.00 Check box if this is a Corporation or Limited Liability Company: [X] Check box if this is an Entity other than a Corporation or Limited Liability Company: []

1. Legal name of affiliate: 2. Affiliate taxpayer number: 3. Affiliate NAICS code: 4. Check box if entity is disregarded for franchise tax: [] 5. Check box if this affiliate does NOT have NEXUS in Texas: [X] 6. Affiliate reporting begin date: 7. Affiliate reporting end date:

8. Gross receipts subject to throwback in other states (before eliminations): .00 9. Gross receipts everywhere (before eliminations): .00 10. Gross receipts in Texas (before eliminations): .00 11. Cost of goods sold or compensation (before eliminations): .00 Check box if this is a Corporation or Limited Liability Company: [X] Check box if this is an Entity other than a Corporation or Limited Liability Company: []

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner. An information report (Form 05-102 or Form 05-107) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas. Texas Comptroller Official Use Only



VE/DE [] FM []



1023

"AMENDED"

TX233P01 F3,00,04

TX2014 05-168
Ver. 5.0 (Rev. 8-13/15)

Texas Franchise Tax Affiliate Schedule

Ycode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate FPLE Fomey, LLC		2. Affiliate taxpayer number (if none, use FEI number) 17605939978		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 961812773 .00		
10. Gross receipts in Texas (before eliminations) 961812773 .00			11. Cost of goods sold or compensation (before eliminations) 894151280 .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate ESI West Texas Energy, Inc.		2. Affiliate taxpayer number (if none, use FEI number) 16508103898		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 4384 .00		
10. Gross receipts in Texas (before eliminations) 0 .00			11. Cost of goods sold or compensation (before eliminations) 0 .00		
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

20

" AMENDED "

TX233P01 F3,00,04

TX2014 05-106
Ver. 5.0 (Rev. 8-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Blue Summit Generation Tie, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32037525741		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 5 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

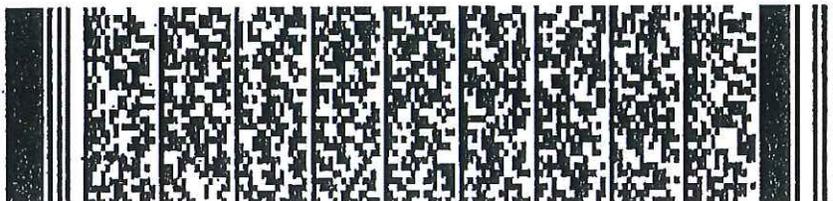
1. Legal name of affiliate FPL Energy WPP 83 LP, LLC		2. Affiliate taxpayer number (if none, use FEI number) 200265730		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 5171 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

1. Legal name of affiliate FPL Energy WPP 83 GP, LLC		2. Affiliate taxpayer number (if none, use FEI number) 200265702		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

" AMENDED "

TX2014 05-166

Ver. 6.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134 Report year 2014 Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

Form for Blue Summit II Wind, LLC. Fields include: 1. Legal name of affiliate, 2. Affiliate taxpayer number (32051418765), 3. Affiliate NAICS code, 4. Check box if entity is disregarded for franchise tax, 5. Check box if this affiliate does NOT have NEXUS in Texas, 6. Affiliate reporting begin date (010113), 7. Affiliate reporting end date (123113), 8. Gross receipts subject to throwback in other states (before eliminations) 0.00, 9. Gross receipts everywhere (before eliminations) 0.00, 10. Gross receipts in Texas (before eliminations) 0.00, 11. Cost of goods sold or compensation (before eliminations) 0.00. Check box if this is a Corporation or Limited Liability Company [X]. Check box if this is an Entity other than a Corporation or Limited Liability Company [].

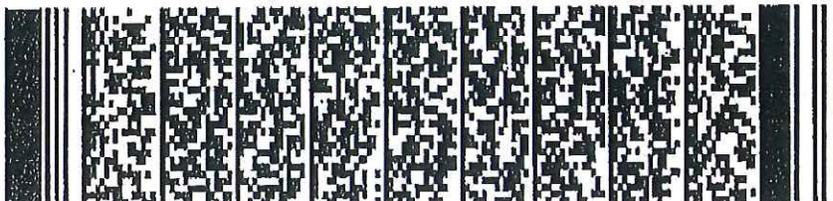
Form for Javeline Wind Energy, LLC. Fields include: 1. Legal name of affiliate, 2. Affiliate taxpayer number (32046817048), 3. Affiliate NAICS code, 4. Check box if entity is disregarded for franchise tax, 5. Check box if this affiliate does NOT have NEXUS in Texas, 6. Affiliate reporting begin date (010113), 7. Affiliate reporting end date (123113), 8. Gross receipts subject to throwback in other states (before eliminations) 0.00, 9. Gross receipts everywhere (before eliminations) 0.00, 10. Gross receipts in Texas (before eliminations) 0.00, 11. Cost of goods sold or compensation (before eliminations) 0.00. Check box if this is a Corporation or Limited Liability Company [X]. Check box if this is an Entity other than a Corporation or Limited Liability Company [].

Form for an unnamed affiliate. Fields include: 1. Legal name of affiliate, 2. Affiliate taxpayer number, 3. Affiliate NAICS code, 4. Check box if entity is disregarded for franchise tax, 5. Check box if this affiliate does NOT have NEXUS in Texas, 6. Affiliate reporting begin date, 7. Affiliate reporting end date, 8. Gross receipts subject to throwback in other states (before eliminations) .00, 9. Gross receipts everywhere (before eliminations) .00, 10. Gross receipts in Texas (before eliminations) .00, 11. Cost of goods sold or compensation (before eliminations) .00. Check box if this is a Corporation or Limited Liability Company [X]. Check box if this is an Entity other than a Corporation or Limited Liability Company [].

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller, Official Use Only



VE/DE [] FM []



1023

"AMENDED"

TX233P01 F3.00.04

TX2014 05-100
Ver. 5.0 (Rev. 8-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134
Report year 2014
Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

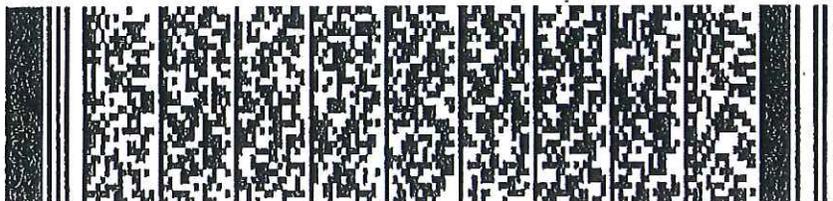
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
		.00		.00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
		.00		.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
		.00		.00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
		.00		.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate High Majesty II Wind Properties, LLC		2. Affiliate taxpayer number (if none, use FEI number) 455576361		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
		0 .00		0 .00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
		0 .00		0 .00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

" AMENDED "

TX233P01 F3.00.04

TX2014 05-108
Ver. 5.0 (Rev. 9-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Penta Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32049443198		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010113	
				7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 83623538.00			
10. Gross receipts in Texas (before eliminations) 17356667.00		11. Cost of goods sold or compensation (before eliminations) 157333984.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
				7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

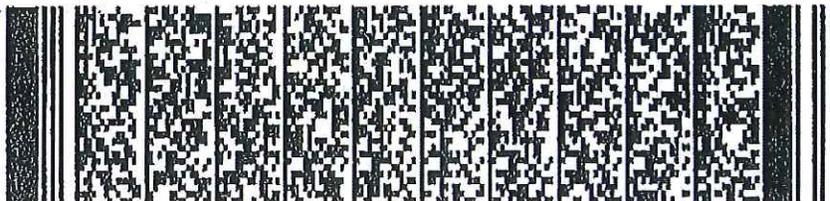
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
				7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

"AMENDED"

TX239P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00	
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00		Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>					

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00	
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00		Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>					

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y	
7. Affiliate reporting end date m m d d y y		8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00	
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00		Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>					

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.tandow.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

55

"AMENDED"

TX233P01 F3.00.04

TX2014 05-100
Ver. 5.0 (Rev. 8-13/16)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134
Report year 2014
Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

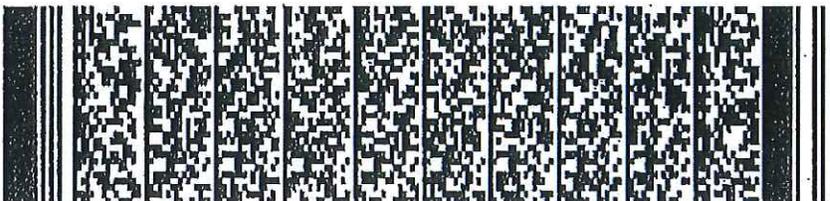
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and for affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

"AMENDED"

TX233P01 F3,00,04

TX2014 05-166
Ver. 6.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

*

1. Legal name of affiliate Minco Wind III, LLC		2. Affiliate taxpayer number (if none, use FEI number) 453123502		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010113	
				7. Affiliate reporting end date m m d d y y 123113	

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 6487349.00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 1175079.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

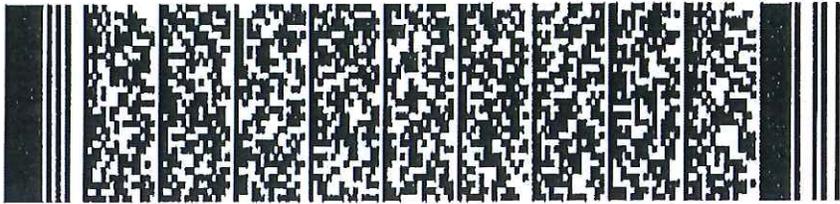
1. Legal name of affiliate Cedar Bluff Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 453123564		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010113	
				7. Affiliate reporting end date m m d d y y 123113	

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate Cherokee Power, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32045186080		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010113	
				7. Affiliate reporting end date m m d d y y 123113	

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.
An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.
Texas Comptroller Official Use Only



VE/DE FM



1023

145

" AMENDED "

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 32002608134 Report year 2014 Reporting entity taxpayer name NextEra Energy Power Marketing, LLC

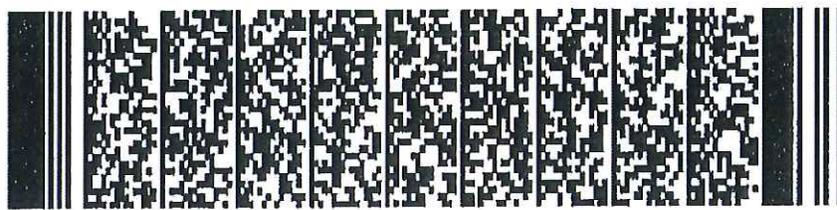
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Blackwell Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 453656653		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 4259028 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 1332994 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate Golden Winds Funding, LLC		2. Affiliate taxpayer number (if none, use FEI number) 453862509		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 6 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate Golden Winds Holdings, LLC		2. Affiliate taxpayer number (if none, use FEI number) 453862372		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 34581 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas. Texas Comptroller Official Use Only



VEIDE FM



1023

"AMENDED"

TX233P01 F3.00.04

TX2014 05-106
Ver. 5.0 (Rev. 8-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Whitney Point Solar, LLC		2. Affiliate taxpayer number (if none, use FEI number) 271159993		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 32.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate Pheasant Run Wind Holdings, LLC		2. Affiliate taxpayer number (if none, use FEI number) 461691358		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 6278.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y		
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-107) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

170

" AMENDED "

TX233P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Code 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Centennial Wind Holdings, LLC		2. Affiliate taxpayer number (if none, use FEI number) 455448524		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 824.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate Centennial Wind Funding, LLC		2. Affiliate taxpayer number (if none, use FEI number) 455458881		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 21937.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

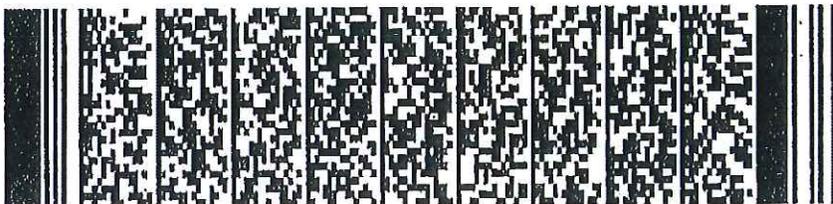
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

171

"AMENDED"

TX233P01 F3.00.04

TX2014 05-106
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Code 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)			9. Gross receipts everywhere (before eliminations)		
.00			.00		
10. Gross receipts in Texas (before eliminations)			11. Cost of goods sold or compensation (before eliminations)		
.00			.00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

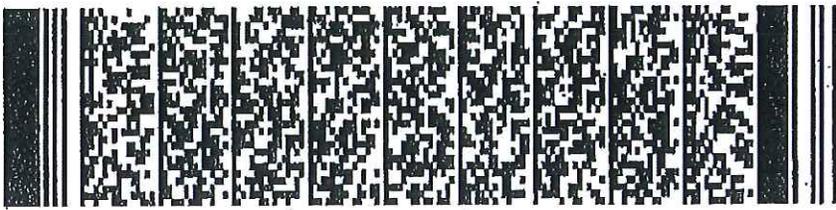
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)			9. Gross receipts everywhere (before eliminations)		
.00			.00		
10. Gross receipts in Texas (before eliminations)			11. Cost of goods sold or compensation (before eliminations)		
.00			.00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)			9. Gross receipts everywhere (before eliminations)		
.00			.00		
10. Gross receipts in Texas (before eliminations)			11. Cost of goods sold or compensation (before eliminations)		
.00			.00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchisee tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

172

"AMENDED"

TX233P01 F3,00.04

TX2014 05-188
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

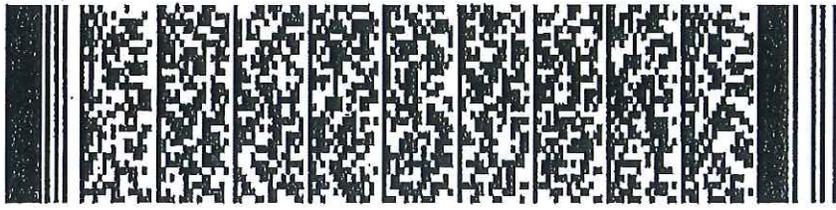
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller, Official Use Only



VEIDE FM



1023

"AMENDED"

TX233P01 F3.00.04

TX2014 06-166
Ver 5.0 (Rev. 8-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode: 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

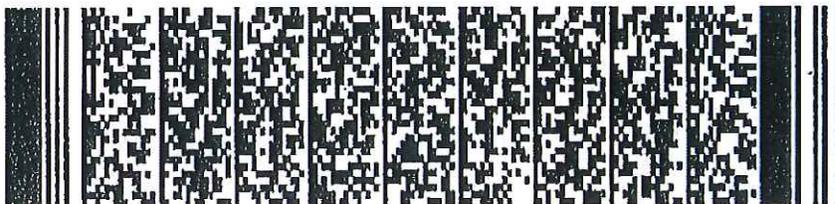
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Pioneer Plains Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 461995731		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y		
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate Pheasant Run Wind Holdings II, LLC		2. Affiliate taxpayer number (if none, use FEI number) 462471318		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113	7. Affiliate reporting end date m m d d y y 123113		
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 1852.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-107) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

181

"AMENDED"

TX238P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

32002608134

2014

NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

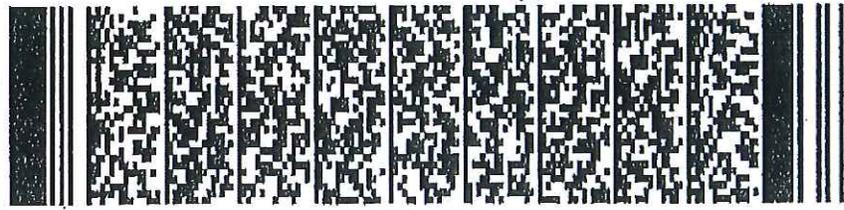
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00		9. Gross receipts everywhere (before eliminations) .00			
10. Gross receipts in Texas (before eliminations) .00		11. Cost of goods sold or compensation (before eliminations) .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

192

" AMENDED "

TX239P01 F3.00.04

TX2014 05-166
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

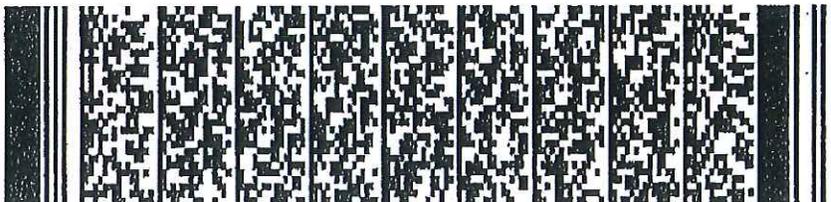
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
.00		.00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
.00		.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate Steele Flats Wind Project Holdings, LLC		2. Affiliate taxpayer number (if none, use FEI number) 462220155		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)			
0 .00		0 .00			
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)			
0 .00		0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

An information report (Form 05-102 or Form 05-107) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



1023

193

"AMENDED"

TX233P01 F3,00,04

TX2014 05-168
Ver. 5.0 (Rev. 9-13/15)

Texas Franchise Tax Affiliate Schedule

Code 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Oklahoma Wind Portfolio, LLC		2. Affiliate taxpayer number (if none, use FEI number) 462345954		3. Affiliate NAICS code 339999	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010113		7. Affiliate reporting end date m m d d y y 123113	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00			9. Gross receipts everywhere (before eliminations) 198579303.00		
10. Gross receipts in Texas (before eliminations) 0.00			11. Cost of goods sold or compensation (before eliminations) 0.00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

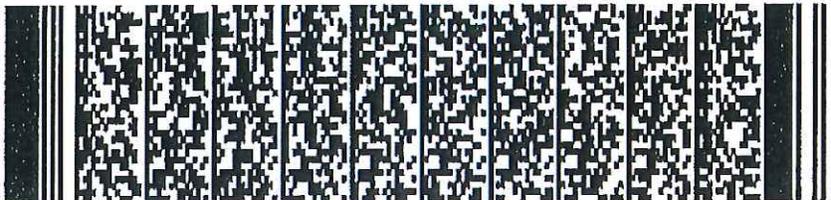
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y		7. Affiliate reporting end date m m d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.

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

Texas Comptroller Official Use Only



VE/DE FM



1023

"AMENDED"

TX233P01 F3.00.04

TX2014 05-168
Ver. 5.0 (Rev. 9-13/5)

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 32002608134
Report year: 2014
Reporting entity taxpayer name: NextEra Energy Power Marketing, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate Pioneer Plains Wind, LLC		2. Affiliate taxpayer number (if none, use FEI number) 461995731		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date mm d d y y 01 01 13	
				7. Affiliate reporting end date mm d d y y 12 31 13	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 9107037 .00		
10. Gross receipts in Texas (before eliminations) 0 .00			11. Cost of goods sold or compensation (before eliminations) 35435916 .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

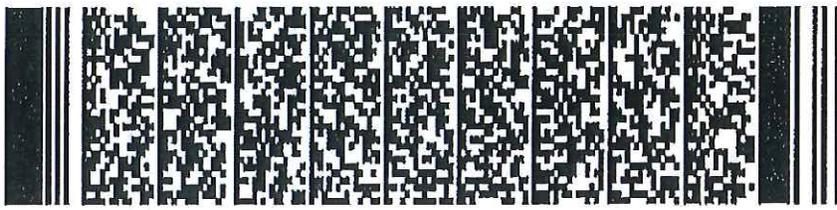
*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date mm d d y y	
				7. Affiliate reporting end date mm d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

*

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)		3. Affiliate NAICS code	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date mm d d y y	
				7. Affiliate reporting end date mm d d y y	
8. Gross receipts subject to throwback in other states (before eliminations) .00			9. Gross receipts everywhere (before eliminations) .00		
10. Gross receipts in Texas (before eliminations) .00			11. Cost of goods sold or compensation (before eliminations) .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner.
An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.
Texas Comptroller, Official Use Only



VE/DE FM



1023

227

TAB 4

Detailed Description of the Project

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

See Attached

TAB 4 (cont.)

Red Raider Wind, LLC (Red Raider) is requesting an appraised value limitation from Smyer Independent School District (ISD) for the Red Raider Project (the "Project"), a proposed solar and wind powered electric generating facility in Lubbock and Hockley Counties. The proposed Smyer ISD Project (this application) will be constructed within the following contiguous Reinvestment Zones. A Reinvestment Zone will be created by Lubbock County on or about March 2nd, 2015. Hockley County Reinvestment Zone #1 that was established by Hockley County on July 14th, 2014 and Hockley County Reinvestment Zone #2 that will be created by Hockley County on or about March 2nd, 2015. A map showing the location of the project is included in Tab 11.

The proposed Project is anticipated to have a total capacity of approximately 200 MW, of which 180 MW is located in Smyer ISD.

The total capacity allocated to Solar is anticipated to be 60 MW all of which will be located in Smyer ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization and the final megawatt generating capacity of the Project when completed. Current plans are to install 252,800 Ying Li PV panels and 60x1 MW Greenpower inverters within Smyer ISD. The Applicant requests a value limitation for all materials and equipment installed for the Project that are located in Smyer ISD, including but not limited to; solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

The total capacity allocated to Wind is anticipated to be 140 MW, of which approximately 120 MW will be located in Smyer ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 1.72 MW GE turbines with an estimated 70 turbines located in Smyer ISD. Red Raider Wind, LLC is also constructing approximately 13.6 miles of generation transmission tie line, of which approximately 3 miles will be in Smyer ISD and the remaining 10.6 miles will be in Frenship ISD and/or Shallowater ISD. The Applicant requests a value limitation for all materials and equipment installed for the Project that are located in Smyer ISD, including but not limited to; wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, transmission line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the second quarter of 2016 with completion by December 31, 2016.

TAB 5

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

NextEra Energy Resources (NEER), with approximately 18,300 MW of generating capacity at December 31, 2013, is one of the largest wholesale generators of electric power in the U.S., with nearly 17,800 MW of generating capacity across 24 states, and with approximately 400 MW in 4 Canadian provinces. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

As of February 28, 2014, NEER's wind portfolio included 101 wind projects delivering approximately 10,284 MW throughout the U.S. and Canada.

NEER is keen to develop and build the proposed Red Raider Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our invest more viable and marketable. We have over 40 wind sites in development throughout the country and are continually comparing investment opportunities and market viability of each project based upon project financial metrics

Hockley County entered into an amended and restated abatement agreement with Red Raider Wind, LLC on March 29th, 2015.

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 6

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

1) Hockley County	- 91%
2) Smyer ISD	- 85%
3) UMC Hospital District	- 9%
4) High Plains Water District	- 100%
5) South Plains College	- 91%
6) Lubbock County	- 9%
7) Shallowater ISD	- 10%
8) Frenship ISD	- 5%

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 7

Description of Qualified Investment

Red Raider Wind, LLC plans to construct an approximately 200 MW combined wind and solar electric generating project in Hockley and Lubbock Counties.

This application covers all qualified property within Smyer ISD necessary for the commercial operations of the proposed combined wind farm and solar project described in Tab 4. Approximately seventy-five (75) wind turbines will be located in Hockley County, of which seventy (70) will be located in Smyer ISD. Approximately 252,800 PV panels and 60x1 MW inverters will be located in Hockley County, all of which will be located in Smyer ISD. For purposes of this application, the Project anticipates using 1.72 MW turbines manufactured by GE, Ying Li PV Panels and Greenpower inverters. Red Raider is also constructing approximately 3 miles of generation transmission tie line that will be in Smyer ISD.

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

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, underground collection systems, transmission lines, electrical interconnections, met towers, roads, spare parts, control systems necessary for commercial generation of electricity, solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, buildings and offices, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

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

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

(See Tab 7)

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 9

Description of Land

See Attached

Tab 9 (cont.)

Abstract	Survey	Block	Section	County	Reinvestment Zone	School District
219106	THOMSON, R M	A	131	Hockley	HCRZ #1	Smyer ISD
219105	THOMSON, R M	A	61	Hockley	HCRZ #2	Smyer ISD
219118	THOMSON, R M	A	60	Hockley	HCRZ #2	Smyer ISD
219104	THOMSON, R M	A	59	Hockley	HCRZ #2	Smyer ISD
219103	THOMSON, R M	A	58	Hockley	HCRZ #2	Smyer ISD
219102	THOMSON, R M	A	57	Hockley	HCRZ #1	Smyer ISD
219101	THOMSON, R M	A	56	Hockley	HCRZ #1	Smyer ISD
21968	THOMSON, R M	A	55	Hockley	HCRZ #1	Smyer ISD
21967	THOMSON, R M	A	54	Hockley	HCRZ #1	Smyer ISD
219117	THOMSON, R M	A	46	Hockley	HCRZ #2	Smyer ISD
21981	THOMSON, R M	A	47	Hockley	HCRZ #2	Smyer ISD
21982	THOMSON, R M	A	48	Hockley	HCRZ #2	Smyer ISD
21962	THOMSON, R M	A	49	Hockley	HCRZ #2	Smyer ISD
21963	THOMSON, R M	A	50	Hockley	HCRZ #1	Smyer ISD
21964	THOMSON, R M	A	51	Hockley	HCRZ #1	Smyer ISD
21965	THOMSON, R M	A	52	Hockley	HCRZ #1	Smyer ISD
21966	THOMSON, R M	A	53	Hockley	HCRZ #1	Smyer ISD
219107	THOMSON, R M	A	45	Hockley	HCRZ #2	Smyer ISD
219100	THOMSON, R M	A	44	Hockley	HCRZ #2	Smyer ISD
21999	THOMSON, R M	A	43	Hockley	HCRZ #2	Smyer ISD
21998	THOMSON, R M	A	42	Hockley	HCRZ #1	Smyer ISD
21997	THOMSON, R M	A	41	Hockley	HCRZ #1	Smyer ISD
21980	THOMSON, R M	A	40	Hockley	HCRZ #1	Smyer ISD
21979	THOMSON, R M	A	39	Hockley	HCRZ #1	Smyer ISD
219116	THOMSON, R M	A	98	Hockley	HCRZ #1	Smyer ISD
219125	THOMSON, R M	A	130	Hockley	HCRZ #1	Smyer ISD
219123	THOMSON, R M	A	30	Hockley	HCRZ #2	Smyer ISD
21977	THOMSON, R M	A	31	Hockley	HCRZ #2	Smyer ISD
21978	THOMSON, R M	A	32	Hockley	HCRZ #2	Smyer ISD
21993	THOMSON, R M	A	33	Hockley	HCRZ #1	Smyer ISD
21994	THOMSON, R M	A	34	Hockley	HCRZ #1	Smyer ISD
21995	THOMSON, R M	A	35	Hockley	HCRZ #1	Smyer ISD
21996	THOMSON, R M	A	36	Hockley	HCRZ #1	Smyer ISD
219115	THOMSON, R M	A	37	Hockley	HCRZ #1	Smyer ISD
219124	THOMSON, R M	A	129	Hockley	HCRZ #1	Smyer ISD
219122	THOMSON, R M	A	29	Hockley	HCRZ #2	Smyer ISD
219114	THOMSON, R M	A	28	Hockley	HCRZ #2	Smyer ISD
21992	THOMSON, R M	A	27	Hockley	HCRZ #2	Smyer ISD
21976	THOMSON, R M	A	26	Hockley	HCRZ #2	Smyer ISD
21975	THOMSON, R M	A	25	Hockley	HCRZ #2	Smyer ISD
21961	THOMSON, R M	A	24	Hockley	HCRZ #1	Smyer ISD
21960	THOMSON, R M	A	23	Hockley	HCRZ #1	Smyer ISD
219244	C&M RR CO	P	53	Hockley	HCRZ #1	Frenship ISD
2191	C&M RR CO	P	53	Hockley	HCRZ #1	Frenship ISD
21958	THOMSON, R M	A	21	Hockley	HCRZ #2	Smyer ISD
21959	THOMSON, R M	A	22	Hockley	HCRZ #1	Smyer ISD
219358	PSL	D	12	Hockley	HCRZ #1	Frenship ISD
219247	C&M RR CO	P	54	Hockley	HCRZ #2	Smyer ISD
21973	STATE OF TEXAS		11	Hockley	HCRZ #2	Smyer ISD
21972	THOMSON, R M	A	10	Hockley	HCRZ #2	Smyer ISD
21971	THOMSON, R M	A	9	Hockley	HCRZ #2	Smyer ISD
219121	THOMSON, R M	A	128	Hockley	HCRZ #2	Frenship ISD
219109	THOMSON, R M	A	6	Hockley	HCRZ #2	Smyer ISD
21956	THOMSON, R M	A	7	Hockley	HCRZ #2	Smyer ISD
21957	THOMSON, R M	A	8	Hockley	HCRZ #2	Frenship ISD
219119	THOMSON, R M	A	127	Hockley	HCRZ #2	Smyer ISD
219357	PSL	D	11	Hockley	HCRZ #2	Frenship ISD
219150	JONES CSL		1	Hockley	HCRZ #2	Smyer ISD
219151	JONES CSL		2	Hockley	HCRZ #2	Smyer ISD
303632	THOMSON, R M	A	131	Lubbock		
3031287	FAIRRIIS, G S	D	13	Lubbock		
303288	AB&M	P	39	Lubbock		
3031082	EL&RR RR CO	D5	30	Lubbock		
303691	THOMSON, R M	A	130	Lubbock		
3031537	EL&RR RR CO	D5	32	Lubbock		
303630	THOMSON, R M	A	129	Lubbock		
3031546	AB&M	P	40	Lubbock		
3031017	AB&M	P	40	Lubbock		
303349	EL&RR RR CO	D5	31	Lubbock		
3031018	EL&RR RR CO	D5	32	Lubbock		
3031521	EL&RR RR CO	D5	32	Lubbock		
3031286	FAIRRIIS, G S	D	12	Lubbock		
303300	BS&F	P	41	Lubbock		
303874	BS&F	P	42	Lubbock		
3031087	EL&RR RR CO	JS	38	Lubbock		
3031538	TUBB, T	JS	38	Lubbock		
303109	C&M RR CO	P	53	Lubbock		
303875	ACH&B	P	52	Lubbock		
303844	C&M RR CO	P	54	Lubbock		
303108	C&M RR CO	P	55	Lubbock		
3031285	FAIRRIIS, T L	D	11	Lubbock		
303283	TT RR CO	JS	3	Lubbock		

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 10

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

None, not applicable

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

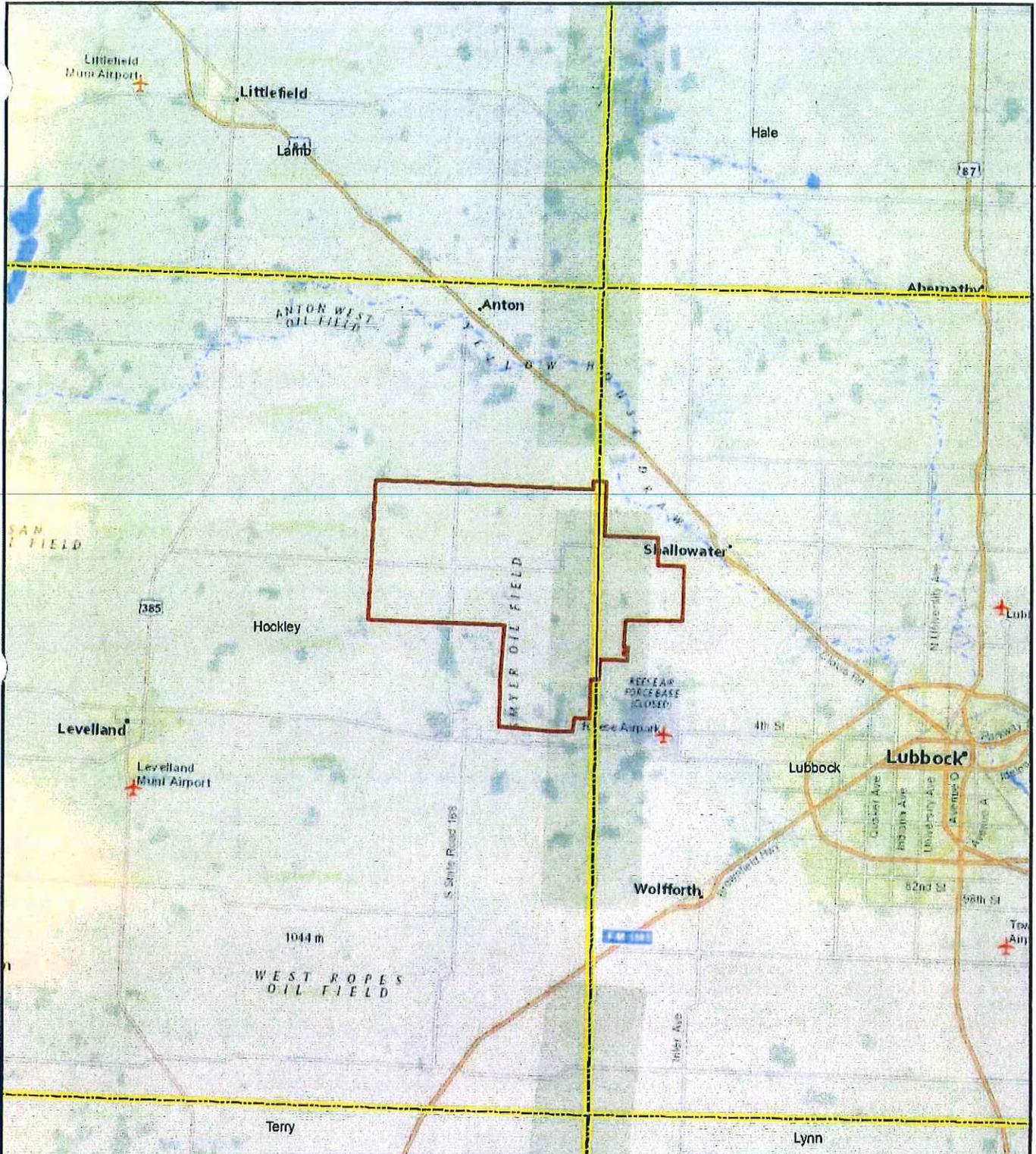
TAB 11

Maps that clearly show:

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

11 d) THERE IS NO EXISISTING PROPERTY

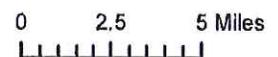
11 a) Project Vicinity Map



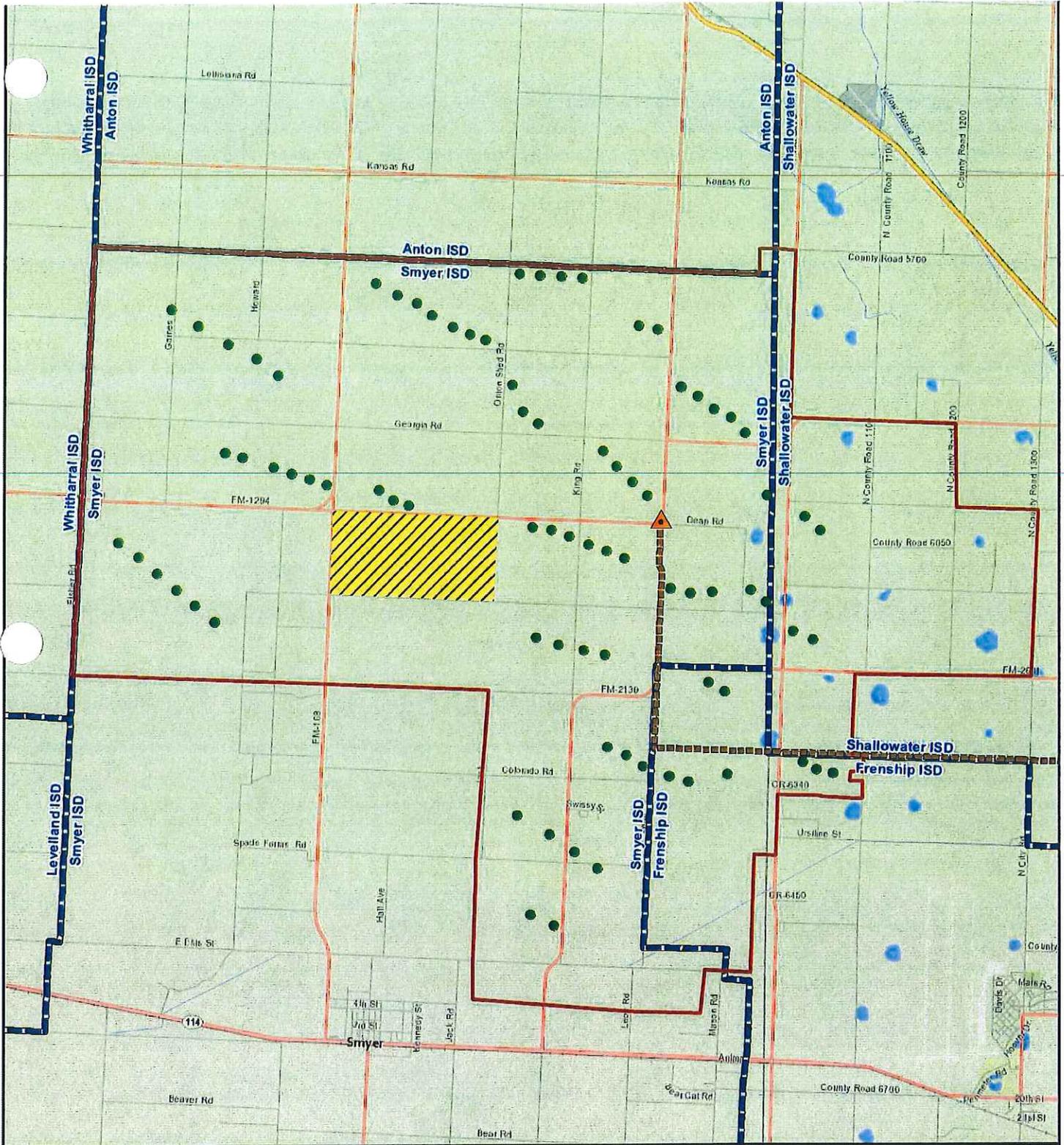
Red Raider

Wednesday, January 21, 2015
Hockley County, Texas

-  Project Boundary
-  County Boundary

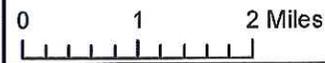


11 b&c) Qualified Investment & Property with Location of Improvements



Red Raider

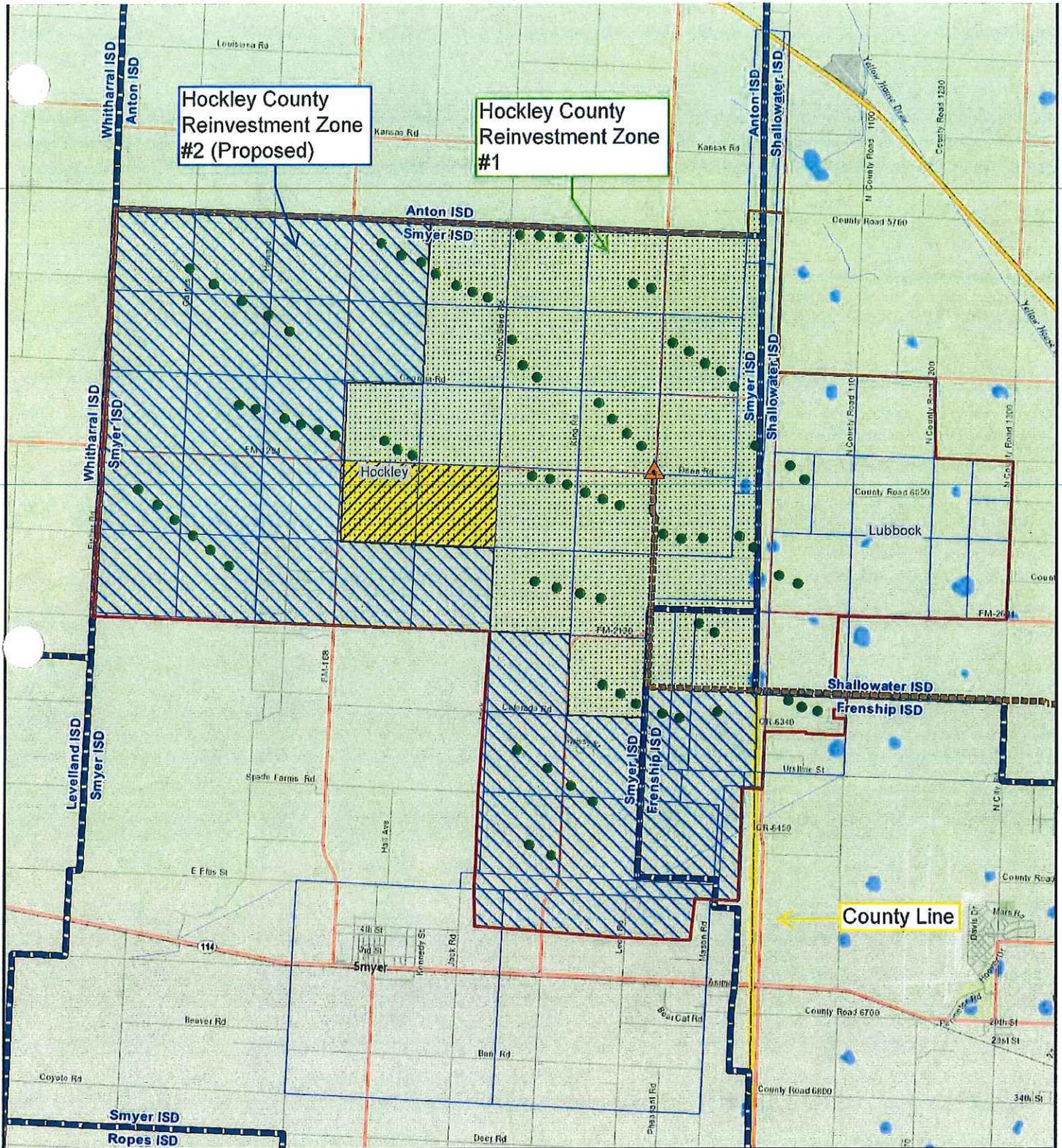
Wednesday, January 21, 2015
Lubbock and Hockley Counties, Texas



- Substation/O&M
- Turbine
- Transmission
- Project Boundary
- ISD Boundary
- Solar

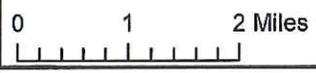


11 f) Reinvestment Zone Map within Vicinity Map



Red Raider

Friday, January 23, 2015
Lubbock and Hockley Counties, Texas



- Substation/O&M
- Turbine
- Transmission
- Reinvestment Zone 1
- Reinvestment Zone 2
- Project Boundary
- ISD Boundary
- County Boundary
- Solar

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 12

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

See Attached

CUMMINGS WESTLAKE LLC

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

January 26, 2015

Mr. Dane Kerns, Superintendent
Smyer Independent School District
401 Lincoln
Smyer, TX 79367

Re: Chapter 313 Job Waiver Request

Dear Mr. Kerns,

Red Raider Wind, LLC requests that the Smyer Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Red Raider Wind, LLC requests that the Smyer Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Red Raider Wind, LLC has committed to create four qualified jobs in Smyer ISD. In addition, Red Raider Wind estimates it will create one new non-qualified job in Smyer ISD.

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

The industry standard for wind employment is typically one full-time employee for approximately every 10-15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer.

The number of jobs allocated to solar in this application is in line with the industry standards for a solar project this size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a waiver of the job requirements. In addition, there are educational materials and other documentation that also suggest that Red Raider Wind, LLC has the appropriate number of jobs for this project.

The permanent employees of a combined wind and solar project maintain and service wind turbines, PV Panels, and inverters, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

A handwritten signature in black ink, reading "J. Weston Jackson", followed by a long horizontal flourish.

J. Weston Jackson
Partner

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

*Note – We used Hockley County wages because the Smyer ISD offices are located in Hockley County.

RED RAIDER WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION

HOCKLEY COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 990	\$ 51,480
SECOND	2014	\$ 931	\$ 48,412
THIRD	2014	\$ 1,008	\$ 52,416
FOURTH	2013	\$ 956	\$ 49,712
AVERAGE		\$ 971	\$ 50,505

HOCKLEY COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2014	\$ 855	\$ 44,460
SECOND	2014	\$ 838	\$ 43,576
THIRD	2014	\$ 902	\$ 46,904
FOURTH	2013	\$ 901	\$ 46,852
AVERAGE		\$ 874	\$ 45,448
X		110%	110%
		\$ 961	\$ 49,993

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
South Plains	2013	\$ 661	\$ 34,380
X		110%	110%
		\$ 727	\$ 37,818

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Hockley County	Total All	00	0	10	Total, All Industries	\$990
2014	2nd Qtr	Hockley County	Total All	00	0	10	Total, All Industries	\$931
2014	3rd Qtr	Hockley County	Total All	00	0	10	Total, All Industries	\$1,008
2013	4th Qtr	Hockley County	Total All	00	0	10	Total, All Industries	\$956

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Hockley County	Total All	31	2	31-33	Manufacturing	\$855
2014	2nd Qtr	Hockley County	Total All	31	2	31-33	Manufacturing	\$838
2014	3rd Qtr	Hockley County	Total All	31	2	31-33	Manufacturing	\$902
2013	4th Qtr	Hockley County	Total All	31	2	31-33	Manufacturing	\$901

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

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

110% x \$34,380
= \$37,818

Source: Texas Occupational Employment and Wages
Data published: July 2014
Data published annually, next update will be July 31, 2015

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 14

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

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

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

PROPERTY INVESTMENT AMOUNTS											
(Estimated Investment in each year. Do not put cumulative totals)											
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E				
			New investment (original cost) in tangible personal property placed during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property (SEE NOTE)	Other new investment made during this year that may become Qualified Property (SEE NOTE)	Total Investment (Sum of Columns A+B+C+D)				
Investment made before filing complete application with district			Not eligible to become Qualified Property						0		
Investment made after filing complete application with district, but before final board approval of application	-	2016	0	0	0	0			0		
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			284,500,000	500,000	0	0			285,000,000		
Complete tax years of qualifying time period	Q1F1	2017	0	0	0	0			0		
	Q1F2	2018	0	0	0	0			0		
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			284,500,000	500,000	0	0			285,000,000		
Total Qualified Investment (sum of green cells)			Enter amounts from TOTAL row above in Schedule A2							285,000,000	

For All Columns: List amount invested each year, not cumulative totals.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable components of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 303.021(1) but not creating a new improvement as defined by TAC § 1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #6 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.
 Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.
 Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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

4/1/2015

Red Raider Wind, LLC

Smyer, ISD

SOLAR

Form 50-296A

Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property (Solar)			Estimated Taxable Value		
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
0	2016-2017	2016	0	0	0	0	0	0
1	2017-2018	2017	0	0	96,600,000	96,600,000	96,600,000	6,666,667
2	2018-2019	2018	0	0	88,200,000	88,200,000	88,200,000	6,666,667
3	2019-2020	2019	0	0	79,800,000	79,800,000	79,800,000	6,666,667
4	2020-2021	2020	0	0	70,350,000	70,350,000	70,350,000	6,666,667
5	2021-2022	2021	0	0	60,900,000	60,900,000	60,900,000	6,666,667
6	2022-2023	2022	0	0	51,450,000	51,450,000	51,450,000	6,666,667
7	2023-2024	2023	0	0	40,950,000	40,950,000	40,950,000	6,666,667
8	2024-2025	2024	0	0	31,500,000	31,500,000	31,500,000	6,666,667
9	2025-2026	2025	0	0	25,200,000	25,200,000	25,200,000	6,666,667
10	2026-2027	2026	0	0	22,050,000	22,050,000	22,050,000	6,666,667
11	2027-2028	2027	0	0	22,050,000	22,050,000	22,050,000	22,050,000
12	2028-2029	2028	0	0	22,050,000	22,050,000	22,050,000	22,050,000
13	2029-2030	2029	0	0	22,050,000	22,050,000	22,050,000	22,050,000
14	2030-2031	2030	0	0	22,050,000	22,050,000	22,050,000	22,050,000
15	2031-2032	2031	0	0	22,050,000	22,050,000	22,050,000	22,050,000
16	2032-2033	2032	0	0	22,050,000	22,050,000	22,050,000	22,050,000
17	2033-2034	2033	0	0	22,050,000	22,050,000	22,050,000	22,050,000
18	2034-2035	2034	0	0	22,050,000	22,050,000	22,050,000	22,050,000
19	2035-2036	2035	0	0	22,050,000	22,050,000	22,050,000	22,050,000
20	2036-2037	2036	0	0	22,050,000	22,050,000	22,050,000	22,050,000
21	2037-2038	2037	0	0	22,050,000	22,050,000	22,050,000	22,050,000
22	2038-2039	2038	0	0	22,050,000	22,050,000	22,050,000	22,050,000
23	2039-2040	2039	0	0	22,050,000	22,050,000	22,050,000	22,050,000
24	2040-2041	2040	0	0	22,050,000	22,050,000	22,050,000	22,050,000
25	2041-2042	2041	0	0	22,050,000	22,050,000	22,050,000	22,050,000

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

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

Date: **4/1/2015**
 Applicant Name: **Red Raider Wind, LLC**
 ISD Name: **Smyer ISD**

WIND

Form 50-296A
 Revised May 2014

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property (Wind)			Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of new buildings or other new improvements"				
0	2016-2017	2016	0	0	0			0	
1	2017-2018	2017	0	485,000	176,400,000	176,885,000	176,885,000	13,333,333	
2	2018-2019	2018	0	472,900	162,288,000	162,760,900	162,760,900	13,333,333	
3	2019-2020	2019	0	461,100	149,304,960	149,766,060	149,766,060	13,333,333	
4	2020-2021	2020	0	449,600	137,360,563	137,810,163	137,810,163	13,333,333	
5	2021-2022	2021	0	438,400	126,371,718	126,810,118	126,810,118	13,333,333	
6	2022-2023	2022	0	427,400	116,261,981	116,689,381	116,689,381	13,333,333	
7	2023-2024	2023	0	416,700	106,961,022	107,377,722	107,377,722	13,333,333	
8	2024-2025	2024	0	406,300	98,404,140	98,810,440	98,810,440	13,333,333	
9	2025-2026	2025	0	396,100	90,531,809	90,927,909	90,927,909	13,333,333	
10	2026-2027	2026	0	386,200	83,289,264	83,675,464	83,675,464	13,333,333	
11	2027-2028	2027	0	376,500	76,626,123	77,002,623	77,002,623	77,002,623	
12	2028-2029	2028	0	367,100	70,496,033	70,863,133	70,863,133	70,863,133	
13	2029-2030	2029	0	357,900	64,856,351	65,214,251	65,214,251	65,214,251	
14	2030-2031	2030	0	349,000	59,667,843	60,016,843	60,016,843	60,016,843	
15	2031-2032	2031	0	340,300	54,894,415	55,234,715	55,234,715	55,234,715	
16	2032-2033	2032	0	331,800	50,502,862	50,834,662	50,834,662	50,834,662	
17	2033-2034	2033	0	323,500	46,462,633	46,786,133	46,786,133	46,786,133	
18	2034-2035	2034	0	315,400	42,745,622	43,061,022	43,061,022	43,061,022	
19	2035-2036	2035	0	307,500	39,325,973	39,633,473	39,633,473	39,633,473	
20	2036-2037	2036	0	299,800	36,179,895	36,479,695	36,479,695	36,479,695	
21	2037-2038	2037	0	292,300	33,285,503	33,577,803	33,577,803	33,577,803	
22	2038-2039	2038	0	285,000	30,622,663	30,907,663	30,907,663	30,907,663	
23	2039-2040	2039	0	277,900	28,172,850	28,450,750	28,450,750	28,450,750	
24	2040-2041	2040	0	271,000	25,919,022	26,190,022	26,190,022	26,190,022	
25	2041-2042	2041	0	264,200	23,845,500	24,109,700	24,109,700	24,109,700	

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

Date

1/22/2015

Applicant Name

Red Raider Wind, LLC

ISD Name

Smyer ISD

Schedule C: Employment Information

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>insert as many zeros as necessary</i>	0	2016-2017	2016	150 FTE	40,000	0	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017	N/A	N/A	1	1	4	38,000
	2	2018-2019	2018	N/A	N/A	1	1	4	38,000
	3	2019-2020	2019	N/A	N/A	1	1	4	38,000
	4	2020-2021	2020	N/A	N/A	1	1	4	38,000
	5	2021-2022	2021	N/A	N/A	1	1	4	38,000
	6	2022-2023	2022	N/A	N/A	1	1	4	38,000
	7	2023-2024	2023	N/A	N/A	1	1	4	38,000
	8	2024-2025	2024	N/A	N/A	1	1	4	38,000
	9	2025-2026	2025	N/A	N/A	1	1	4	38,000
	10	2026-2027	2026	N/A	N/A	1	1	4	38,000
	Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	1	1	4

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

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25) Yes No

Are the cumulative number of qualifying jobs listed in Subchapter B districts, 10 qualifying jobs in Subchapter C districts?
If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date: 1/22/2015
 Applicant Name: Red Raider Wind, LLC
 ISD Name: Smyer ISD

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: N/A City: N/A Other: N/A	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Hockley County City: Lubbock County Other: UMC Hospital District	2017 2017 2017	10 Years 10 Years 10 Years	Annual Avg. of 633,500 Annual Avg. of 24,800 Annual Avg. of 8,500	see detail below see detail below see detail below	300,000 20,160 6,840
Local Government Code Chapters 380/381	County: N/A City: N/A Other: N/A	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zones/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				666,800		327,000

Additional information on incentives for this project:

Hockley County Terms:	100% abatement for 10 years with PILOT payment of \$1,500 per installed MW capacity
Lubbock County Terms:	100% abatement for 10 years with PILOT payment of \$1,680 per installed MW capacity (These terms have not been agreed to by either party)
Hospital Terms:	100% abatement for 10 years with PILOT payment of \$570 per installed MW capacity (These terms have not been agreed to by either party)

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 15

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

None

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

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

16 a) Not Applicable

16 b) See attached legal description of Hockley County Reinvestment Zone #1

16 b) Will be provided in March 2015 once Hockley County creates Reinvestment Zone #2

16 c) See attached resolution creating Hockley County Reinvestment Zone #1 executed on July 14, 2014

16 c) Will be provided in March 2015 once Hockley County creates Reinvestment Zone #2

16 d) See attached Hockley County Guidelines and Criteria that were adopted on July 14, 2014

16 b) Legal Description of Hockley County Reinvestment Zone #1

Hockley County Wind Reinvestment Zone #1

Abstracts 59, 60, 61, 63, 64, 65, 66, 67, 68, 79, 80, 93, 94, 95, 96, 97, 98, 101, 102, 106, 115, 116, 121, 124, 125 in the R M Thomson Survey

Abstract 244 in the C & M RR CO Survey

Abstract 358 in the T S Fairris Survey

All of the above legal descriptions are in Hockley County, being roughly 4.5 miles East of Shallowater, 4 miles North East of Smyer and situated adjacent to the Hockley/Lubbock County line

16 c) Resolution Creating Hockley County Reinvestment Zone #1

Motion by Commissioner Carter, seconded by Commissioner Clevenger,
4 Votes Yes, 0 Votes No, that Commissioners' Court approve the Resolution Approving Hockley
County Wind Reinvestment Zone #1 for Red Raider Wind, LLC, as per Resolution recorded
below.

RESOLUTION OF THE COMMISSIONERS COURT OF HOCKLEY COUNTY, TEXAS DESIGNATING
HOCKLEY COUNTY WIND REINVESTMENT ZONE #1

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR
A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN HOCKLEY COUNTY, TEXAS,
ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE
DATE.**

Whereas, the Commissioners Court of Hockley County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, et seq.), and the Guidelines and Criteria of the Commissioners Court of Hockley County for Granting a Tax Abatement in Reinvestment Zone created in Hockley County, Texas (the "Guidelines"); and

Whereas, on July 14, 2014, a hearing before the Commissioners Court of Hockley County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Hockley County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Commissioners Court of Hockley County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF HOCKLEY COUNTY, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Hockley County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as

required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and

b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and

c. That the creation of the reinvestment zone will result in benefits to Hockley County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and

d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Hockley County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Hockley County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Hockley County Commissioners Court hereby creates Hockley County Wind Reinvestment Zone #1, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Hockley County Wind Reinvestment Zone #1.

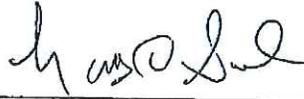
SECTION 4. That Hockley County Wind Reinvestment Zone #1 shall take effect on July 14, 2014, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

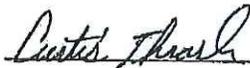
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Hockley County Commissioners Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such

reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

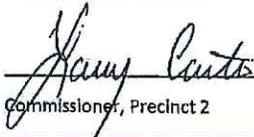
PASSED, APPROVED AND ADOPTED on this the 14th day of July, 2014.



County Judge



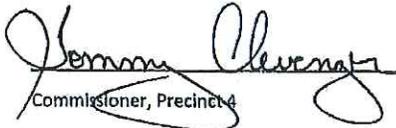
Commissioner, Precinct 1



Commissioner, Precinct 2



Commissioner, Precinct 3

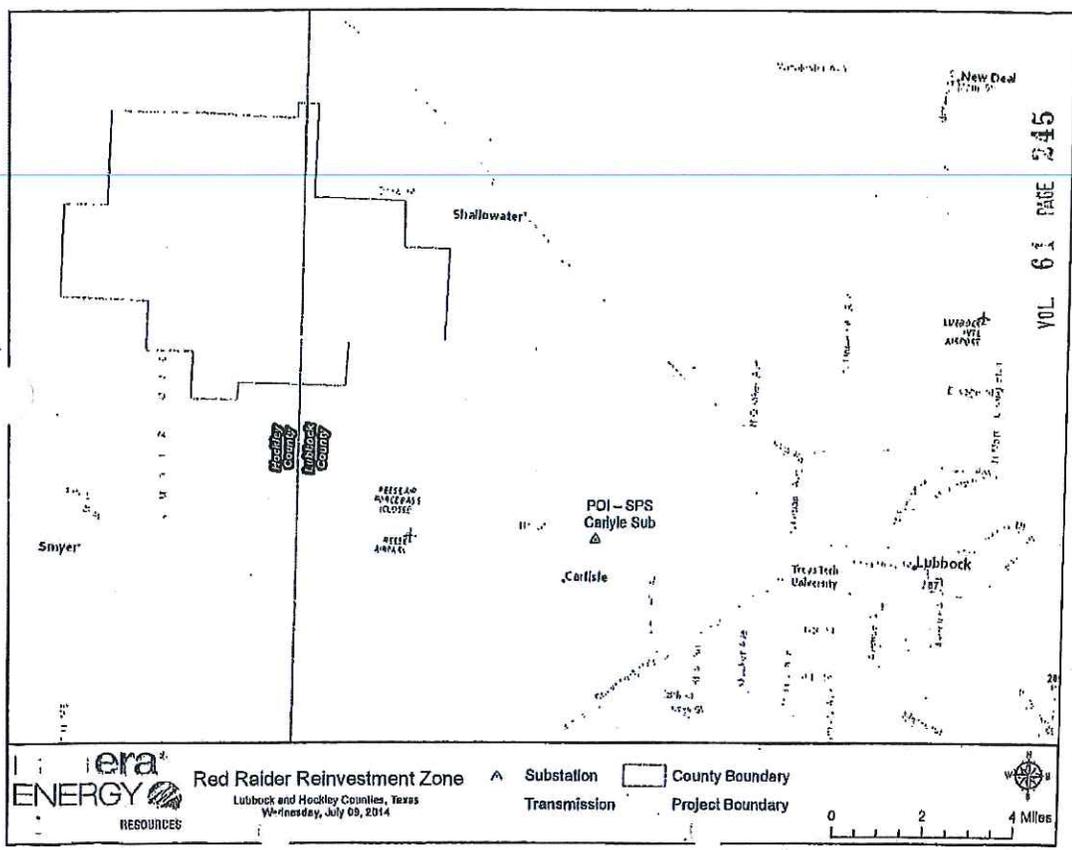


Commissioner, Precinct 4



County Clerk

(County Seal)



16 d) Hockley County Guidelines and Criteria

Guidelines and Criteria Governing Tax Abatement
Page 1 July 14, 2014

GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT
FOR COMMERCIAL AND INDUSTRIAL / MANUFACTURING PROJECTS IN DESIGNATED
REINVESTMENT OR ENTERPRISE ZONES
IN HOCKLEY COUNTY, TEXAS

SECTION 1. General Purpose

The Affected Jurisdictions located wholly within or partially within the County of Hockley, Texas, and to an ongoing improvement in the quality of life for the citizens residing within the Affected Jurisdictions. The Affected Jurisdictions recognize that these objectives are generally served by enhancement and expansion of the local economy. The Affected Jurisdictions will, on a case-by-case basis, give consideration to providing tax abatement within designated Tax Increment Reinvestment Zones, Reinvestment Zones, and Enterprise Zones as authorized by V.T.C.A., Tax Code, Chapters 311 and 312, and V.T.C.A., Government Code Chapter 2303, as stimulation for economic development within the designated Zones in the Affected Jurisdictions, it is the policy of the Affected Jurisdictions that said consideration will be provided in accordance, with the guidelines and criteria herein set forth in conformity with the Tax Code.

Nothing contained herein shall imply, suggest or be understood to mean that the Affected Jurisdictions are under any obligation to provide tax abatement to any specific applicant (V.T.C.A. Tax Code, Section 312.002(d)). With the above rights reserved, all applicants for tax abatement will be considered on a case-by-case basis.

SECTION 11. Definitions:

As used within these guidelines and criteria, the following words or phrases shall have the following meaning:

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain improvements placed on land located in a designated Reinvestment Zone for commercial development for a period of time not to exceed five (5) years. To exempt from ad valorem taxation all or part of the value of certain improvements placed on and located in a designated Enterprise Zone for industrial/manufacturing development purposes for a period of time not to exceed ten (10) years.
2. **Affected Jurisdiction:** The County of Hockley, and other participating jurisdictions as provided by Section 312 of Tax Code.
3. **Abatement Agreement:** A contract between a property owner and the Affected Jurisdictions for the abatement of taxes on qualified property located within a designated Reinvestment or Enterprise Zone as authorized by V.T.C.A., Tax Code, Section 312.204(a)
4. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.
5. **Creation of New Value:** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the Affected Jurisdictions and the property owner or lessee and lessor, subject to such limitations that the Guidelines and Criteria may require.
6. **Distribution Center Facility:** A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.
7. **Enterprise Zone:** A Zone designated under Chapter 2303, Government Code.
8. **Expansion of Existing Facilities or Structures:** The addition of buildings, structures machinery or equipment to a Facility.

9. **Existing Facility or Structure:** A Facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
10. **Facility:** The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
11. **Improvements to Real Property or Improvements:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
12. **Manufacturing Facility:** A Facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
13. **Modernization/Renovation of Existing Facilities:** The replacement or upgrading of existing facilities; not including normal repairs such as new roof unless a part of a large scale renovation.
14. **New Facility:** The construction of a Facility that has not previously existed within the affected Jurisdiction and will be a totally new business operation, on previously undeveloped real property eligible for tax abatement.
15. **New Permanent Job:** A new employment position created by a business that has provided employment to an employee of at least 1,820 hours annually and intended to be an employment position that exists during the life of the abatement or Full Time Equivalents.
16. **Other Basic Industry:** A Facility other than a distribution center facility, a research facility, a regional service facility or a manufacturing facility which produces goods or services or which created new or expanded job opportunities and services.
17. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land from an Affected Jurisdiction or buildings leased from a private party or tax exempt property, the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon.
18. **Productive Life:** the number of years a Facility is expected to be in service.
19. **Real Property:** Land on which Improvements are to be made or fixtures placed.
20. **Regional Services Facility:** A Facility, the primary purpose of which is to service or repair goods or materials and which creates job opportunities within the Affected Jurisdictions.
21. **Reinvestment Zone:** Real Property designated as Reinvestment Zone under the provisions of V.T.C.A., Tax code, Sections 311.005 or 312.202.
22. **Research Facility:** A Facility used or to be used primarily for research or experimentation to improve or develop new goods and/or services to improve or develop the production process for such goods and/or services.
23. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility.

Section III. Intent of Criteria and Guidelines:

The intent of the criteria and guidelines, as herein set forth, is to establish the minimum standards which an applicant for tax abatement must meet in order to be considered for such status by the Affected Jurisdictions.

Section IV Criteria and Guidelines for Tax Abatement:

Commercial Tax Abatement

Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. A business must clearly add to the Hockley County economic base. Compliance with this criterion must show that additional jobs are being provided and the jobs being proposed will not simply displace other similar jobs in the community.
2. Creation of new value: Abatement may only be granted for additional value resulting from any of the following:
 - a) Modernization/renovation of existing facilities of any type as herein defined;
 - b) Construction of a new facility of any type as herein defined;
 - c) Expansion of existing facilities of any type as herein defined.
3. New or existing facilities, of any type herein defined, located in a reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided all other criteria or guidelines are satisfied.
4. Improvements to Real Property are eligible for tax abatement status.
5. The following types of property shall be ineligible for tax abatement status and shall be fully taxed:
 - a) Real Property (land);
 - b) Inventories or supplies;
 - c) Tools;
 - d) Furnishings and other forms of movable personal property;
 - e) Vehicles;
 - f) Aircraft;
 - g) Housing
 - h) Boats
 - i) Property owned by the State of Texas or any state agency; and,
 - j) Property owned or leased by a member of the affected Jurisdiction that did not have an active tax abatement in place before they became a member of the governing body or commission.
6. In order for a Facility to qualify for abatement, the following conditions must apply:
 - a. The owner or leaseholder of real property must make eligible improvements to the real property; and,
 - b. In the case of lessees, the leaseholder must have a lease commitment of at least five (5) years.
 - c. Property must be properly zoned for the use stated by the owner in the application.
7. The amount and term of abatement shall be determined on a case-by-case basis; however in no event shall taxes be abated for a term in excess of five (5) years unless the investment exceeds \$50,000,000. The amount of the taxable value of improvements to be abated and the term of the abatement shall be determined by the Affected Jurisdiction in all cases. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax Code, Section 312.206.
8. No commercial property shall be eligible for tax abatement under these guidelines and criteria unless such property is located in designated Reinvestment Zone in accordance with V.T.C.A., Tax Code Section 311 or 312 and the tax abatement application is filed with the taxing Jurisdiction before construction begins.

9. The minimum economic qualification for commercial tax abatement shall be as follows:

- a) \$100,000 investment in items eligible for tax abatement

Industrial/Manufacturing Tax Abatement

Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. To qualify for Tax Abatement, the company must meet both of the following criteria:
 - a. The modernization or expansion of an existing facility of any type as herein defined or construction of a new facility of any type as herein defined.
 - b. Producer, manufacturer or distributor of goods and services.
2. In addition to the aforementioned, the taxing jurisdiction will consider abatement only if the company has the potential of generating additional significant economic development opportunities to Hockley County and the affected jurisdictions.
3. The company must meet one of the following criteria:
 - a) The project will add at least \$1,500,000 in real estate assessed valuation or \$2,000,000 of personal property assessed valuation or 10 new permanent jobs if the facility is a new company to Hockley County.
 - b) The project will add at least \$1,500,000 in real estate assessed valuation, or \$2,000,000 in personal property assessed valuation, or 10 new permanent jobs if the facility is a modernization or expansion of an existing company that has operated in Hockley County for five or more years.
4. New or existing facilities, of any type herein defined, located in an enterprise zone or reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.
5. Improvements to Real Property are eligible for tax abatement status.
6. The following types of Property shall be ineligible for tax abatement status and shall be fully taxed.
 - a) Real Property;
 - b) Inventories or supplies;
 - c) Tools;
 - d) Furnishings and other forms of moveable personal property;
 - e) Vehicles;
 - f) Aircraft;
 - g) Housing;
 - h) Boats;
 - i) Property owned by the State of Texas or any State agency; and,
 - j) Property owned or leased by a member of the affected Jurisdiction that did not have an active tax abatement in place before they became a member of the governing body or commission.
7. In order for a Facility to qualify for abatement, the following conditions must apply:
 - a) The owner or lessor of real property must make eligible improvements to the real property; and,

- b) In the case of lessees, the leaseholder must have a lease commitment of at least twice the term of the abatement term granted. For example, a property abated for five years must have a lease commitment of ten years.
8. In reinvestment zones, the amount and term of abatement shall be determined on a case-by-case basis; however, in no event shall taxes be abated for term in excess of ten (10) years. The amount of the taxable value of improvements to be abated and the term of the abatement shall be determined by the County in all cases where the property for which tax abatement is applied for is outside of the City limits of a municipality, but within the county of Hockley, except that a reinvestment zone that is an enterprise zone is designated of the same period as provided by Chapter 2303, Government Code. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax code, Section 312.206.
9. In enterprise zones, the governing body of each taxing jurisdiction may execute a written agreement with the owner of the property. The agreement may, but is not required to, contain terms that are identical to those contained in the agreement with the municipality, county or both, whichever applies, and the only terms for the agreement that may vary are the portion of the property that is to be exempt from taxation under the agreement and the duration of the agreement.

Elements Applicable to Both Commercial and Industrial and Manufacturing Tax Abatement

10. Notwithstanding any of the requirements set forth above, the governing body of an Affected Jurisdiction upon the affirmative vote of three-fourths (3/4) of its members may vary any of the above requirements when variation is demonstrated by the applicant for Tax Abatement that variation is in the best interest of the Affected Jurisdiction to do so, and will enhance the economic development of the Affected Jurisdiction. By way of example only, and not by limitation, the governing body of an Affected Jurisdiction may consider the following or similar terms in determining whether a variance shall be granted:
 - a) That the increase in productivity of the Facility will be substantial and hence directly benefit the economy.
 - b) That the increase of goods or services produced by the Facility will be substantial, and directly benefit the economy.
 - c) That the employment maintained at the Facility will be increased.
 - d) That the waiver of the requirement will contribute, and provide for the retention of existing jobs within the Affected Jurisdiction.
 - e) That the applicant for tax abatement has demonstrated that if tax abatement is granted to his Facility, even though his Facility will not employ additional personnel that, nevertheless, due to the existence of said Facility, new jobs will be created as a direct result of this Facility and other facilities located within the Affected Jurisdiction.
 - f) Any other evidence tending to show a direct economic benefit to the Affected Jurisdiction.
11. Taxability:
 - a) The portion of the value of improvements to be abated shall be abated in accordance with the terms and provisions of a Tax Abatement Agreement executed between the Affected Jurisdiction and the owner of the Real Property and /or Tangible Personal Property, (which agreement shall be) in accord with the provisions of V.T.C.A., Tax code, Section 312.205.

- b) All ineligible property, if otherwise taxable as herein described, shall be fully taxed.
12. The governing body of each Affected Jurisdiction shall have total discretion as to whether tax abatement is to be granted. Such discretion as herein retained shall be exercised on a case-by-case basis. The adoption of these guidelines and criteria by the governing body of an affected Jurisdiction does not.
13. The burden to demonstrate that an application for tax abatement should be granted shall be upon the applicant. Each Affected Jurisdiction to which the application has been directed shall have full authority to request any additional information from the applicant that the governing body of such Affected Jurisdiction deems necessary to assist it in considering such application.

SECTION V. Criteria and Guidelines for Creation of Reinvestment Zone

1. No Property shall be eligible for tax abatement unless such property is located in a reinvestment zone designated as such in accordance with V.T.C.A., Tax Code, Section 311.003 or Section 312.202.
2. The governing body of a county, as required by V.T.C.A., Tax code, Section 312.401, shall hold a public hearing on the designation of an area within its jurisdiction as a reinvestment zone. The burden shall be on the owner of the property sought to be included in the zone or applicant for the creation for the reinvestment zone.
3. The designation of a reinvestment zone expires five years after the date of the designation and may be renewed for periods not to exceed five years, except that a reinvestment zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303m Government Code. The expiration of the designation does not affect an existing tax abatement agreement made in accordance with V.T.C.A., Tax Code, Section 312.201 through Section 312.209.
4. Designation of an area as an enterprise zone under the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code, constitutes designation of the area as a reinvestment zone under Subchapter B of the Property Redevelopment and Tax Abatement Act without further hearing or other procedural requirements other than those provided by the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code.

Section VI. Tax Abatement Agreement:

1. The Tax Abatement Agreement may be executed between the owner and the county. A Tax Abatement Agreement shall:
 - a) Establish and set forth the Base Year assessed value of the property for which tax abatement is sought.
 - b) Provide that the taxes paid on the Base Year assessed value shall not be abated as a result of the execution of said Tax Abatement Agreement.
 - c) Provide that ineligible property as described above shall be fully taxed.
 - d) Provide for the exemption of improvements in each year covered by the agreement, only to the extent the value of such improvements for each such year exceeds the value for the year in which the agreement is executed.

- e) Fully describe and list the kind, number and location of all the improvements to be made in or on the Real Property.
- f) Set forth the estimated value of all improvements to be made in or on the Real Property.
- g) Clearly provide that tax abatement shall be granted only to the extent;
 - 1) The improvements to Real Property increase the value of the Real Property for the year in which the Tax Abatement Agreement is executed; and,
 - 2) That the Tangible Personal Property improvements to Real Property were not located on the Real Property prior to the execution of the Tax Abatement Agreement.
- h) Provide for the portion of the value of the improvements to Real Property or improvements to be abated. This determination is to be made consistent with the provisions of these guidelines and criteria as hereinabove set forth.
- i) Provide for the commencement date and the termination date. In no event shall said dates for Commercial Tax Abatement exceed a period of five (5) years and in no event shall said dates for Industrial/Manufacturing Tax Abatement exceed a period of ten (10) years.
- j) Describe the type and proposed use of the improvements to Real Property or improvements including:
 - 1) The type of facility.
 - 2) Whether the improvements are for a new facility or renovation of a facility.
 - 3) The nature of the construction, proposed timetable of completion, a map or drawings of the improvements above mentioned.
 - 4) The amount of investment and the commitment for the creation of new jobs.
 - 5) A list containing the kind, number and location of all proposed improvements.
 - 6) Any other information required by the Affected Jurisdiction.
- k) Provide a legal description of the Real Property upon which improvements are to be made.
- l) Provide access to and authorize inspection of the Real Property or improvements by employees of the Affected Jurisdiction, who have executed a Tax Abatement Agreement with owner to insure improvements are made according to the specifications and conditions of the Tax Abatement Agreement.
- m) Provide for the limitation of the uses of the Real Property or improvements consistent with the general purpose of encouraging development or redevelopment of the zone during the period covered by the Tax Abatement Agreement.
- n) Provide for contractual obligations in the event of default by owner, violation of the terms or conditions by owner, recapturing property tax revenue in the event the owner defaults or otherwise fails to make improvements as provided in said Tax Abatement Agreement, and any other provision as may be required or authorized by State law.

- o) Contain each term agreed to by the owner of the property.
 - p) Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and
 - q) Provide that the governing body of the municipality may cancel or modify the agreement if the property owner fails to comply with the agreement.
- 2) Not later than the seventh day before the Hockley County Commissioners Court (as required by V.T.C.A., Tax Code, Section 312.2041 or Section 312.402) enters into an agreement for tax abatement under V.T.C.A., Tax Code, Section 312.2041, the governing body or a designated officer or employee thereof shall deliver to the presiding officer of the governing body of each of the taxing units in which the property to subject to the agreement is located, a written notice that the County intends to enter into the agreement. The notice must include a copy of the proposed Tax Abatement Agreement.
- 3) A notice, as above described in Subparagraph 2, is presumed delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
- 4) Failure to deliver the notice does not affect the validity of the agreement.

Section VII. Application:

- 1) Any present owner of taxable commercial or industrial property located within a designated Reinvestment Zone or Enterprise Zone of Hockley County may apply for tax abatement by filling an application with Hockley County.
- 2) The application shall include:
- a) A general description of the improvements to be undertaken.
 - b) A descriptive list of the improvements for which tax abatement is requested.
 - c) A list of the kind, number and location of all proposed improvements of the Real Property Facility or Existing Facility.
 - d) A map indicating the approximate location of improvements on the Real Property Facility or Existing Facility together with the location of any or all Existing Facilities located on the Real Property or Facility
 - e) A list of any and all Tangible Personal Property presently existing on the Real Property or located in an existing facility.
 - f) A legal description of property.
 - g) Address of property.
 - h) A proposed time schedule for undertaking and completing the proposed improvements.
 - i) A general description stating whether the proposed improvements are in connection with:
 - 1) The renovation of a facility; or,
 - 2) Construction of a new facility.
 - j) A statement of the estimated additional value to the Real Property or Facility as a result of the proposed improvements.
 - k) A statement of the assessed value of the Real Property, Facility or Existing Facility for the Base Year.

- l) Information concerning the number of new jobs that will be created or information concerning the number of existing jobs to be retained as a result of the improvements undertaken.
- m) Any other information which the City of Levelland deems appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed improvements with these guidelines and criteria.
- n) Information that is provided to an Affected Jurisdiction in connection with the application or request for tax abatement, and which describes the specific processes or business activity to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the Tax Abatement Agreement is executed. Information in the custody of an Affected Jurisdiction after the agreement is executed is not confidential. (V.T.C.A., Tax Code, Section 312.003).
- o) Hockley County shall determine if the property described in said application is within a designated Enterprise Zone or Reinvestment Zone. If the County determines that the property described is not within a current Enterprise Zone, then they shall so notify the applicant and said application shall then be returned to the applicant.

Section VII. Recapture

- 1) In the event that any type of facility is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason excepting fire, explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of applicant or owner for a period of 180 days during the term of a tax abatement agreement, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each affected Jurisdiction within sixty (60) days of the date of termination. The burden shall be upon the applicant or owner to prove to the satisfaction of the Affected Jurisdiction to whom the application for tax abatement was directed that the discontinuance of producing goods or services was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of the applicant or owner. In the event the applicant or owner meets this burden, and the Affected Jurisdiction is satisfied that the discontinuance of the production of goods or services was the result of events beyond the control of the applicant or owner, then such applicant or owner shall have a period of one year in which to resume the production of goods and services. In the event the the applicant or owner fails to resume the production of goods or services within one year, then the Tax Abatement Agreement shall terminate and the Abatement of all taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within Sixty (60) days of the date of termination. The one year time period, hereinabove mentioned, shall commence upon written notification from the Affected Jurisdiction to the applicant or owner.
- 2) In the event that the applicant, owner or lessee has entered into a tax abatement agreement to make improvements to a facility of any type described in Section 1 above, but fails to undertake or complete such improvements or fails to create all or a portion of the number of new jobs provided by the Tax Abatement Agreement; then in such event the Affected Jurisdiction to whom the application for tax abatement was directed shall give the applicant or owner (60) days notice of such failure. The applicant or owner shall demonstrate to the satisfaction of the Affected Jurisdiction, above mentioned, that the applicant or owner has commenced to cure such failure within the sixty (60) days above mentioned. In the event that the applicant or owner fails to

demonstrate that he is taking affirmative action to cure his failure, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.

- 3) In the event that the Affected Jurisdiction to whom application for tax abatement was directed determines that the applicant or owner is in default of any of the terms or conditions contained in the Tax Abatement Agreement, then in such event the Affected Jurisdiction shall give the applicant or owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the Affected Jurisdiction within the sixty (60) days notice period, then the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty days of the date of termination.
- 4) In the event that the applicant or owner allows ad valorem taxes on property ineligible for tax abatement owed to any Affected Jurisdiction, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination under this subparagraph, takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
- 5) In the event that the applicant or owner, who has executed a tax abatement agreement with any Affected Jurisdiction, relocates the business, for which tax abatement has been granted, to a location outside of the designated reinvestment zone, then in such event, the Tax Abatement Agreement shall terminate after sixty (60) days written notice by the Affected Jurisdiction to the Owner Applicant. Taxes abated during the calendar year in which termination, under this subparagraph takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
- 6) The date of termination as that term is used in this Subsection VIII shall, in every instance, be the 60th day after the day the Affected Jurisdiction sends notice of default in the mail to the address shown in the Tax Abatement Agreement to the Applicant or owner. Should the default be cured by the Owner or Applicant within the sixty (60) day notice period, the Owner Applicant shall be responsible for so advising the Affected Jurisdiction and obtaining a release from the notice of default from the Affected Jurisdiction, failing in which, the abatement remains terminated and the abated taxes must be paid.
- 7) In every case of termination set forth in Subparagraphs 1, 2, 3, 4, and 5 above, the Affected Jurisdiction to which the application for tax abatement was directed shall determine whether default has occurred by Owner (Applicant) in the terms and conditions of the Tax Abatement Agreement and shall so notify all other Affected Jurisdictions.

- 8) In the event that a tax abatement agreement is terminated for any reason whatsoever, and taxes are not paid within the time period herein specifies, then in such event, the provisions of V.T.C.A., Tax Code, Section 33.01 will apply.

SECTION IX. Miscellaneous:

- 1) Any notice required to be given by these criteria or guidelines shall be given in the following manner:
 - a) To the Owner or Applicant: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
 - b) To an Affected Jurisdiction: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
- 2) The Chief Appraiser of the Hockley County Appraisal District shall annually assess the Real and Personal Property of the owner/lessor in the reinvestment zone or enterprise zone. Each year, the Applicant or Owner receiving tax abatement shall furnish the chief Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the Affected Jurisdictions which levy taxes on the amount of assessment.
- 3) Upon the completion of improvements made to the Facility a designated employee or employees of any affected Jurisdiction having executed a tax abatement agreement with Applicant or Owner shall have access to the Facility to ensure compliance with the Tax Abatement Agreement.
- 4) A Tax Abatement Agreement may be assigned to a new owner, but only after written consent has been obtained from all Affected Jurisdictions which have executed such an agreement with the applicant or Owner.
- 5) These guidelines and criteria are effective upon the date of their adoption by an Affected Jurisdiction and shall remain in force for two years. At the end of the two year period, these guidelines and criteria may be re-adopted, modified, amended or re-written as the conditions may warrant.
- 6) Each Affected Jurisdiction shall determine whether or not said Affected Jurisdiction elects to become eligible to participate in tax abatement. In the event the Affected Jurisdiction elects by resolution to become eligible to participate in tax abatement, then such Affected Jurisdiction shall adopt these guidelines and criteria by separate resolution forwarding a copy of both resolutions to all other Affected Jurisdictions.
- 7) In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 311 or 312, then in such event the Tax Code shall prevail, and these guidelines and criteria interpreted accordingly.
- 8) The guidelines and criteria, once adopted by an Affected Jurisdiction, may be amended or repealed by a vote of three-fourths of the members of the governing body of an Affected Jurisdiction during the two-year term in which these guidelines and criteria are effective.

RESOLUTION _____

RESOLUTION OF THE HOCKLEY COUNTY COMMISSIONERS COURT ADOPTING A POLICY OF GUIDELINES AND CRITERIA FOR TAX ABATEMENTS IN ACCORDANCE WITH THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT.

WHEREAS, the County of Hockley, Texas, is committed to economic development of the community and the enhancement and expansion of the local economy, including but not limited to the creation of new and expanded employment opportunities and the continued revitalization of the community; and

WHEREAS, the County Commissioners Court has determined that the participation by Hockley County in a program of tax abatement as authorized by the Property Redevelopment and Tax Abatement Act, and in accordance with the attached Guidelines and Criteria for Tax Abatement, is a method by which its goals may be achieved; and,

WHEREAS, the Property Redevelopment and Tax Abatement Act requires that Tax Abatement Guidelines and Criteria be readopted every two years; and,

WHEREAS, the County last readopted the Tax Abatement Program guidelines in 2009; and,

WHEREAS, it is again time to reconsider the Tax Abatement Program Guidelines;

NOW THEREFORE: BE IT RESOLVED BY THE HOCKLEY COUNTY COMMISSIONERS COURT;

THAT the County of Hockley hereby adopts the attached GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT.

Passed and Approved this 14th day of July, 2014

Red Raider Wind, LLC

Chapter 313 Application to Smyer ISD

Cummings Westlake, LLC

TAB 17

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

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here ▶ Dane Kerns
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶ *Dane A Kerns*
Signature (Authorized School District Representative)

1/29/15
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

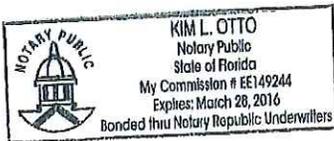
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ John DiDonato
Print Name (Authorized Company Representative (Applicant))

Vice President, Development
Title

sign here ▶ *John DiDonato*
Signature (Authorized Company Representative (Applicant))

January 23, 2015
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

23rd day of January, 2015

Kim L. Otto
Notary Public in and for the State of Texas, Florida

My Commission expires: 3-28-2015

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

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of: 09/29/2015 10:27:16 AM

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

RED RAIDER WIND, LLC	
Texas Taxpayer Number	32049262986
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	07/14/2014
Texas SOS File Number	0802025736
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 4, 2015

Dane Kerns
Superintendent
Smyer Independent School District
P.O. Box 206
Smyer, Texas 79367-0206

Dear Superintendent Kerns:

On May 6, 2015, the Comptroller issued written notice that Red Raider Wind, LLC (the applicant) submitted a completed application (Application #1057) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on January 29, 2015, to the Smyer Independent School District (the school district) by the applicant.

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

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

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1057.

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

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

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

Determination required by 313.026(c)(2)

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

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

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

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

Note that any building or improvement existing as of the application review start date of May 6, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

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

Table 1 is a summary of investment, employment and tax impact of Red Raider Wind, LLC.

Applicant	Red Raider Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Smyer ISD
2013-14 Enrollment in School District	405
County	Hockley
Proposed Total Investment in District	\$292,000,000
Proposed Qualified Investment	\$284,500,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant*	4
Number of new non-qualifying jobs estimated by applicant	1
Average weekly wage of qualifying jobs committed to by applicant	\$731
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$727
Minimum annual wage committed to by applicant for qualified jobs	\$38,000
Minimum weekly wage required for non-qualifying jobs	\$949
Minimum annual wage required for non-qualifying jobs	\$49,348
Investment per Qualifying Job	\$73,000,000
Estimated M&O levy without any limit (15 years)	\$26,408,008
Estimated M&O levy with Limitation (15 years)	\$7,471,404
Estimated gross M&O tax benefit (15 years)	\$18,936,604
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Hockley and Lubbock counties, South Plains College District and the Lubbock County Hospital District, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the counties and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 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	Smyer ISD I&S Tax Levy	Smyer ISD M&O Tax Levy	Smyer ISD M&O and I&S Tax Levies	Hockley County Tax Levy	Lubbock County Tax Levy	South Plains College Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Lubbock County Hospital District	Estimated Total Property Taxes	
				0.15000	1.1700		0.3483	0.3414	0.2653	0.0080	0.1168		
2017	\$273,485,000	\$20,000,000		\$410,228	\$234,000	\$644,228	\$0	\$0	\$725,610	\$21,950	\$0	\$1,391,788	
2018	\$250,960,900	\$20,000,000		\$376,441	\$234,000	\$610,441	\$0	\$0	\$665,849	\$20,142	\$0	\$1,296,433	
2019	\$229,566,060	\$20,000,000		\$344,349	\$234,000	\$578,349	\$0	\$0	\$609,085	\$18,425	\$0	\$1,205,859	
2020	\$208,160,163	\$20,000,000		\$312,240	\$234,000	\$546,240	\$0	\$0	\$552,291	\$16,707	\$0	\$1,115,238	
2021	\$187,710,118	\$20,000,000		\$281,565	\$234,000	\$515,565	\$0	\$0	\$498,032	\$15,066	\$0	\$1,028,663	
2022	\$168,139,381	\$20,000,000		\$252,209	\$234,000	\$486,209	\$0	\$0	\$446,107	\$13,495	\$0	\$945,811	
2023	\$148,327,722	\$20,000,000		\$222,492	\$234,000	\$456,492	\$0	\$0	\$393,543	\$11,905	\$0	\$861,939	
2024	\$130,310,440	\$20,000,000		\$195,466	\$234,000	\$429,466	\$0	\$0	\$345,740	\$10,459	\$0	\$785,664	
2025	\$116,127,909	\$20,000,000		\$174,192	\$234,000	\$408,192	\$0	\$0	\$308,111	\$9,320	\$0	\$725,623	
2026	\$105,725,464	\$20,000,000		\$158,588	\$234,000	\$392,588	\$0	\$0	\$280,511	\$8,486	\$0	\$681,585	
2027	\$99,052,623	\$99,052,623		\$148,579	\$1,158,916	\$1,307,495	\$345,040	\$338,124	\$262,806	\$7,950	\$115,693	\$2,377,108	
2028	\$92,913,133	\$92,913,133		\$139,370	\$1,087,084	\$1,226,453	\$323,654	\$317,166	\$246,517	\$7,457	\$108,523	\$2,229,770	
2029	\$87,264,251	\$87,264,251		\$130,896	\$1,020,992	\$1,151,888	\$303,976	\$297,884	\$231,530	\$7,004	\$101,925	\$2,094,206	
2030	\$82,066,843	\$82,066,843		\$123,100	\$960,182	\$1,083,282	\$285,872	\$280,142	\$217,740	\$6,587	\$95,854	\$1,969,476	
2031	\$77,284,715	\$77,284,715		\$115,927	\$904,231	\$1,020,158	\$269,214	\$263,818	\$205,052	\$6,203	\$90,269	\$1,854,713	
						Total	\$10,857,046	\$1,527,755	\$1,497,133	\$5,988,524	\$181,154	\$512,263	\$20,563,876
						Diff	\$18,936,604	\$6,334,609	\$6,207,640	\$0	\$0	\$2,124,023	\$33,602,876

Assumes School Value Limitation and Tax Abatement with the Hockley and Lubbock Counties and the Lubbock Hospital District.

Source: CPA, Red Raider Wind, LLC

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue over 25 Years

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$234,000	\$234,000	\$2,965,775	\$2,965,775
	2018	\$234,000	\$468,000	\$2,702,243	\$5,668,017
	2019	\$234,000	\$702,000	\$2,451,923	\$8,119,940
	2020	\$234,000	\$936,000	\$2,201,474	\$10,321,414
	2021	\$234,000	\$1,170,000	\$1,962,208	\$12,283,622
	2022	\$234,000	\$1,404,000	\$1,733,231	\$14,016,853
	2023	\$234,000	\$1,638,000	\$1,501,434	\$15,518,287
	2024	\$234,000	\$1,872,000	\$1,290,632	\$16,808,919
	2025	\$234,000	\$2,106,000	\$1,124,697	\$17,933,616
	2026	\$234,000	\$2,340,000	\$1,002,988	\$18,936,604
Maintain Viable Presence (5 Years)	2027	\$1,158,916	\$3,498,916	\$0	\$18,936,604
	2028	\$1,087,084	\$4,585,999	\$0	\$18,936,604
	2029	\$1,020,992	\$5,606,991	\$0	\$18,936,604
	2030	\$960,182	\$6,567,173	\$0	\$18,936,604
	2031	\$904,231	\$7,471,404	\$0	\$18,936,604
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$852,751	\$8,324,155	\$0	\$18,936,604
	2033	\$805,383	\$9,129,538	\$0	\$18,936,604
	2034	\$761,799	\$9,891,337	\$0	\$18,936,604
	2035	\$721,697	\$10,613,033	\$0	\$18,936,604
	2036	\$684,797	\$11,297,831	\$0	\$18,936,604
	2037	\$650,845	\$11,948,676	\$0	\$18,936,604
	2038	\$619,605	\$12,568,281	\$0	\$18,936,604
	2039	\$590,859	\$13,159,139	\$0	\$18,936,604
	2040	\$564,408	\$13,723,548	\$0	\$18,936,604
	2041	\$540,068	\$14,263,616	\$0	\$18,936,604

\$14,263,616	is less than	\$18,936,604
--------------	--------------	--------------

Analysis Summary

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

Source: CPA, Red Raider Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	150	426	576	\$6,000,000	\$26,470,703	\$32,470,703	\$3,509,521	-\$999,451	\$4,508,972
2017	5	19	24	\$201,350	\$4,193,181	\$4,394,531	\$251,770	\$404,358	-\$152,588
2018	5	5	10	\$201,350	\$2,484,197	\$2,685,547	\$175,476	\$404,358	-\$228,882
2019	5	(3)	2	\$201,350	\$1,507,634	\$1,708,984	\$137,329	\$389,099	-\$251,770
2020	5	(9)	-4	\$201,350	\$1,019,353	\$1,220,703	\$99,182	\$366,211	-\$267,029
2021	5	(7)	-2	\$201,350	\$286,931	\$488,281	\$76,294	\$297,546	-\$221,252
2022	5	(1)	4	\$201,350	\$653,142	\$854,492	\$106,812	\$236,511	-\$129,699
2023	5	(1)	4	\$201,350	\$409,002	\$610,352	\$99,182	\$183,105	-\$83,923
2024	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$183,105	-\$68,664
2025	5	3	8	\$201,350	\$164,861	\$366,211	\$99,182	\$137,329	-\$38,147
2026	5	1	6	\$201,350	\$409,002	\$610,352	\$106,812	\$106,812	\$0
2027	5	1	6	\$201,350	\$286,931	\$488,281	\$99,182	\$53,406	\$45,776
2028	5	1	6	\$201,350	\$286,931	\$488,281	\$106,812	\$45,776	\$61,036
2029	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$22,888	\$91,553
2030	5	(3)	2	\$201,350	-\$445,491	-\$244,141	\$76,294	-\$15,259	\$91,553
2031	5	(7)	-2	\$201,350	-\$201,350	\$0	\$68,665	-\$45,776	\$114,441
2032	5	(1)	4	\$201,350	-\$689,631	-\$488,281	\$61,035	-\$53,406	\$114,441
2033	5	(7)	-2	\$201,350	-\$445,491	-\$244,141	\$45,776	-\$99,182	\$144,958
2034	5	(9)	-4	\$201,350	-\$933,772	-\$732,422	-\$7,629	-\$106,812	\$99,183
2035	5	(13)	-8	\$201,350	-\$1,177,913	-\$976,563	-\$45,776	-\$129,700	\$83,924
2036	5	(13)	-8	\$201,350	-\$2,154,475	-\$1,953,125	-\$114,441	-\$190,735	\$76,294
2037	5	(15)	-10	\$201,350	-\$2,398,616	-\$2,197,266	-\$152,588	-\$236,511	\$83,923
2038	5	(17)	-12	\$201,350	-\$2,642,756	-\$2,441,406	-\$152,588	-\$274,658	\$122,070
2039	5	(17)	-12	\$201,350	-\$2,398,616	-\$2,197,266	-\$137,329	-\$312,805	\$175,476
2040	5	(19)	-14	\$201,350	-\$3,619,319	-\$3,417,969	-\$213,623	-\$389,099	\$175,476
2041	5	(21)	-16	\$201,350	-\$3,375,178	-\$3,173,828	-\$213,623	-\$419,617	\$205,994
						TOTAL	\$4,310,609	-\$442,507	\$4,753,116

\$19,016,732 is greater than **\$18,936,604**

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

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

- According to the company, NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S. with nearly 17,800 MW of generating capacity across 24 states.
- Per the company, the project is still in the early stages of development, further investment could be, if necessary, redeployed to other countries and states competing for similar wind projects.
- Per the applicant, state and local tax incentives contribute to the lowering of the cost of power sold to customers making the investment more viable and marketable.
- Comptroller research includes a July 28, 2014 article, by Fox 34 News, of the Hockley County Commissioners Court giving clearance to Red Raider wind farm to start construction; and, the Court approving their tax abatement application.
- Comptroller research includes a July 31, 2014 article states the applicant is given clearance to start construction, planned for spring 2015, and will last approximately 5 to 6 months.
- Comptroller research includes a July 31, 2014 article, by The Daily Toreador, regarding the sale agreement of the Red Raider Wind, LLC project from Group NIRE to NextEra Energy Resources was signed December 2013.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED RED RAIDER
WIND LLC PROJECT IN THE SMYER INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1057)**

PREPARED BY



SEPTEMBER 29, 2015

Executive Summary

Red Raider Wind LLC (Company) has requested that the Smyer 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 January 29, 2015 the Company plans to invest \$272.9 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Red Raider Wind 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 \$20 million. This value limitation, under the proposed application, will begin in 2017-18 and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to SISD	\$3,386,031
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$15,543,553

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate

is received, the district has until the 150th day from the receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and O'Hanlon, McCollom & Demerath will ensure the best interests of SISD are secured. After the Comptroller's certificate is received, O'Hanlon, McCollom & Demerath will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting. Prior to this meeting, O'Hanlon, McCollom & Demerath will provide the district with the necessary agenda language and any additional action items.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction.

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—\$1.00 per \$100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools](#). For the 2015-16 school year it is estimated that 227 school districts will receive ASATR hold-harmless funding (\$290 million in state funding). ASATR funding is expected to be eliminated by the 2017-18 school year under current law.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under

the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

School districts that receive ASATR funding may not require as large of a company revenue-loss payment as those districts that are considered to be on “formula”. **As ASATR is reduced, more districts will be considered on “formula” and the revenue losses may be greater than anticipated in the initial revenue-loss estimates.**

SISD does not receive ASATR funding under current law. In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation 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. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district’s finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 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. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 381 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of SISD. The District’s local tax base reached \$143.6 million for the 2014 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.1700 is used throughout this analysis.

SISD has estimated 2014-15 state property wealth per weighted ADA or WADA of approximately \$184,718. As a result, SISD is not considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from \$5,040 to \$5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 and \$77.53, respectively, for the 2015-16 and 2016-17 school years.

While the mandated school district homestead exemption will be increased from \$15,000 to \$25,000—assuming voter approval of a constitutional amendment election scheduled in November—no data are currently available on the tax base reductions associated with this change. Given that the models below focus exclusively on the Red Raider Wind LLC project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2014 is maintained at \$1.1700 per \$100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with Red Raider Wind 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
QTP0	2015-16	381.04	652.85	\$1.1700	\$0.1500	\$143,633,824	\$143,633,824	\$141,213,218	\$141,213,218	\$216,303	\$216,303
QTP1	2016-17	381.04	652.85	\$1.1700	\$0.1500	\$143,633,824	\$143,633,824	\$141,213,218	\$141,213,218	\$216,303	\$216,303
QTP2/VL1	2017-18	381.04	652.85	\$1.1700	\$0.1500	\$416,518,824	\$163,633,824	\$141,213,218	\$141,213,218	\$216,303	\$216,303
VL2	2018-19	381.04	652.85	\$1.1700	\$0.1500	\$394,594,724	\$163,633,824	\$414,098,218	\$161,213,218	\$634,293	\$246,938
VL3	2019-20	381.04	652.85	\$1.1700	\$0.1500	\$373,199,884	\$163,633,824	\$392,174,118	\$161,213,218	\$600,711	\$246,938
VL4	2020-21	381.04	652.85	\$1.1700	\$0.1500	\$351,793,987	\$163,633,824	\$370,779,278	\$161,213,218	\$567,939	\$246,938
VL5	2021-22	381.04	652.85	\$1.1700	\$0.1500	\$331,343,942	\$163,633,824	\$349,373,381	\$161,213,218	\$535,151	\$246,938
VL6	2022-23	381.04	652.85	\$1.1700	\$0.1500	\$311,773,205	\$163,633,824	\$328,923,336	\$161,213,218	\$503,827	\$246,938
VL7	2023-24	381.04	652.85	\$1.1700	\$0.1500	\$291,961,546	\$163,633,824	\$309,352,599	\$161,213,218	\$473,849	\$246,938
VL8	2024-25	381.04	652.85	\$1.1700	\$0.1500	\$273,944,264	\$163,633,824	\$289,540,940	\$161,213,218	\$443,503	\$246,938
VL9	2025-26	381.04	652.85	\$1.1700	\$0.1500	\$259,761,733	\$163,633,824	\$271,523,658	\$161,213,218	\$415,905	\$246,938
VL10	2026-27	381.04	652.85	\$1.1700	\$0.1500	\$249,359,288	\$163,633,824	\$257,341,127	\$161,213,218	\$394,181	\$246,938
VP1	2027-28	381.04	652.85	\$1.1700	\$0.1500	\$242,686,447	\$242,686,447	\$246,938,682	\$161,213,218	\$378,247	\$246,938
VP2	2028-29	381.04	652.85	\$1.1700	\$0.1500	\$236,546,957	\$236,546,957	\$240,265,841	\$240,265,841	\$368,026	\$368,026
VP3	2029-30	381.04	652.85	\$1.1700	\$0.1500	\$230,898,075	\$230,898,075	\$234,126,351	\$234,126,351	\$358,622	\$358,622
VP4	2030-31	381.04	652.85	\$1.1700	\$0.1500	\$225,700,667	\$225,700,667	\$228,477,469	\$228,477,469	\$349,969	\$349,969
VP5	2031-32	381.04	652.85	\$1.1700	\$0.1500	\$220,918,539	\$220,918,539	\$223,280,061	\$223,280,061	\$342,008	\$342,008

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Red Raider Wind project on SISD

School finance models were prepared for SISD under these assumptions through the 2031-32 school year. Under the proposed agreement, a model is established to make a calculation

of the “Baseline Revenue Model” by adding the total value of the project to the model, but without assuming that a value limitation is approved. This is detailed in Table 2.

Additionally, a separate model is established to make a calculation of the “Value Limitation Revenue Model” by adding the project’s limited value of \$20 million to the model. These results are shown in Table 3.

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$1,320,109	\$2,068,913	\$0	\$0	\$224,419	\$262,088	\$0	\$7,750	\$3,883,279
QTP1	2016-17	\$1,320,109	\$2,068,913	\$0	\$0	\$224,419	\$273,991	\$0	\$7,750	\$3,895,182
QTP2/VL1	2017-18	\$4,044,959	\$2,068,913	\$0	\$0	\$687,643	\$741,867	\$0	\$7,750	\$7,551,132
VL2	2018-19	\$3,825,718	\$127,544	\$0	-\$689,266	\$650,372	\$51,000	-\$198,410	\$7,750	\$3,774,707
VL3	2019-20	\$3,611,769	\$127,544	\$0	-\$495,281	\$614,001	\$63,031	-\$176,686	\$7,750	\$3,752,127
VL4	2020-21	\$3,397,710	\$127,544	\$0	-\$306,559	\$577,611	\$74,456	-\$155,318	\$7,750	\$3,723,194
VL5	2021-22	\$3,193,210	\$127,544	\$0	-\$119,897	\$542,846	\$85,916	-\$134,468	\$7,750	\$3,702,901
VL6	2022-23	\$2,997,502	\$191,812	\$0	\$0	\$509,575	\$96,946	-\$114,599	\$7,750	\$3,688,985
VL7	2023-24	\$2,799,386	\$387,519	\$0	\$0	\$475,895	\$106,864	-\$95,289	\$7,750	\$3,682,125
VL8	2024-25	\$2,619,213	\$585,636	\$0	\$0	\$445,266	\$117,621	-\$76,528	\$7,750	\$3,698,957
VL9	2025-26	\$2,477,388	\$765,808	\$0	\$0	\$421,156	\$128,344	-\$60,009	\$7,750	\$3,740,437
VL10	2026-27	\$2,373,363	\$907,634	\$0	\$0	\$403,472	\$137,593	-\$46,989	\$7,750	\$3,782,823
VP1	2027-28	\$2,290,824	\$1,011,658	\$0	\$0	\$389,440	\$144,383	-\$37,181	\$7,750	\$3,806,874
VP2	2028-29	\$2,230,657	\$1,078,387	\$0	\$0	\$379,211	\$148,100	-\$30,736	\$7,750	\$3,813,369
VP3	2029-30	\$2,175,298	\$1,139,781	\$0	\$0	\$369,801	\$151,520	-\$24,798	\$7,750	\$3,819,352
VP4	2030-31	\$2,124,364	\$1,196,270	\$0	\$0	\$361,142	\$154,944	-\$19,328	\$7,750	\$3,825,142
VP5	2031-32	\$2,077,499	\$1,248,244	\$0	\$0	\$353,175	\$157,844	-\$14,288	\$7,750	\$3,830,224

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$1,320,109	\$2,068,913	\$0	\$0	\$224,419	\$262,088	\$0	\$7,750	\$3,883,279
QTP1	2016-17	\$1,320,109	\$2,068,913	\$0	\$0	\$224,419	\$273,991	\$0	\$7,750	\$3,895,182
QTP2/VL1	2017-18	\$1,516,109	\$2,068,913	\$0	\$0	\$257,739	\$314,590	\$0	\$7,750	\$4,165,101
VL2	2018-19	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL3	2019-20	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL4	2020-21	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL5	2021-22	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL6	2022-23	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL7	2023-24	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL8	2024-25	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL9	2025-26	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VL10	2026-27	\$1,516,109	\$1,868,913	\$0	\$0	\$257,739	\$243,530	\$0	\$7,750	\$3,894,041
VP1	2027-28	\$2,290,824	\$1,868,913	\$0	\$0	\$389,440	\$368,278	\$0	\$7,750	\$4,925,205
VP2	2028-29	\$2,230,657	\$1,078,387	\$0	\$0	\$379,211	\$148,100	-\$30,736	\$7,750	\$3,813,369
VP3	2029-30	\$2,175,298	\$1,139,781	\$0	\$0	\$369,801	\$151,520	-\$24,798	\$7,750	\$3,819,352
VP4	2030-31	\$2,124,364	\$1,196,270	\$0	\$0	\$361,142	\$154,944	-\$19,328	\$7,750	\$3,825,142
VP5	2031-32	\$2,077,499	\$1,248,244	\$0	\$0	\$353,175	\$157,844	-\$14,288	\$7,750	\$3,830,224

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$3,386,031 over the course of the Agreement. Nearly all of the reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2017-18	-\$2,528,850	\$0	\$0	\$0	-\$429,904	-\$427,277	\$0	\$0	-\$3,386,031
VL2	2018-19	-\$2,309,609	\$1,741,369	\$0	\$689,266	-\$392,633	\$192,530	\$198,410	\$0	\$119,334
VL3	2019-20	-\$2,095,660	\$1,741,369	\$0	\$495,281	-\$356,262	\$180,499	\$176,686	\$0	\$141,914
VL4	2020-21	-\$1,881,601	\$1,741,369	\$0	\$306,559	-\$319,872	\$169,074	\$155,318	\$0	\$170,847
VL5	2021-22	-\$1,677,101	\$1,741,369	\$0	\$119,897	-\$285,107	\$157,614	\$134,468	\$0	\$191,140
VL6	2022-23	-\$1,481,393	\$1,677,101	\$0	\$0	-\$251,836	\$146,584	\$114,599	\$0	\$205,055
VL7	2023-24	-\$1,283,277	\$1,481,394	\$0	\$0	-\$218,156	\$136,666	\$95,289	\$0	\$211,916
VL8	2024-25	-\$1,103,104	\$1,283,277	\$0	\$0	-\$187,527	\$125,909	\$76,528	\$0	\$195,083
VL9	2025-26	-\$961,279	\$1,103,105	\$0	\$0	-\$163,417	\$115,186	\$60,009	\$0	\$153,604
VL10	2026-27	-\$857,254	\$961,279	\$0	\$0	-\$145,733	\$105,937	\$46,989	\$0	\$111,218
VP1	2027-28	\$0	\$857,255	\$0	\$0	\$0	\$223,895	\$37,181	\$0	\$1,118,331
VP2	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$1.1700 M&O tax rate is assumed in 2014-15 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$18.9 million over the life of the agreement. The SISD revenue losses are expected to total approximately \$3,386,031 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$15,543,553 million. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial limitation year under these estimates, there would still be a substantial tax benefit to the Company under the value limitation agreement for the remaining years that the limitation is in effect.

Table 5 - Estimated Financial Impact of the Red Raider Wind Project Property Value Limitation Request Submitted to SISD at \$1.1700 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	School District Revenue Losses	Estimated Net Tax Benefits	
QTP0	2015-16	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	
QTP1	2016-17	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	
QTP2/VL1	2017-18	\$272,885,000	\$20,000,000	\$252,885,000	\$1.170	\$3,192,755	\$234,000	\$2,958,755	-\$2,958,755	\$0	
VL2	2018-19	\$250,960,900	\$20,000,000	\$230,960,900	\$1.170	\$2,936,243	\$234,000	\$2,702,243	-\$427,277	\$2,274,966	
VL3	2019-20	\$229,566,060	\$20,000,000	\$209,566,060	\$1.170	\$2,685,923	\$234,000	\$2,451,923	\$0	\$2,451,923	
VL4	2020-21	\$208,160,163	\$20,000,000	\$188,160,163	\$1.170	\$2,435,474	\$234,000	\$2,201,474	\$0	\$2,201,474	
VL5	2021-22	\$187,710,118	\$20,000,000	\$167,710,118	\$1.170	\$2,196,208	\$234,000	\$1,962,208	\$0	\$1,962,208	
VL6	2022-23	\$168,139,381	\$20,000,000	\$148,139,381	\$1.170	\$1,967,231	\$234,000	\$1,733,231	\$0	\$1,733,231	
VL7	2023-24	\$148,327,722	\$20,000,000	\$128,327,722	\$1.170	\$1,735,434	\$234,000	\$1,501,434	\$0	\$1,501,434	
VL8	2024-25	\$130,310,440	\$20,000,000	\$110,310,440	\$1.170	\$1,524,632	\$234,000	\$1,290,632	\$0	\$1,290,632	
VL9	2025-26	\$116,127,909	\$20,000,000	\$96,127,909	\$1.170	\$1,358,697	\$234,000	\$1,124,697	\$0	\$1,124,697	
VL10	2026-27	\$105,725,464	\$20,000,000	\$85,725,464	\$1.170	\$1,236,988	\$234,000	\$1,002,988	\$0	\$1,002,988	
VP1	2027-28	\$99,052,623	\$99,052,623	\$0	\$1.170	\$1,158,916	\$1,158,916	\$0	\$0	\$0	
VP2	2028-29	\$92,913,133	\$92,913,133	\$0	\$1.170	\$1,087,084	\$1,087,084	\$0	\$0	\$0	
VP3	2029-30	\$87,264,251	\$87,264,251	\$0	\$1.170	\$1,020,992	\$1,020,992	\$0	\$0	\$0	
VP4	2030-31	\$82,066,843	\$82,066,843	\$0	\$1.170	\$960,182	\$960,182	\$0	\$0	\$0	
VP5	2031-32	\$77,284,715	\$77,284,715	\$0	\$1.170	\$904,231	\$904,231	\$0	\$0	\$0	
							\$26,400,988	\$7,471,404	\$18,929,584	-\$3,386,031	\$15,543,553

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with SISD currently levying a \$0.1500 I&S rate. The value of the Red Raider Wind project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District’s projected wealth per ADA to \$370,599 in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the Red Raider Wind project to the local I&S tax roll.

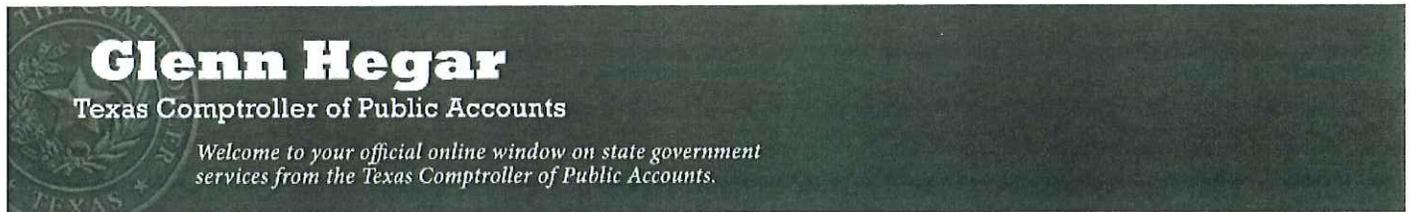
The project is not expected to affect SISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



2014 ISD Summary Worksheet

110/Hockley

110-906/Smyer ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	39,983,270	N/A	39,983,270	39,983,270
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	796,510	N/A	796,510	796,510
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	13,818,333	N/A	13,818,333	13,818,333
D2. Real Prop Farm & Ranch	93,350	N/A	93,350	93,350
E. Real Prop NonQual Acres	5,100,040	N/A	5,100,040	5,100,040
F1. Commercial Real	1,754,410	N/A	1,754,410	1,754,410
F2. Industrial Real	1,751,210	N/A	1,751,210	1,751,210
G. Oil, Gas, Minerals	80,011,160	N/A	80,011,160	80,011,160
J. Utilities	6,276,720	N/A	6,276,720	6,276,720
L1. Commercial Personal	1,679,390	N/A	1,679,390	1,679,390
L2. Industrial Personal	407,740	N/A	407,740	407,740
M. Other Personal	384,870	N/A	384,870	384,870
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	152,057,003		152,057,003	152,057,003
Less Total Deductions	10,843,785		10,843,785	10,843,785
Total Taxable Value	141,213,218		141,213,218	141,213,218 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
145,390,316	141,213,218	145,390,316	141,213,218	141,213,218	141,213,218
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption	
4,177,098		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
145,390,316	141,213,218	145,390,316	141,213,218	141,213,218	141,213,218

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

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

×

Attachment F

TEA's Facilities Value



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

May 28, 2015

Darren Robinson, President
Board of Trustees
Smyer Independent School District
PO Box 206
Smyer, TX 79367-0206

Dear Mr. Robinson:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Red Raider Wind, LLC project on the number and size of school facilities in Smyer Independent School District (SISD). Based on an examination of SISD enrollment and the number of potential new jobs, the TEA has determined that the Red Raider Wind, LLC project should 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 have any questions.

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Dane Kerns

Attachment G

Participation Agreement

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

by and between

SMYER INDEPENDENT SCHOOL DISTRICT

and

RED RAIDER WIND, LLC

(Texas Taxpayer ID # 32049262986)

TEXAS COMPTROLLER APPLICATION NUMBER 1057

Dated

November 9, 2015

limitation on appraised value of the property described in the Application and provided the certificate to the District;

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

WHEREAS, on November 9, 2015, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on November 9, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on November 9, 2015, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on October 21, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and,

WHEREAS, on November 9, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS.

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEX.

ADMIN. CODE §9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEX. ADMIN. CODE §9.1051.

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

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

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

“Applicant” means Red Raider Wind, LLC, (Texas Taxpayer ID # 32049262986), the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on January 29, 2015. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

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

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

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

"Appraisal Districts" means the Hockley & Lubbock Appraisal Districts.

"Board of Trustees" means the Board of Trustees of the Smyer Independent School District

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

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

"County" means Hockley County, Texas.

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

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

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

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

"Maintain Viable Presence" means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

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

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

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

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

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

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

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

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

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

"State" means the State of Texas.

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

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

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

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

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

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

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

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

Section 2.2. PURPOSE.

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is May 6, 2015, which will determine Applicant's Qualified Property and applicable wage standard.

B. The Application Approval Date for this Agreement is November 9, 2015, , which will determine the qualifying time period.

C. The Qualifying Time Period for this agreement:

1. Starts on June 1, 2016,
2. Ends on December 31, 2018; being the second complete tax year after the effective date of this agreement

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2017
2. Ends on December 31, 2026.

E. The Final Termination Date for this Agreement is December 31, 2031.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

2.4. TAX LIMITATION.

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

- A. The Market Value of the Applicant's Qualified Property; or,
- B. Twenty Million Dollars (\$20,000,000.00)

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

2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY.

In order to be eligible and entitled to receive the value limitation identified in 2.4 for the Qualified Property identified in Article III, Applicant shall:

- A. have completed Qualified Investment in the amount of Twenty Million Dollars (\$20,000,000.00) by the end of the Qualifying Time Period;
- B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

2.6. TAX LIMITATION OBLIGATIONS.

In order to receive and maintain the limitation authorized by 2.4, Applicant shall:

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

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS

GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

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

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

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

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

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

Section 3.5. QUALIFYING USE.

Applicant's Qualified Property described above in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES.

In conformance with the provisions of Texas Tax Code § 313.027(f)(1), it is the intent of the Parties that the District shall be compensated over the course of this Agreement by the

Applicant for: (i) any monetary loss that the District incurs in its Maintenance and Operations Revenue; or, (ii) for any new uncompensated operating cost incurred as a sole and direct result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement, in all cases to the limitations contained in this Agreement. 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 support due under Article VI.

A. The calculation of the amount of any Revenue Protection Amount required to be paid by Applicant under this Article IV shall be made for the first time for the first complete tax year following the start of Commercial Operations.

B. For purposes of this Article IV, and of Section 2.3(d)(1), above, the term "Commercial Operations" means the date on which Project described in **EXHIBIT 3**, below becomes commercially operational and placed into service, such that all of the following events have occurred and remain simultaneously true and accurate:

(i) 95% of the Project's wind turbines are installed and able to produce and deliver energy to the point of delivery pursuant to the power purchase agreement, and

(ii) the completion of all testing of the Project required by the Project's governmental approvals, the interconnection agreement and Project's construction and operating agreements.

C. Within 60 days from the date commercial operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal Districts a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such qualified property within the boundaries of the land which is subject to the agreement, if such final description is different than the description provided in the application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.

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 4.2:

- 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 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years 2015 through 2026 of this Agreement under Section 4.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 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, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION.

In no event shall the Cumulative Payments made by Applicant to the District exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the Commencement Date through Tax Year 2029. For each

year of this Agreement, amounts due and owing by Applicant to the District which, by virtue of the application of payment limitation set forth in this Section are not payable to the District for a given year, shall be carried forward to future years, but shall be subject, in each subsequent year to the limit set forth in this Section.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal Districts 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 4.4. 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 Districts to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties the calculations required under Section 4.2 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 four (4) years after the Final Termination date of this Agreement. 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 4.6, if such fee is timely paid.

Section 4.7. 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 4.6, 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, reports required by any state agency, disclosures, 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 4.6, above, in excess of Fifteen Thousand Dollars (\$15,000.00).

Section 4.8. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to Section 4.6 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the 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 the calculations.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

In the event that, at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal Districts 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 Districts.

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 4.10. EFFECT OF STATUTORY CHANGES.

Notwithstanding any other provision in this Agreement, but subject only to the limitations contained in Section 7.1, 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 because of its participation in this Agreement, the Applicant shall make payments to the District, 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.

Section 4.11. OPTION TO CANCEL AGREEMENT

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 and so long as the Appraised Value Limitation described in Section 2.4 has not been applied to Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes for such tax year, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 4.12, 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 V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES.

In addition to the amounts determined pursuant to Articles IV and V of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

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

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of Article IV and VI, 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 IV and Article V, 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 VI and Article V. 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 Article VI of this agreement are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV; provided, however, that all payments under Articles IV, V, and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.4.

B. As used in Article IV and this Article VI, the following terms shall be defined as follows:

i. "Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under each of Article IV, Article V, and Article VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant for all previous Tax Years under Article IV, Article V, and Article VI of this Agreement.

ii. "Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

iii. "Unadjusted Tax Benefit" means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.4 above, as Twenty Million Dollars (\$20,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

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

i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and

ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

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

C. For purposes of this Agreement, the amount of the Annual Limit shall be \$38,000 based upon the District's 2014-2015 Average Daily Attendance of 380, rounded to the whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

A. During the entire term of this Agreement, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive supplemental payments equal to the amount in Section 6.2(A)(i) above.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, the supplemental payments owed by Applicant set forth in Subsection 6.3(A) shall be further limited to an amount not to exceed Forty Percent (40%) of Applicant's Net Tax Benefit, as the term is defined in Section 6.1(C)(iii), above.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.

The Parties agree that for each Tax Year of this Agreement, beginning with Tax Year 2015, the first year of the qualifying time period specified in Section 2.3(c)(1) of this Agreement, the Stipulated Supplemental Payment amount, described in Section 6.2, above 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;

Minus,

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

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.2 and 6.3, above, 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 selected pursuant to Section 4.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.4, above.

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 4.6, above.

C. The payment of all amounts due under this Article shall be made by December 31 of the tax year for which the payment is due.

Section 6.6. 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 Article VI of this agreement 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 10.1, 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 calculated as described in Section 6.5, above.

ARTICLE VII **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

SECTION 7.1 ANNUAL LIMITATION.

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

Section 7.2. OPTION TO TERMINATE AGREEMENT.

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

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

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

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

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

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

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

Section 8.2. REPORTS.

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

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

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

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

Section 8.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS.

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

Section 8.4. DATA REQUESTS.

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

Section 8.5. SITE VISITS AND RECORD REVIEW.

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.

This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 331.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and

other records relating to this Agreement and the State's property for a period of four (4) years after the later of:

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

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

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

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

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

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

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

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

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N. Applicant fails either to:

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

ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

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

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 9.3, then

District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.3.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

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

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH.

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

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

A. Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain

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

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

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

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.3, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Hockley County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

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

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

Section 9.5. LIMITATION OF OTHER DAMAGES.

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

Section 9.6. BINDING ON SUCCESSORS.

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

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile

transmission, with “answer back” or other “advice of receipt” obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

Dane Kerns, Superintendent
Smyer Independent School District
P.O. Box 206
Smyer, TX 79367
Fax: (806) 234-2411
Email: dkerns@smyer-isd.org

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

John Didonato
Vice President, Development
NextEra Energy Resources LLC
700 Universe Blvd.
Juno Beach, FL 33408
Fax: (561)691-7232
Email: John.DiDonato@nexteraenergy.com

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

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

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

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

- i. Applicant shall submit to District and Comptroller:

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

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.3 of this Agreement shall:

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

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

Section 10.4. ASSIGNMENT.

Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.3 regarding amendments to the Agreement.

Section 10.5. MERGER.

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

Section 10.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICTS 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 Districts shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7. GOVERNING LAW.

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

Section 10.8. AUTHORITY TO EXECUTE AGREEMENT.

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

Section 10.9. SEVERABILITY.

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

Section 10.10. PAYMENT OF EXPENSES.

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

Section 10.11. INTERPRETATION.

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

Section 10.12. EXECUTION OF COUNTERPARTS.

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

Section 10.13. PUBLICATION OF DOCUMENTS.

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

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

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

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

Section 10.14. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

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

Section 10.15. DUTY TO DISCLOSE.

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19 day of November 2015.

RED RAIDER WIND, LLC

By: 
Authorized Representative
Name: John DiDonato
Title: Vice President

SMYER INDEPENDENT SCHOOL DISTRICT

By: 
DARREN ROBERTSON
President
Board of Trustees
Attest: 
By: ANTHONY MAYE
Secretary
Board of Trustees

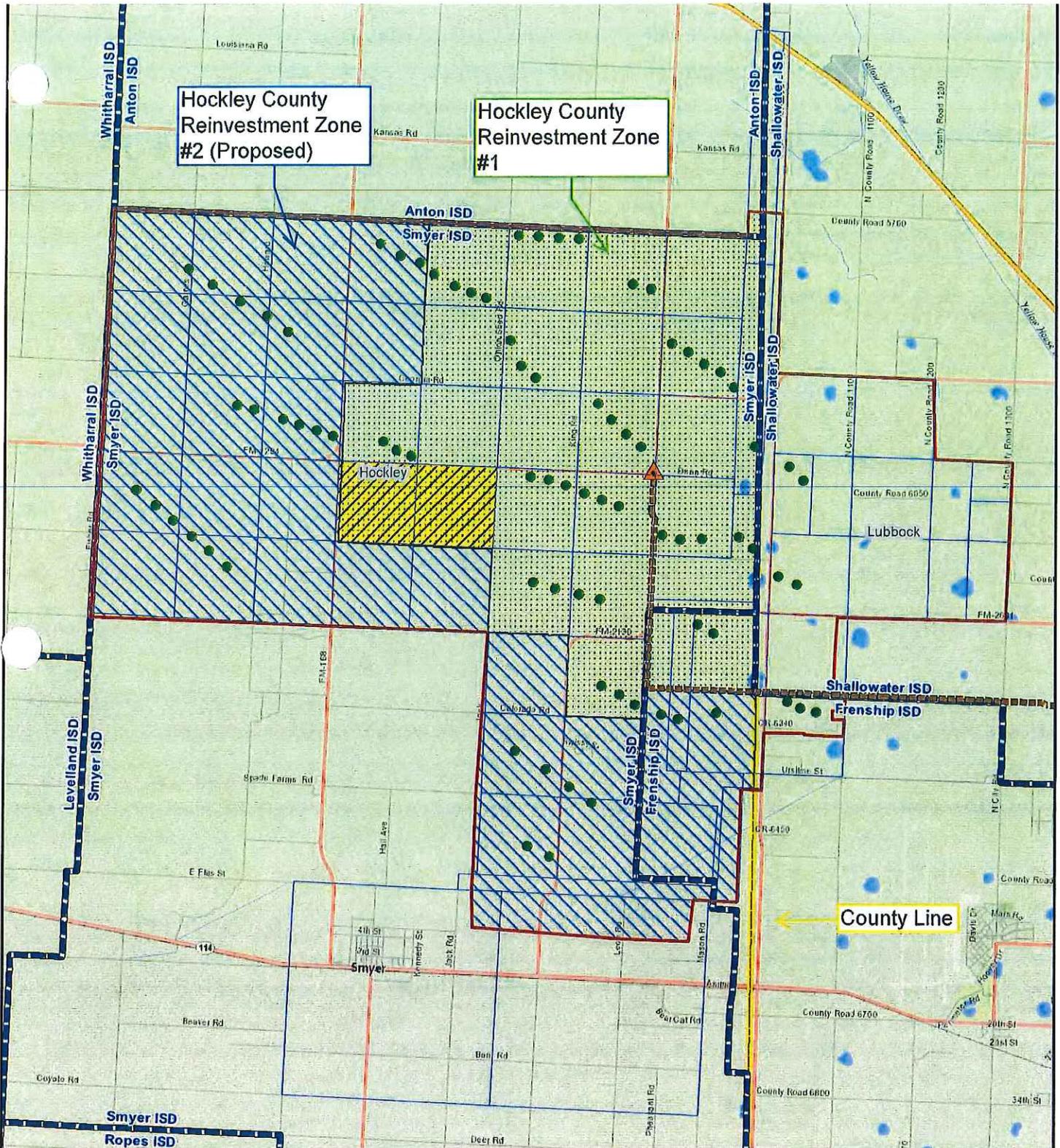
EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The reinvestment zone was created and is in effect at the time of the signing of this Application. The *Hockley County Reinvestment Zone #1* was created on July 14, 2014 by action of the Commissioner's Court of Hockley County. A second contiguous reinvestment zone was created and is in effect at the time of the signing of this Agreement. The *Hockley County Reinvestment Zone #2* was created on March 2015 by action of the Commissioner's Court of Hockley County. As a result of the action of the Commissioner's Court, all of the following real property lays within the boundaries of the *Hockley County Reinvestment Zone #1* and *Hockley County Reinvestment Zone #1*. A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zones.

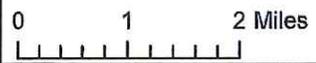
Abstract	Survey	Block	Section	County	Reinvestment Zone	School District
219106	THOMSON, R M	A	131	Hockley	HCRZ #1	Smyer ISD
219105	THOMSON, R M	A	61	Hockley	HCRZ #2	Smyer ISD
219118	THOMSON, R M	A	60	Hockley	HCRZ #2	Smyer ISD
219104	THOMSON, R M	A	59	Hockley	HCRZ #2	Smyer ISD
219103	THOMSON, R M	A	58	Hockley	HCRZ #2	Smyer ISD
219102	THOMSON, R M	A	57	Hockley	HCRZ #1	Smyer ISD
219101	THOMSON, R M	A	56	Hockley	HCRZ #1	Smyer ISD
21968	THOMSON, R M	A	55	Hockley	HCRZ #1	Smyer ISD
21967	THOMSON, R M	A	54	Hockley	HCRZ #1	Smyer ISD
219117	THOMSON, R M	A	46	Hockley	HCRZ #2	Smyer ISD
21981	THOMSON, R M	A	47	Hockley	HCRZ #2	Smyer ISD
21982	THOMSON, R M	A	48	Hockley	HCRZ #2	Smyer ISD
21962	THOMSON, R M	A	49	Hockley	HCRZ #2	Smyer ISD
21963	THOMSON, R M	A	50	Hockley	HCRZ #1	Smyer ISD
21964	THOMSON, R M	A	51	Hockley	HCRZ #1	Smyer ISD
21965	THOMSON, R M	A	52	Hockley	HCRZ #1	Smyer ISD
21966	THOMSON, R M	A	53	Hockley	HCRZ #1	Smyer ISD
219107	THOMSON, R M	A	45	Hockley	HCRZ #2	Smyer ISD
219100	THOMSON, R M	A	44	Hockley	HCRZ #2	Smyer ISD
21999	THOMSON, R M	A	43	Hockley	HCRZ #2	Smyer ISD
21998	THOMSON, R M	A	42	Hockley	HCRZ #1	Smyer ISD
21997	THOMSON, R M	A	41	Hockley	HCRZ #1	Smyer ISD
21980	THOMSON, R M	A	40	Hockley	HCRZ #1	Smyer ISD
21979	THOMSON, R M	A	39	Hockley	HCRZ #1	Smyer ISD
219116	THOMSON, R M	A	38	Hockley	HCRZ #1	Smyer ISD
219125	THOMSON, R M	A	130	Hockley	HCRZ #1	Smyer ISD
219123	THOMSON, R M	A	30	Hockley	HCRZ #2	Smyer ISD
21977	THOMSON, R M	A	31	Hockley	HCRZ #2	Smyer ISD
21978	THOMSON, R M	A	32	Hockley	HCRZ #2	Smyer ISD
21993	THOMSON, R M	A	33	Hockley	HCRZ #1	Smyer ISD
21994	THOMSON, R M	A	34	Hockley	HCRZ #1	Smyer ISD
21995	THOMSON, R M	A	35	Hockley	HCRZ #1	Smyer ISD
21996	THOMSON, R M	A	36	Hockley	HCRZ #1	Smyer ISD
219115	THOMSON, R M	A	37	Hockley	HCRZ #1	Smyer ISD
219124	THOMSON, R M	A	129	Hockley	HCRZ #1	Smyer ISD
219122	THOMSON, R M	A	29	Hockley	HCRZ #2	Smyer ISD
219114	THOMSON, R M	A	28	Hockley	HCRZ #2	Smyer ISD
21992	THOMSON, R M	A	27	Hockley	HCRZ #2	Smyer ISD
21976	THOMSON, R M	A	26	Hockley	HCRZ #2	Smyer ISD
21975	THOMSON, R M	A	25	Hockley	HCRZ #2	Smyer ISD
21961	THOMSON, R M	A	24	Hockley	HCRZ #1	Smyer ISD
21960	THOMSON, R M	A	23	Hockley	HCRZ #1	Smyer ISD
219244	C&M RR CO	P	53	Hockley	HCRZ #1	Frenship ISD
2191	C&M RR CO	P	53	Hockley	HCRZ #1	Frenship ISD
21958	THOMSON, R M	A	21	Hockley	HCRZ #2	Smyer ISD
21959	THOMSON, R M	A	22	Hockley	HCRZ #1	Smyer ISD
219358	PSL	D	12	Hockley	HCRZ #1	Frenship ISD
219247	C&M RR CO	P	54	Hockley	HCRZ #2	Smyer ISD
21973	STATE OF TEXAS		11	Hockley	HCRZ #2	Smyer ISD
21972	THOMSON, R M	A	10	Hockley	HCRZ #2	Smyer ISD
21971	THOMSON, R M	A	9	Hockley	HCRZ #2	Smyer ISD
219121	THOMSON, R M	A	128	Hockley	HCRZ #2	Frenship ISD
219109	THOMSON, R M	A	6	Hockley	HCRZ #2	Smyer ISD
21956	THOMSON, R M	A	7	Hockley	HCRZ #2	Smyer ISD
21957	THOMSON, R M	A	8	Hockley	HCRZ #2	Frenship ISD
219119	THOMSON, R M	A	127	Hockley	HCRZ #2	Smyer ISD
219357	PSL	D	11	Hockley	HCRZ #2	Frenship ISD
219150	JONES CSL		1	Hockley	HCRZ #2	Smyer ISD
219151	JONES CSL		2	Hockley	HCRZ #2	Smyer ISD
303632	THOMSON, R M	A	131	Lubbock		
3031287	FAIRRIIS, G S	D	13	Lubbock		
303288	AB&M	P	39	Lubbock		
3031082	EL&RR RR CO	D5	30	Lubbock		
303681	THOMSON, R M	A	130	Lubbock		
3031537	EL&RR RR CO	D5	32	Lubbock		
303630	THOMSON, R M	A	129	Lubbock		
3031546	AB&M	P	40	Lubbock		
3031017	AB&M	P	40	Lubbock		
303349	EL&RR RR CO	D5	31	Lubbock		
3031018	EL&RR RR CO	D5	32	Lubbock		
3031521	EL&RR RR CO	D5	32	Lubbock		
3031286	FAIRRIIS, G S	D	12	Lubbock		
303900	BS&F	P	41	Lubbock		
303874	BS&F	P	42	Lubbock		
3031087	EL&RR RR CO	J5	38	Lubbock		
3031538	TUBB, T	J5	38	Lubbock		
303109	C&M RR CO	P	53	Lubbock		
303875	ACH&B	P	52	Lubbock		
303844	C&M RR CO	P	54	Lubbock		
303108	C&M RR CO	P	55	Lubbock		
3031285	FAIRRIIS, T L	D	11	Lubbock		
303283	TT RR CO	J5	3	Lubbock		

11 f) Reinvestment Zone Map within Vicinity Map



Red Raider

Friday, January 23, 2015
Lubbock and Hockley Counties, Texas



- Substation/O&M
- Turbine
- Reinvestment Zone 1
- Reinvestment Zone 2
- Project Boundary
- ISD Boundary
- County Boundary
- Solar
- Transmission

EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Investment owned or leased by the Applicant and located within the boundaries of both the Smyer Independent School District and the *Hockley County Reinvestment Zone #1* and *Hockley County Reinvestment Zone #2* first placed in service after May 6, 2015 will be included in and subject to this Agreement. Specifically, all Qualified Investment of the Applicant located in the sections of land identified in **EXHIBIT 1** and within the boundaries indicated on the map attached as the last page of **EXHIBIT 3**.

EXHIBIT 3

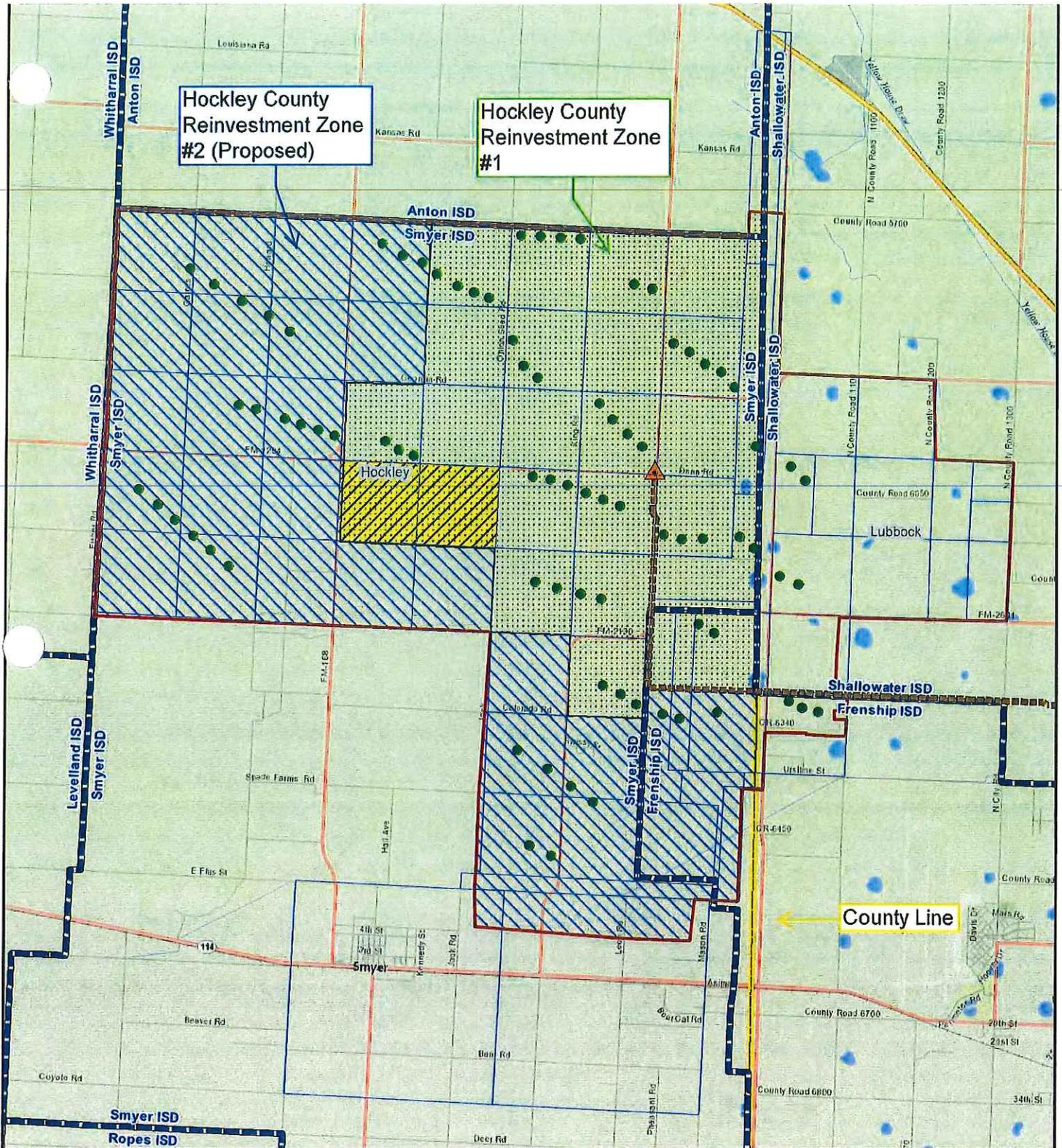
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Smyer ISD necessary for the commercial operations of the proposed approximate 200 MW combined wind and solar electric generating project as more fully described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 3**. Although current plans include property property associated with this project to be located within Frenship ISD and/or Shallowater ISD, any and all property outside the Smyer ISD is specifically excluded from this Agreement.

Approximately seventy-five (75) wind turbines will be located in Hockley County, of which seventy (70) will be located in Smyer ISD. Approximately 252,800 PV panels and 60x1 MW inverters will be located in Hockley County, all of which will be located in Smyer ISD. For purposes of this application, the Project anticipates using 1.72 MW turbines manufactured by GE, Ying Li PV Panels and Greenpower inverters. Red Raider is also constructing approximately 3 miles of generation transmission tie line that will be in Smyer ISD.

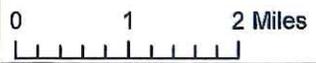
This Agreement includes all qualified property necessary for the commercial operations of the wind farm and the solar project. The qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, underground collection systems, transmission lines, electrical interconnections, met towers, roads, spare parts, control systems necessary for commercial generation of electricity, solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, roadways, buildings and offices, paving, fencing, electrical substations, generation transmission tie line and associated towers, and interconnection facilities

11 f) Reinvestment Zone Map within Vicinity Map



Red Raider

Friday, January 23, 2015
Lubbock and Hockley Counties, Texas



- Substation/O&M
- Turbine
- Transmission
- Reinvestment Zone 1
- Reinvestment Zone 2
- Project Boundary
- ISD Boundary
- County Boundary
- Solar

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 6, 2015

President and Members
Board of Trustees
Smyer Independent School District
401 Lincoln
P.O. Box 206
Smyer, Texas 79367

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

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Smyer Independent School District, with respect to the pending Application of Red Raider Wind LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

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

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

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey".

Daniel T. Casey

www.moakcasey.com

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

October 6, 2015

President and Members
Of the Board of Trustees

Smyer Independent School District
401 Lincoln
P.O. Box 206
Smyer, Texas 79367

Re: Recommendations and Findings of the Firm Concerning Application of Red Raider Wind LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Smyer Independent School District, with respect to the pending Application of Red Raider Wind LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Red Raider Wind LLC. Based upon our review we have drawn the following conclusions:

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

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

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

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 21, 2015

Dane Kerns
Superintendent
Smyer Independent School District
P.O. Box 206
Smyer, Texas 79367-0206

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Smyer Independent School District and Red Raider Wind, LLC

Dear Superintendent Kerns:

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

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

If you need additional information or have questions, please contact John Villarreal, Economic Development & Local Government Section, at (512) 463-5241.

Sincerely,

A handwritten signature in black ink, appearing to read "Korry Castillo", is written over a horizontal line.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Daniel T. Casey, Moak, Casey & Associates LLP
John DiDonato, NextEra Energy Resources, LLC
Noah Hyte, NextEra Energy Resources, LLC
Wes Jackson, Cummings Westlake, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.