

FINDINGS
of the
GROOM INDEPENDENT SCHOOL
DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

GRANDVIEW WIND FARM III, LLC

Comptroller Application Number 1108

RESOLUTION AND FINDINGS OF FACT
of the
GROOM INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY GRANDVIEW WIND FARM III, LLC

STATE OF TEXAS §
 §
COUNTY OF CARSON §

PREAMBLE

On the 26th day of September, 2016, a public meeting of the Board of Trustees of the Groom Independent School District (the “Board”) was held to solicit input from interested parties on the application by Grandview Wind Farm III, LLC (“Grandview Wind Farm III” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Grandview Wind Farm III for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Evaluation under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Groom Independent School District makes the following Findings regarding the Application:

On or about the 19th day of October, 2015, the Board of Trustees for the Groom Independent School District received an Application for Appraised Value Limitation on Qualified Property from Grandview Wind Farm III, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for design and construction of a [renewable] wind-powered electric generating facility (the “Property”). See Application, Tab 4, attached hereto as Attachment A and Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about October 26, 2015. Thereafter, on or about December 18, 2015, the District, on behalf of the Applicant, submitted revised pages in response to a deficiency letter, and the Comptroller issued its notice of completeness on or about January 11, 2016¹, the Application Review Start Date. Thereafter, on behalf of the Applicant, the District submitted an Amendment No. 01 (revised pages 1 and 2 and Schedule C) on or about March 16, 2016. The Application, deficiency response, and Amendment No. 01 are hereafter collectively referred to as the

¹The Comptroller’s letter is dated January 11, 2015, but indicates in the second sentence that the Application is determined to be complete as of January 11, 2016. The January 11, 2015 date at the top of the letter is a typographical error and, therefore, the Application Review Start Date is January 11, 2016 as indicated in the body of the Comptroller’s letter.

“Application.” A copy of the Application and Comptroller’s completeness letter of January 11, 2016 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Grandview Wind Farm III, LLC is 32052353995. Grandview Wind Farm III is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

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

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

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

The Application was reviewed by the Texas Comptroller’s Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller’s Office caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on April 4, 2016 that the Application be approved (the “Certification”). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

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

The Board has confirmed that the taxable value of industrial property applicable to the Grandview Wind Farm III Application in the Groom Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 3 of §313.054 of the Texas Tax Code at the time the Certification was issued. *See* Comptroller’s “2014 ISD Summary Worksheet” and “2015 ISD Summary Worksheet,” collectively attached hereto as Attachment G; *see also* Attachment D.

The District’s Board of Trustees, by resolution dated May 19, 2016, granted Applicant’s request to extend the statutory deadline by which the District must consider its Application up to the maximum time allowed, i.e., December 31, 2016, and the Comptroller was provided notice of this extension, as set out under 34 Texas Administrative Code §9.1054(d). *See* Notice to Applicant and Resolution authorizing the extension of consideration period, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Grandview Wind Farm III regarding the specific language to be included in the Agreement for

Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. Some of the terms agreed to by the parties varied from the specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code §9.1055(e)(1). At the specific direction of the Comptroller’s Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller’s Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of September 2, 2016, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

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

Board Finding Number 1.

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

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

Determination required by 313.025(h)

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

* * *

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

See Attachment C. See also Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

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

In support of Finding Number 2, the Certification states:

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

See Attachment C.

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

Attachment B - Tax Revenue over 25 Years

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

[see table on next page]

	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	\$208,000	\$208,000	\$213,200	\$213,200
	2018	\$208,000	\$416,000	\$196,352	\$409,552
	2019	\$208,000	\$624,000	\$179,504	\$589,056
	2020	\$208,000	\$832,000	\$162,656	\$751,712
	2021	\$208,000	\$1,040,000	\$145,808	\$897,520
	2022	\$208,000	\$1,248,000	\$128,960	\$1,026,480
	2023	\$208,000	\$1,456,000	\$112,112	\$1,138,592
	2024	\$208,000	\$1,664,000	\$95,264	\$1,233,856
	2025	\$208,000	\$1,872,000	\$78,416	\$1,312,272
	2026	\$208,000	\$2,080,000	\$61,568	\$1,373,840
Maintain Viable Presence (5 Years)	2027	\$252,720	\$2,332,720	\$0	\$1,373,840
	2028	\$235,872	\$2,568,592	\$0	\$1,373,840
	2029	\$219,024	\$2,787,616	\$0	\$1,373,840
	2030	\$202,176	\$2,989,792	\$0	\$1,373,840
	2031	\$185,328	\$3,175,120	\$0	\$1,373,840
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$168,480	\$3,343,600	\$0	\$1,373,840
	2033	\$151,632	\$3,495,232	\$0	\$1,373,840
	2034	\$134,784	\$3,630,016	\$0	\$1,373,840
	2035	\$117,936	\$3,747,952	\$0	\$1,373,840
	2036	\$105,300	\$3,853,252	\$0	\$1,373,840
	2037	\$105,300	\$3,958,552	\$0	\$1,373,840
	2038	\$105,300	\$4,063,852	\$0	\$1,373,840
	2039	\$105,300	\$4,169,152	\$0	\$1,373,840
	2040	\$105,300	\$4,274,452	\$0	\$1,373,840
	2041	\$105,300	\$4,379,752	\$0	\$1,373,840
		\$4,379,752	is greater than	\$1,373,840	
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

Source: CPA, Grandview Wind Farm III

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.

See Attachment D.

Board Finding Number 3.

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

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports the industry standard for employment is typically one full-time employee for approximately every 15 turbines, and that 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. Applicant reports it will create 2 jobs for 16-20 GE 1.79 or 2.0 MW turbines (for a 28 to 40 MW capacity wind farm) proposed for this portion of the project, which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See also Attachments A and D.

Board Finding Number 4.

The Applicant will create two (2) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; and (3) an annual wage of \$50,000, an amount equal to at least 110% of the average weekly wage for manufacturing jobs in the region.

See Attachments A, D and J.

Board Finding Number 5.

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

See Attachment C.

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

The Comptroller **has determined** that the limitation on appraised value is a determining factor in Grandview Wind Farm III, LLC’s 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:

- The applicant states that current business activities at the proposed project site “are preliminary in nature and part of the pre-construction development of the Project by Applicant, and the determination by Applicant whether the Project location and the development and operation of the Project are financially feasible.” Grandview Wind Farm III states that “this project is still in the mid to late-stages of development” and that “further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects.”
- Per the applicant, “a Chapter 313 Appraised Value Limitation with Groom ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the Project.”
- Grandview Wind Farm III is “a Delaware limited liability company formed to develop, build, own and operate the Grandview III Project. Applicant is a wholly-owned subsidiary of E.ON Climate & Renewables North America, LLC, a Delaware limited liability company (“E.ON”).” E.ON Climate & Renewables North America, LLC, is a global company. According to the application, E.ON currently owns 12 other projects “including 9 in Texas, 1 in Oklahoma, 1 in Illinois, and 1 in Pennsylvania” that have all “pre-qualified for the Federal Production Tax Credit that E.ON is considering in its investment decisions.”

See Attachment D.

Board Finding Number 6.

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

See Attachments A and D.

Board Finding Number 7.

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

In support of this Finding, McDowell & Brown, LLC estimate in the District’s Financial Impact

Report, based on Grandview Wind Farm III's Application, that the project would add \$40,500,000 to the tax base at the peak investment level for tax year 2017. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Schedule B of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains from the proposed Agreement are estimated to be \$700,000. See Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 8.

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

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

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new two positions equates to 1 new student.

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

See Table VII of Attachment E. See also TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 9.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled "Taxes w/o Agreement"), and is further based on the assumption that the

projected total maintenance and operations tax rate and per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.04	0.044	0	0	0	0
2016-2017	1.17	0.027	0	0	0	0
2017-2018	1.17	0.026	473,850	239,850	(222,464)	17,386
2018-2019	1.17	0.027	454,896	220,896	0	220,896
2019-2020	1.17	0.028	435,942	201,942	0	201,942
2020-2021	1.17	0.029	416,988	182,988	0	182,988
2021-2022	1.17	0.030	398,034	164,034	0	164,034
2022-2023	1.17	0.032	379,080	145,080	0	145,080
2023-2024	1.17	0.033	360,126	126,126	0	126,126
2024-2025	1.04	0.034	303,264	95,264	0	95,264
2025-2026	1.04	0.036	286,416	78,416	0	78,416
2026-2027	1.17	0.038	303,264	69,264	(593)	68,671
2027-2028	1.17	0.000	284,310	0	0	0
2028-2029	1.17	0.000	265,356	0	0	0
2029-2030	1.17	0.000	246,402	0	0	0
2030-2031	1.17	0.000	227,448	0	0	0
2031-2032	1.17	0.000	208,494	0	0	0
Totals			5,043,870	1,523,860	(223,057)	1,300,803

See also Table 3 of Attachment D.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

[see table on next page]

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.04	0.044	0	0	0	0
2016-2017	1.17	0.027	0	0	0	0
2017-2018	1.17	0.026	473,850	239,850	(222,464)	17,386
2018-2019	1.17	0.027	454,896	220,896	0	220,896
2019-2020	1.17	0.028	435,942	201,942	0	201,942
2020-2021	1.17	0.029	416,988	182,988	0	182,988
2021-2022	1.17	0.030	398,034	164,034	0	164,034
2022-2023	1.17	0.032	379,080	145,080	0	145,080
2023-2024	1.17	0.033	360,126	126,126	0	126,126
2024-2025	1.04	0.034	303,264	95,264	0	95,264
2025-2026	1.04	0.036	286,416	78,416	0	78,416
2026-2027	1.17	0.038	303,264	69,264	(593)	68,671
2027-2028	1.17	0.000	284,310	0	0	0
2028-2029	1.17	0.000	265,356	0	0	0
2029-2030	1.17	0.000	246,402	0	0	0
2030-2031	1.17	0.000	227,448	0	0	0
2031-2032	1.17	0.000	208,494	0	0	0
Totals			5,043,870	1,523,860	(223,057)	1,300,803

See also Table 4 of Attachment D.

Board Finding Number 11.

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

See Attachments A, B, C and D.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32052353995) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

See Attachments A, B and C.

Board Finding Number 13.

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

See Attachment A, Tabs 11 and 16.

Board Finding Number 14.

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

In support of this Finding and based on the information provided by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax years 2017 (estimated \$222,464) and 2026 (estimated \$593). However, the negative consequences of granting the value limitation are offset through the revenue protection provision of the Agreement and other revenue protection provisions agreed to by the Applicant and the District. See Table II in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 15.

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

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016.

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

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

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

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

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

Dated this 26th day of September, 2016.

Groom Independent School District

By Cara Ashford
Signature

CARA ASHFORD BOARD MEMBER
Printed Name and Title

Attest:

By Cecil Gwyn
Signature

Cecil Gwyn BOARD MEMBER
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Certification Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2014 and 2015 ISD Summary Worksheets
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's September 2, 2016 Agreement Review Letter
J	Job Waiver Request
K	Notice and Resolution regarding Extension Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

January 11, 2015

Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, Texas 79039

Dear Superintendent Lamb:

On October 26, 2015, the Comptroller's office received from Groom Independent School District (Groom ISD) an application from Grandview Wind Farm III, LLC for a limitation on appraised value (App #1108).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on January 11, 2016.

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

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

Should you have any questions, please contact TJ Costello with our office. He can be reached by email at TJ.Costello@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3793, or direct in Austin at 512-463-3793.

Sincerely,

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

Korry Castillo
Director
Data Analysis & Transparency Division

cc: James Wester, Underwood
Paul Bowman and Dennis Stout, EC&R Development, LLC

FORM 50-296-A

**Chapter 313 Application
Appraised Value Limitation by
Grandview Wind Farm III, LLC**

to

Groom Independent School District

Monday, October 19, 2015

Attachment to Application for Chapter 313 Appraised Value Limitation
by Grandview Wind Farm III, LLC to Groom ISD



TAB 1

Groom ISD Form 50-296-A



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

October 19, 2015

Date Application Received by District

Jay

First Name

Lamb

Last Name

Superintendent

Title

Groom Independent School District

School District Name

304 W 3rd St

Street Address

Mailing Address

Groom

City

806-248-7557

Phone Number

806-346-1985

Mobile Number (optional)

TX

State

(806) 248-7949

Fax Number

jay.lamb@region16.net

Email Address

79039

ZIP

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



SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

James Wester
Attorney
Underwood Law
806-379-0354 (806) 379-0316
806-570-1120 james.wester@uwlaw.com

- 4. On what date did the district determine this application complete? October 22, 2015
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Paul Bowman
Senior Vice President
701 Brazos Street, Suite 1400
Austin TX 78701
512-477-7024 512-494-9581
paul.bowman@eon.com

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

Dennis Stout
Development Manager
701 Brazos Street, Suite 1400
Austin TX 78701
512-482-4080 512-494-9581
512-413-1804 dennis.stout@eon.com

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

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? Grandview Wind Farm III, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32052353995

3. List the NAICS code 221119 (1997 NAICS)

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

New application for Panhandle ISD (App. #1107) and White Deer ISD (App. #1109), submitted October 2015

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) limited liability corporation

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No

2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? Yes No

4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

1. Application approval by school board March 2016
 2. Commencement of construction April 2016
 3. Beginning of qualifying time period March 2016
 4. First year of limitation January 2017
 5. Begin hiring new employees September 2016
 6. Commencement of commercial operations December 31, 2016
 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 31, 2016

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Carson (100%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Carson 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>Carson, \$.538008 (100%)</u> <small>(Name, tax rate and percent of project)</small>	City: _____ <small>(Name, tax rate and percent of project)</small>
Hospital District: _____ <small>(Name, tax rate and percent of project)</small>	Water District: <u>Panhandle Groundwater Consv, \$.0079 (100%)</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): _____ <small>(Name, tax rate and percent of project)</small>	Other (describe): _____ <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).

3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? _____

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

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

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2015
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,488.50
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,637.08
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 926.98
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? 48,203.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 50,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

TAB 2



353 N. Clark St., 30th Floor, Chicago, IL 60654
T 312-923-9463; F 312-923-9469
www.eon.com

Groom Independent School District
304 W 3rd St
Groom TX 79039

Date: 09/23/2015
Page: 1

Account: 2379100

Date	Invoice No	Reference	Deductions	Gross amount
09/16/2015	PYMTREQ09162015	CHAPTER 313 APPLICATION PAYMENT	0.00	80,000.00
				80,000.00

E.ON Climate & Renewables North America, LLC
EC&R Development, LLC

0000100399
1-2/210

DATE September 23, 2015

PAY TO THE
ORDER OF Groom Independent School District \$ 80,000.00
EIGHTY THOUSAND and 00/100 DOLLARS

JPMorgan Chase Bank, N.A.
New York, NY

TAB 3



05-165
(Rev. 9-11/0)

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298 Franchisee

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

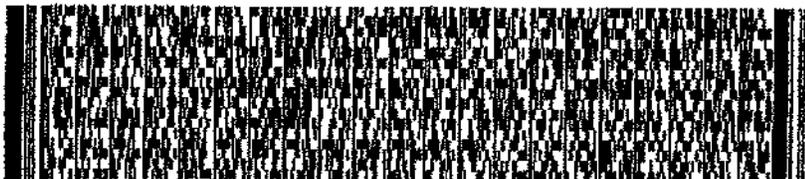
1	2	0	0	0	7	5	1	6	8	0	2	0	1	5	E.ON Climate & Renewables North America, LLC
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	--

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)										BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE REBUS IN TEXAS	
1. EC&R SERVICES, LLC	3	2	0	4	2	2	0	6	6	1	8	<input type="radio"/>
2. EC&R ENERGY MARKETING, LLC	3	2	0	4	1	7	0	8	3	4	1	<input type="radio"/>
3. EC&R DEVELOPMENT, LLC	3	2	0	3	9	4	5	1	5	3	2	<input type="radio"/>
4. MUNNSVILLE INVESTCO, LLC	3	0	0	5	4	3	4	7	1			<input checked="" type="radio"/>
5. FOREST CREEK INVESTCO, INC.	1	7	1	0	9	9	2	4	7	2	4	<input checked="" type="radio"/>
6. EC&R INVESTCO MGMT II, LLC	9	0	0	5	4	4	2	4	8			<input checked="" type="radio"/>
7. EC&R NA SOLAR PV, LLC	3	2	0	4	3	7	1	6	9	8	7	<input checked="" type="radio"/>
8. CORDOVA WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="radio"/>
9. EC&R ASSET MANAGEMENT, LLC	3	2	0	3	3	6	2	0	9	0	0	<input checked="" type="radio"/>
10. EC&R INVESTCO MGMT, LLC	2	7	1	7	6	8	9	4	3			<input checked="" type="radio"/>
11. EC&R O&M, LLC	3	2	0	3	0	3	5	4	8	4	2	<input type="radio"/>
12. INADALE WIND FARM, LLC	3	2	0	3	3	8	2	6	0	6	9	<input type="radio"/>
13. PYRON WIND FARM, LLC	3	2	0	3	3	8	2	6	0	9	3	<input type="radio"/>
14. SETTLERS TRAIL WIND FARM, LLC	2	7	2	3	0	1	2	4	5			<input checked="" type="radio"/>
15. EC&R PANTHER CREEK WIND FARM III, LLC	3	2	0	3	7	4	3	1	6	6	8	<input type="radio"/>
16. EC&R QSE, LLC	3	2	0	3	3	7	5	9	0	2	1	<input type="radio"/>
17. EC&R SHERMAN, LLC	3	2	0	3	7	1	3	2	8	1	1	<input checked="" type="radio"/>
18. FLATLANDS WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="radio"/>
19. PANTHER CREEK SOLAR, LLC	3	2	0	5	2	4	1	5	3	8	0	<input type="radio"/>
20. EC&R SOLAR DEVELOPMENT, LLC	3	2	0	5	1	5	2	1	5	2	7	<input type="radio"/>
21. ANACACHO WIND FARM, LLC	3	2	0	4	4	5	5	9	1	2	1	<input type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="radio"/>	FM	<input type="radio"/>
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05-105
(Rev. 9-11-03)

Texas Franchise Tax Extension Affiliate List

TCODE 13298 Franchise

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

1 2 0 0 0 7 5 1 6 8 0

2 0 1 5

E.ON Climate & Renewables North America, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. MUNNSVILLE WF HOLDCO, LLC	2 6 1 9 5 2 0 7 7	<input checked="" type="radio"/>
2. MUNNSVILLE WIND FARM, LLC	2 6 1 9 5 2 0 7 7	<input checked="" type="radio"/>
3. PIONEER TRAIL WIND FARM, LLC	8 0 0 6 4 2 2 8 0	<input checked="" type="radio"/>
4. YENADO WIND FARM, LLC	3 2 0 3 8 4 0 5 9 0 1	<input checked="" type="radio"/>
5. WILDCAT WIND FARM II, LLC	2 7 1 7 6 8 9 4 3	<input checked="" type="radio"/>
6. PATRIOT WIND FARM, LLC	3 2 0 4 8 3 9 8 8 8 0	<input type="radio"/>
7. MARICOPA WEST SOLAR PV, LLC	9 0 0 6 4 1 8 6 0	<input checked="" type="radio"/>
8. TECH PARK SOLAR, LLC	4 5 1 1 7 7 9 1 3	<input checked="" type="radio"/>
9. TIPTON WIND, LLC	2 7 1 7 6 8 9 4 3	<input checked="" type="radio"/>
10. VALENCIA SOLAR, LLC	3 0 0 6 2 9 7 4 9	<input checked="" type="radio"/>
11. ALAMO SOLAR, LLC	3 7 1 7 7 0 0 5 1	<input checked="" type="radio"/>
12. MARICOPA EAST SOLAR PV, LLC	9 0 0 6 4 1 8 6 0	<input checked="" type="radio"/>
13. MARICOPA EAST SOLAR PV 2, LLC	9 0 0 6 4 1 8 6 0	<input checked="" type="radio"/>
14. BEACON SOLAR PV, LLC	8 0 0 9 4 7 3 0 2	<input checked="" type="radio"/>
15. WEST OF THE PECOS SOLAR, LLC	3 2 0 5 1 5 0 6 3 8 7	<input type="radio"/>
16. ROSE ROCK WIND FARM, LLC	2 7 1 7 6 9 6 3 1	<input checked="" type="radio"/>
17. WILDCAT WIND FARM III, LLC	2 7 1 7 6 8 9 4 3	<input checked="" type="radio"/>
18. MAGIC VALLEY WIND FARM II, LLC	3 2 0 6 2 2 2 9 9 0 6	<input type="radio"/>
19. GRANDVIEW WIND FARM, LLC	3 2 0 5 1 2 2 1 7 2 2	<input type="radio"/>
20. SNOW SHOE WIND FARM, LLC	2 7 1 7 6 8 9 4 3	<input checked="" type="radio"/>
21. STELLA WIND FARM, LLC	3 2 0 5 1 2 4 5 1 4 3	<input type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM





05-103
(REV. 9-11-03)

Texas Franchise Tax Extension Affiliate List

Code 13298 Franchise

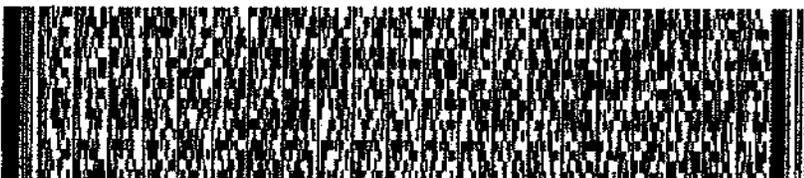
Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
1 2 0 0 0 7 5 1 6 8 0	2 0 1 5	E.ON Climate & Renewables North America, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE Nexus IN TEXAS
1. CARDINAL WIND FARM, LLC	2 7 1 7 6 8 9 4 3	<input checked="" type="radio"/>
2. GRANDVIEW WIND FARM II, LLC	3 2 0 5 2 3 5 4 0 1 9	<input type="radio"/>
3. GRANDVIEW WIND FARM III, LLC	3 2 0 5 2 3 5 3 9 9 5	<input type="radio"/>
4. MAGIC VALLEY WIND FARM III, LLC	3 2 0 5 2 3 5 3 9 8 7	<input type="radio"/>
5. STELLA WIND FARM II, LLC	3 2 0 5 2 3 5 3 9 7 9	<input type="radio"/>
6. VICI WIND FARM, LLC	2 7 1 7 6 9 6 3 1	<input checked="" type="radio"/>
7. TWIN FORKS WIND FARM, LLC	2 7 1 7 6 9 6 3 1	<input checked="" type="radio"/>
8. EC&R INVESTCO EPC MGMT, LLC	3 2 0 5 2 4 8 9 5 7 5	<input type="radio"/>
9. FOREST CREEK WF HOLDCO, LLC	1 2 6 2 3 6 3 4 1 4 9	<input checked="" type="radio"/>
10. FOREST CREEK WIND FARM, LLC	3 2 0 1 8 6 6 8 7 0 0	<input type="radio"/>
11. SAND BLUFF WF HOLDCO, LLC	1 2 6 1 8 0 4 5 2 6 9	<input checked="" type="radio"/>
12. SAND BLUFF WIND FARM, LLC	3 2 0 1 9 9 7 2 5 9 8	<input type="radio"/>
13. ROSCOE WF HOLDCO, LLC	1 2 6 2 0 8 2 9 0 2 3	<input checked="" type="radio"/>
14. ROSCOE WIND FARM, LLC	3 2 0 2 0 2 8 8 3 0 7	<input type="radio"/>
15. CHAMPION WF HOLDCO, LLC	1 2 6 1 8 1 5 1 7 1 1	<input checked="" type="radio"/>
16. CHAMPION WIND FARM, LLC	3 2 0 2 6 1 0 4 9 0 4	<input type="radio"/>
17. PANTHER CREEK WIND FARM I&II, LLC	3 2 0 3 3 8 2 6 2 4 2	<input type="radio"/>
18. E.ON CARBON SOURCING NORTH AMERICA LL	3 2 0 3 6 1 9 4 3	<input checked="" type="radio"/>
19. BOILING SPRINGS WIND FARM, LLC	2 7 1 7 6 9 6 3 1	<input checked="" type="radio"/>
20. TIERRA BLANCA WIND FARM, LLC	3 2 0 5 5 7 5 1 2 4 5	<input type="radio"/>
21. CATTLEMEN WIND FARM, LLC	3 2 0 5 5 7 2 8 2 7 6	<input type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-104 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="radio"/>	FM	<input type="radio"/>
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Texas Franchise Tax Extension Affiliate List

Tcode 13298 Franchise

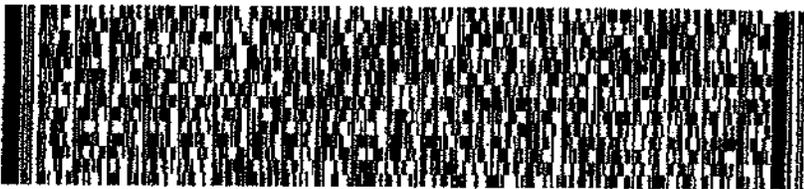
Reporting entity taxpayer number: 1 2 0 0 0 7 5 1 6 8 0
 Report year: 2 0 1 5
 Reporting entity taxpayer name: E.ON Climate & Renewables North America, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE Nexus IN TEXAS
1. E.ON ENERGY SERVICES, LLC	3 2 0 5 5 9 4 2 8 6 9	<input type="radio"/>
2. EC&R FT. HUACHUCA SOLAR, LLC	9 0 0 6 4 1 8 6 0	<input checked="" type="radio"/>
3. KASSON MANTECA SOLAR, LLC	8 0 0 9 4 7 3 0 2	<input checked="" type="radio"/>
4. VALLEY CENTER SOLAR, LLC	8 0 0 9 4 7 3 0 2	<input checked="" type="radio"/>
5. MARICOPA WEST SOLAR PV 2, LLC	9 0 0 6 4 1 8 6 0	<input checked="" type="radio"/>
6. FORTUNA SOLAR, LLC	8 0 0 9 4 7 3 0 2	<input checked="" type="radio"/>
7. THREE ROCKS SOLAR, LLC	8 0 0 9 4 7 3 0 2	<input checked="" type="radio"/>
8. MAGIC VALLEY WIND FARM I, LLC	3 2 0 4 2 8 4 5 6 4 7	<input type="radio"/>
9. WILDCAT WIND FARM I, LLC	3 2 0 4 3 1 1 2 0 7 0	<input checked="" type="radio"/>
10. EC&R GRANDVIEW HOLDCO, LLC	2 7 1 7 8 8 9 4 3	<input checked="" type="radio"/>
11. EC&R MAGICAT HOLDCO, LLC	9 0 0 5 4 4 2 4 8	<input checked="" type="radio"/>
12. MAGICAT HOLDCO, LLC	3 8 3 9 5 4 8 7 9	<input checked="" type="radio"/>
13.		<input type="radio"/>
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18.		<input type="radio"/>
19.		<input type="radio"/>
20.		<input type="radio"/>
21.		<input type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

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Grandview Wind Farm III, LLC, Texas tax payer identification number 32052353995, is a limited liability corporation first organized and registered with the Secretary of State on October 31, 2013. As of the date of this letter, the Grandview Wind Farm III, LLC has not been required to file a franchise tax report. As of the first applicable filing period, Grandview Wind Farm III, LLC will be a member of a combined group as defined by Texas Tax Code 171.0001 (7). The reporting entity taxpayer name is E.ON Climate & Renewables North America, LLC, Texas tax payer identification number 12000751680.

With kind regards,

Paul Bowman
Senior Vice President

TAB 4

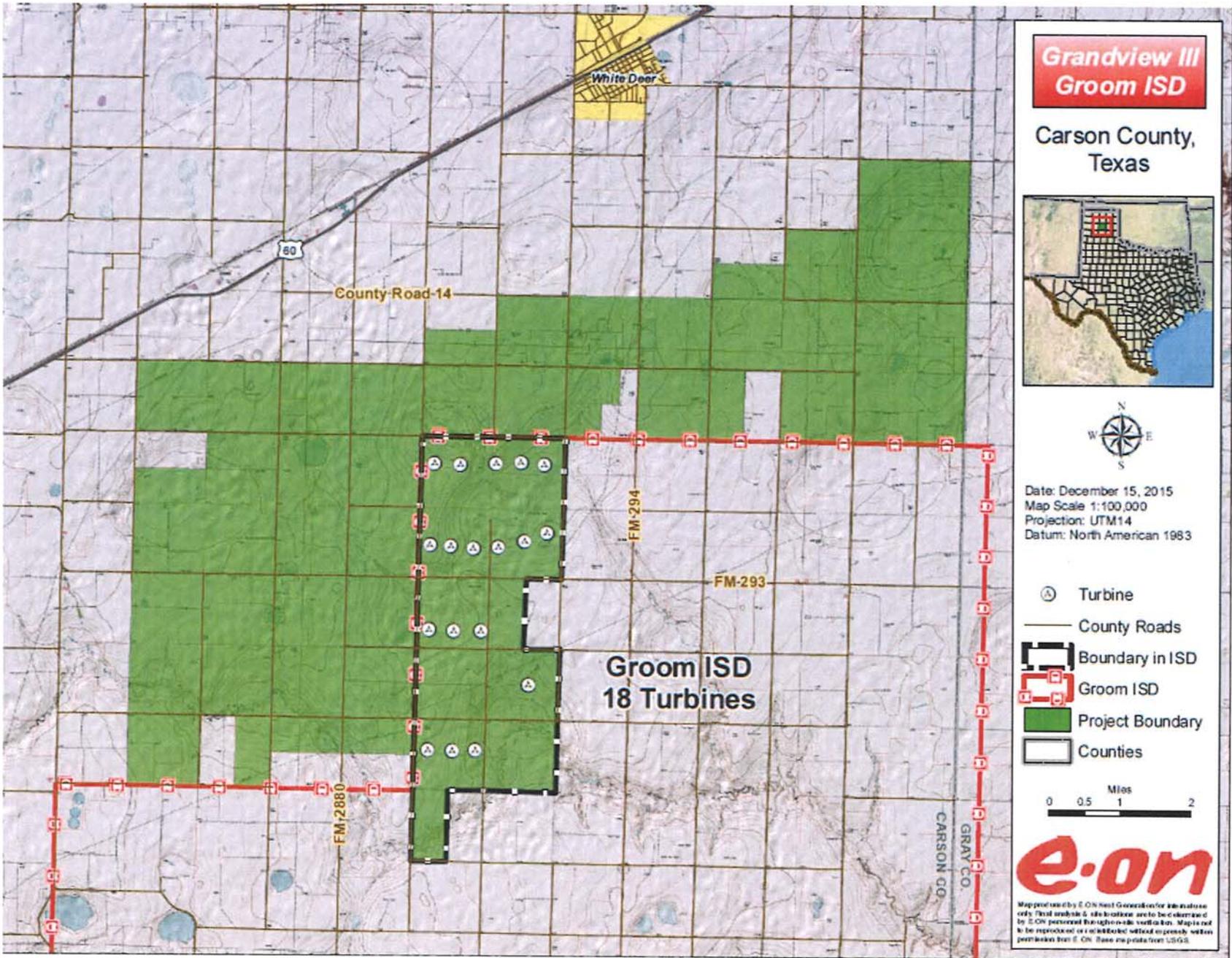
TAB 4
DETAILED DESCRIPTION OF THE PROJECT

Grandview Wind Farm III, LLC anticipates constructing a wind-powered electric generating facility consisting of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, to be located within the Groom ISD and the Carson County Reinvestment Zones (the "**Grandview III-Groom ISD Project**"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the completed Grandview III-Groom Project. Applicant currently plans to install 16 to 20 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of 28 MW to 40 MW to be located within the Grandview III-Groom Project. Descriptions of the Carson County Reinvestment Zones are included in Tab 16. The project layout is not finalized at this time and we are unable to precisely pinpoint the final location of the wind turbine generators as stated above; however, a map showing the tentative location of the Grandview III-Groom Project is included in in Tabs 4, 7, 8, and 11. All Qualified Property and Qualified Investment will be located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones. The current land use for the private property on which the Grandview III-Groom Project will be located consists of farming, hunting, ranching, and oil and gas production (note that these uses can continue, as the Grandview III-Groom Project is designed to be compatible with such activities).

The improvements for the Grandview III-Groom Project located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones, and being part of the Qualified Property and Qualified Investment subject to this Application may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- Approximately 16 to 20 wind turbine generators and related foundations, with anchor bolt embeds and template rings will be located in Groom ISD
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including three 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 9 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables.

Construction of the Grandview III-Groom Project is anticipated to be complete by the fourth quarter of 2016.



**Grandview III
Groom ISD**

Carson County,
Texas



Date: December 15, 2015
 Map Scale 1:100,000
 Projection: UTM14
 Datum: North American 1983

- Turbine
- County Roads
- Boundary in ISD
- Groom ISD
- Project Boundary
- Counties



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TAB 5

Tab 5

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

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

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

Grandview Wind Farm III, LLC, a Delaware limited liability company ("**Applicant**"), was formed in 2013.

In support of its creation, the participating members and officers of the Applicant executed documents necessary to form the entity including an Operating Agreement.

Applicant and its parents, subsidiaries, and affiliates have entered into the following representative agreements and contracts for the development of a project phase within the Groom ISD, including the following:

- Grants of leases and easements covering approximately 29,607 acres with 84 landowners.
- Contracts for preliminary land work including work required to pre-qualify the Project for the Federal Production Tax Credit.
- The Tax Code Chapter 312 Tax Abatement Agreement and the other Applications for Chapter 313 Appraised Value Limitation described in Section 6 below.

All of these agreements are intended to be assigned to and held by the Applicant.

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

The business activities at the Project location and initial investments are preliminary in nature and part of the pre-construction development of the Project by Applicant, and the determination by Applicant whether the Project location and the development and operation of the Project are financially feasible. Applicant has determined that a Chapter 313 Appraised Value Limitation with Groom ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the Project.

6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?

The Project has received a Tax Code Chapter 312 Tax Abatement Agreement from Carson County, Texas for a period of 10 years.

In addition to this Chapter 313 Application for Appraised Value Limitation with Groom ISD (Comptroller Application #1108), Applicant has also applied for two additional Chapter 313 Applications for Appraised Value Limitation with White Deer ISD (Comptroller Application #1109) and Panhandle ISD (Comptroller Application #1107).

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

Applicant is a Delaware limited liability company formed to develop, build, own and operate the Grandview III Project. Applicant is a wholly-owned subsidiary of E.ON Climate & Renewables North America, LLC, a Delaware limited liability company (“E.ON”). E.ON is one of the world’s largest developers and owners of renewable power projects and is rapidly expanding its wind and solar energy portfolio. E.ON develops, owns, and operates some of the most efficient, highest performing renewable energy projects in the United States. Already active in onshore wind, and photovoltaic renewable generation, E.ON currently operates over 2,700 MW of renewable capacity and has a current onshore wind development pipeline of over 5,000 MW of independent power assets located throughout the United States, of which, currently 3,062 MW have the opportunity to be developed in Texas. E.ON has already invested \$12.3 billion in renewable energy projects and will continue to expand the share of renewable energy in E.ON’s power generation portfolio. E.ON currently owns and/or operates renewable capacity in Texas, New York, Pennsylvania, Illinois, Indiana, Arizona, and California, and has undeveloped assets throughout the United States. Already a leader in the American wind industry, E.ON is also actively building utility scale solar generation projects.

E.ON is actively assessing and developing other projects that are competing for limited investment funds. The Grandview III Project is one of 12 mid to late-stage projects owned by E.ON (including 9 in Texas, 1 in Oklahoma, 1 in Illinois, and 1 in Pennsylvania) that have been pre-qualified for the Federal Production Tax Credit that E.ON is considering in its investment decisions. This PTC is critical to the successful development of a wind project as is the Chapter 313 Appraised Value Limitation. In fact, E.ON elected to not build a Texas project, which had been selected for a long term power purchase agreement, because of the inability to obtain a Chapter 313 Appraised Value Limitation for the project. The Chapter 313 Appraised Value Limitation is critical to the ability of the Grandview III Project to obtain long-term financing and to maintain the economic competitiveness of the Project with other projects currently being developed in Texas by others.

The development resources and capital necessary to advance the Grandview III Project could be redeployed to other renewable energy development projects in other power markets in the United States. E.ON selected the Grandview III Project in Texas for its favorable wind

resource, access to the ERCOT market, and favorable property tax incentives under the Tax Code Chapter 312 Tax Abatement and Chapter 313 Appraised Value Limitation. E.ON desires to develop and build the proposed Grandview III Project described in this Application, but since this Project is still in the mid to late-stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the Chapter 313 Appraised Value Limitation to the feasibility of the Grandview III Project.

TAB 6

TAB 6
LIST OF DISTRICTS AND PERCENTAGES IN EACH DISTRICT

GROOM INDEPENDENT SCHOOL DISTRICT	17%
PANHANDLE INDEPENDENT SCHOOL DISTRICT	41%
WHITE DEER INDEPENDENT SCHOOL DISTRICT	42%

The Grandview III-Groom Project is part of a larger overall wind farm project that Grandview Wind Farm III, LLC anticipates constructing with approximately 94 to 105 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of approximately 157 megawatts ("MW") to 188 MW to be located in Carson County, Texas, and across three (3) different school districts: Groom ISD, Panhandle ISD, and White Deer ISD (the "**Grandview III Project**").

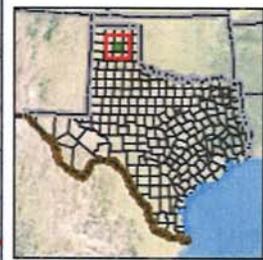
(i) Approximately 17% of the Qualified Investment/Qualified Property of the Grandview III Project which is the subject of this Application (Comptroller Application #1108) is projected to be located within the boundaries of both the Groom ISD and the Carson County Reinvestment Zones, (ii) approximately 41% of the Qualified Investment/Qualified Property of the Grandview III Project which is the subject of a separate Chapter 313 Application for Appraised Value Limitation with Panhandle ISD (Comptroller Application #1107) is projected to be located within the boundaries of both the Panhandle ISD and the Carson County Reinvestment Zones, and (iii) approximately 42% of the Qualified Investment/Qualified Property of the Grandview III Project which is the subject of a separate Chapter 313 Application for Appraised Value Limitation with White Deer ISD (Comptroller Application #1109) is projected to be located within the boundaries of both the White Deer ISD and the Carson County Reinvestment Zones. Descriptions of the Carson County Reinvestment Zones are included in Tab 16. A map showing the location of the larger overall Grandview III Project located across the boundaries of Groom ISD, Panhandle ISD, and White Deer ISD is set forth below.

At this time, we are projecting a total new investment that will become Qualified Property for the Grandview III Project of approximately \$250,000,000, with approximately 17% of the Qualified Property in Groom ISD, approximately 41% of the Qualified Property in Panhandle ISD, and approximately 42% of the Qualified Property in White Deer ISD.

Descriptions of the Carson County Reinvestment Zones are included in Tab 16. A map showing the location of the larger overall Grandview III Project located across the boundaries of Groom ISD, Panhandle ISD, and White Deer ISD is set forth below.

**Grandview III
School Districts**

Carson County,
Texas

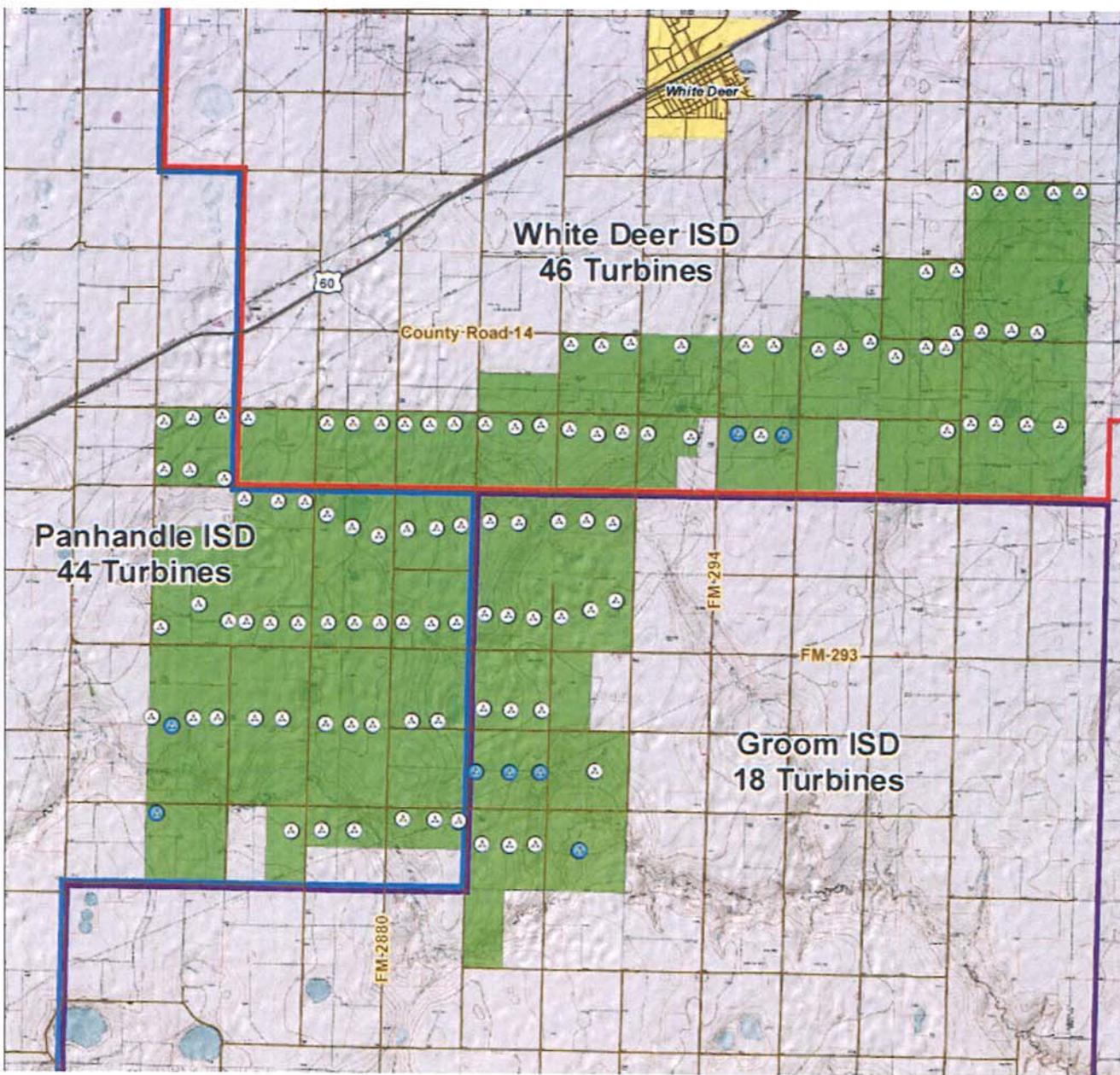


Date: December 15, 2015
Map Scale: 1:100,000
Projection: UTM14
Datum: North American 1983

- Turbine
- Alternate
- County Roads
- Groom ISD
- Panhandle ISD
- White Deer ISD
- Project Boundary



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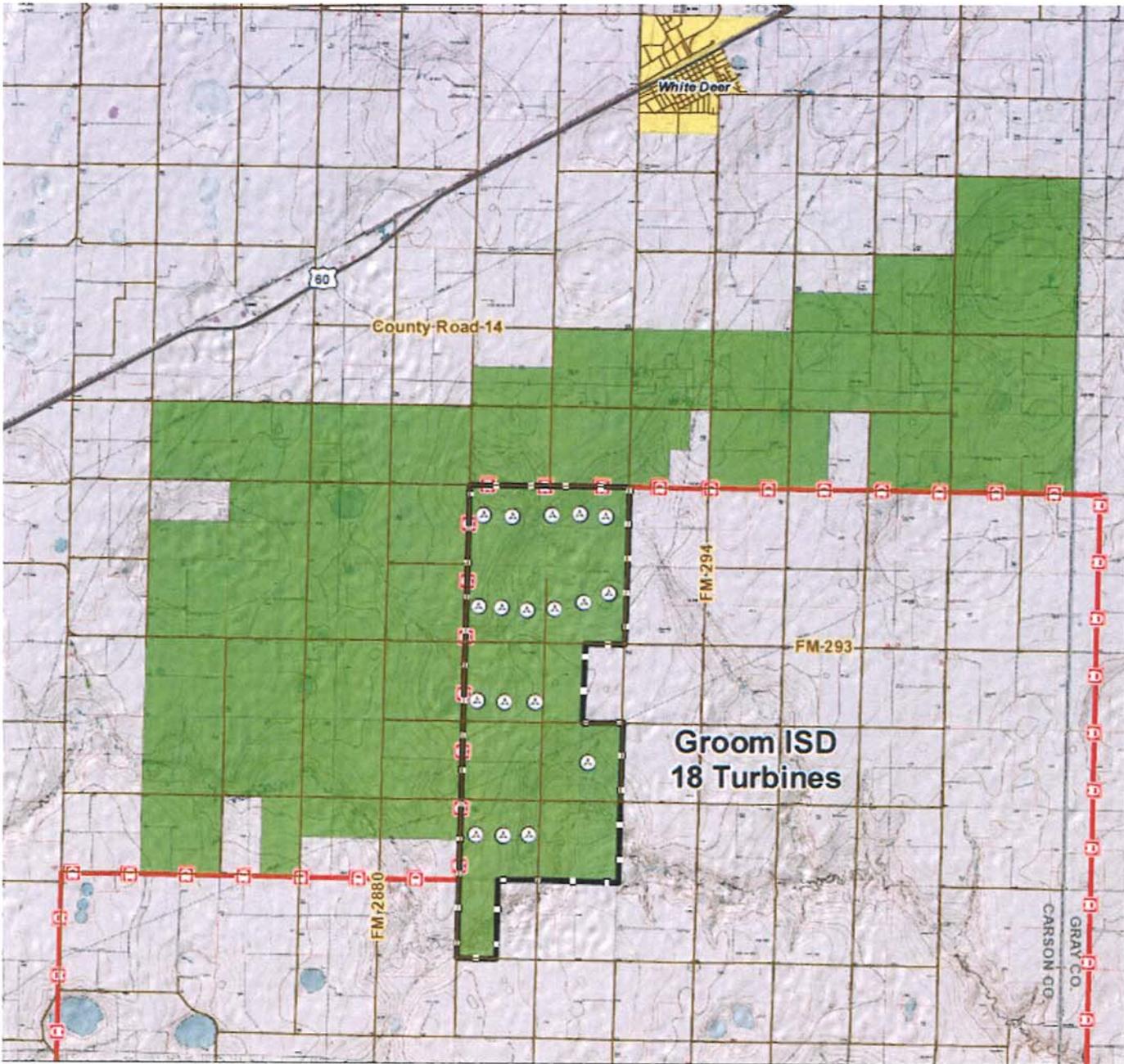
TAB 7

TAB 7
DESCRIPTION OF QUALIFIED INVESTMENT

Grandview Wind Farm III, LLC anticipates constructing a wind-powered electric generating facility consisting of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, to be located within the Groom ISD and the Carson County Reinvestment Zones (the "**Grandview III-Groom ISD Project**"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the completed Grandview III-Groom Project. Applicant currently plans to install 16 to 20 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of 28 MW to 40 MW to be located within the Grandview III-Groom Project. Descriptions of the Carson County Reinvestment Zones are included in Tab 16. The project layout is not finalized at this time and we are unable to precisely pinpoint the final location of the wind turbine generators as stated above; however, a map showing the tentative location of the Grandview III-Groom Project is included in in Tabs 4, 7, 8, and 11. All Qualified Property and Qualified Investment will be located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones. The current land use for the private property on which the Grandview III-Groom Project will be located consists of farming, hunting, ranching, and oil and gas production (note that these uses can continue, as the Grandview III-Groom Project is designed to be compatible with such activities).

The improvements for the Grandview III-Groom Project located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones, and being part of the Qualified Property and Qualified Investment subject to this Application may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- Approximately 16 to 20 wind turbine generators and related foundations, with anchor bolt embeds and template rings will be located in Groom ISD
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including three 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 9 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables.



**Grandview III
Groom ISD**

Carson County,
Texas



Date: December 15, 2015
 Map Scale: 1:100,000
 Projection: UTM14
 Datum: North American 1983

-  Turbine
-  County Roads
-  Boundary in ISD
-  Groom ISD
-  Project Boundary
-  Counties



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TAB 8

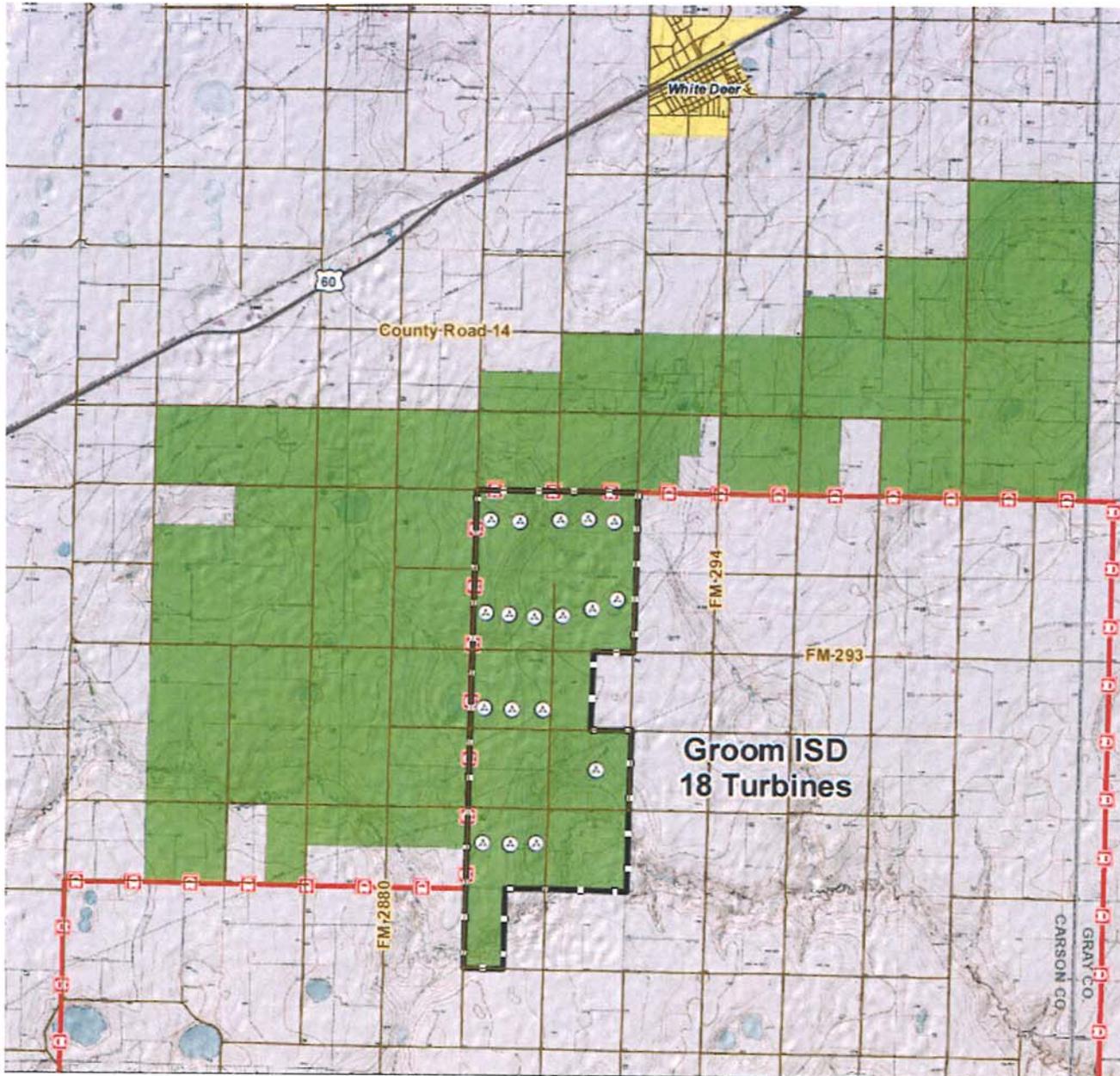
TAB 8

DESCRIPTION OF QUALIFIED PROPERTY

Grandview Wind Farm III, LLC anticipates constructing a wind-powered electric generating facility consisting of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, to be located within the Groom ISD and the Carson County Reinvestment Zones (the "**Grandview III-Groom ISD Project**"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the completed Grandview III-Groom Project. Applicant currently plans to install 16 to 20 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of 28 MW to 40 MW to be located within the Grandview III-Groom Project. Descriptions of the Carson County Reinvestment Zones are included in Tab 16. The project layout is not finalized at this time and we are unable to precisely pinpoint the final location of the wind turbine generators as stated above; however, a map showing the tentative location of the Grandview III-Groom Project is included in in Tabs 4, 7, 8, and 11. All Qualified Property and Qualified Investment will be located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones. The current land use for the private property on which the Grandview III-Groom Project will be located consists of farming, hunting, ranching, and oil and gas production (note that these uses can continue, as the Grandview III-Groom Project is designed to be compatible with such activities).

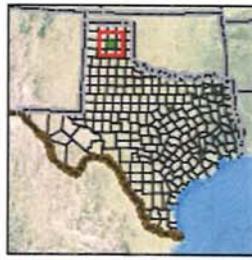
The improvements for the Grandview III-Groom Project located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones, and being part of the Qualified Property and Qualified Investment subject to this Application may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- Approximately 16 to 20 wind turbine generators and related foundations, with anchor bolt embeds and template rings will be located in Groom ISD
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including three 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 9 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables.



**Grandview III
Groom ISD**

Carson County,
Texas



Date: December 15, 2015
Map Scale: 1:100,000
Projection: UTM14
Datum: North American 1983

- Turbine
- County Roads
- Boundary in ISD
- Groom ISD
- Project Boundary
- Counties



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TAB 9

Grandview Wind Farm III, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 9
Section 12 – Description of Property

Carson County, Block 7, Sections 244, 237,

45, 245, 236,

61, 62, 63, 64, 65, 66, 246, 235,

76, 75, 74, 73, 72, 71, 70, 69, 68, 67, 247, 234,

79, 80, 81, 82, 83, 84,

93, 94, 95, 96, 97, 98,

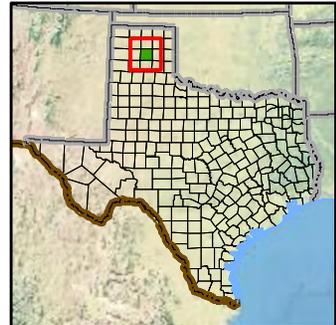
101, 102, 103, 104, 105, 106,

120, 119, 118, 117, 116, 115,

123, 124, 125, 126, 127, 128,

Grandview III Groom ISD

Carson County, Texas

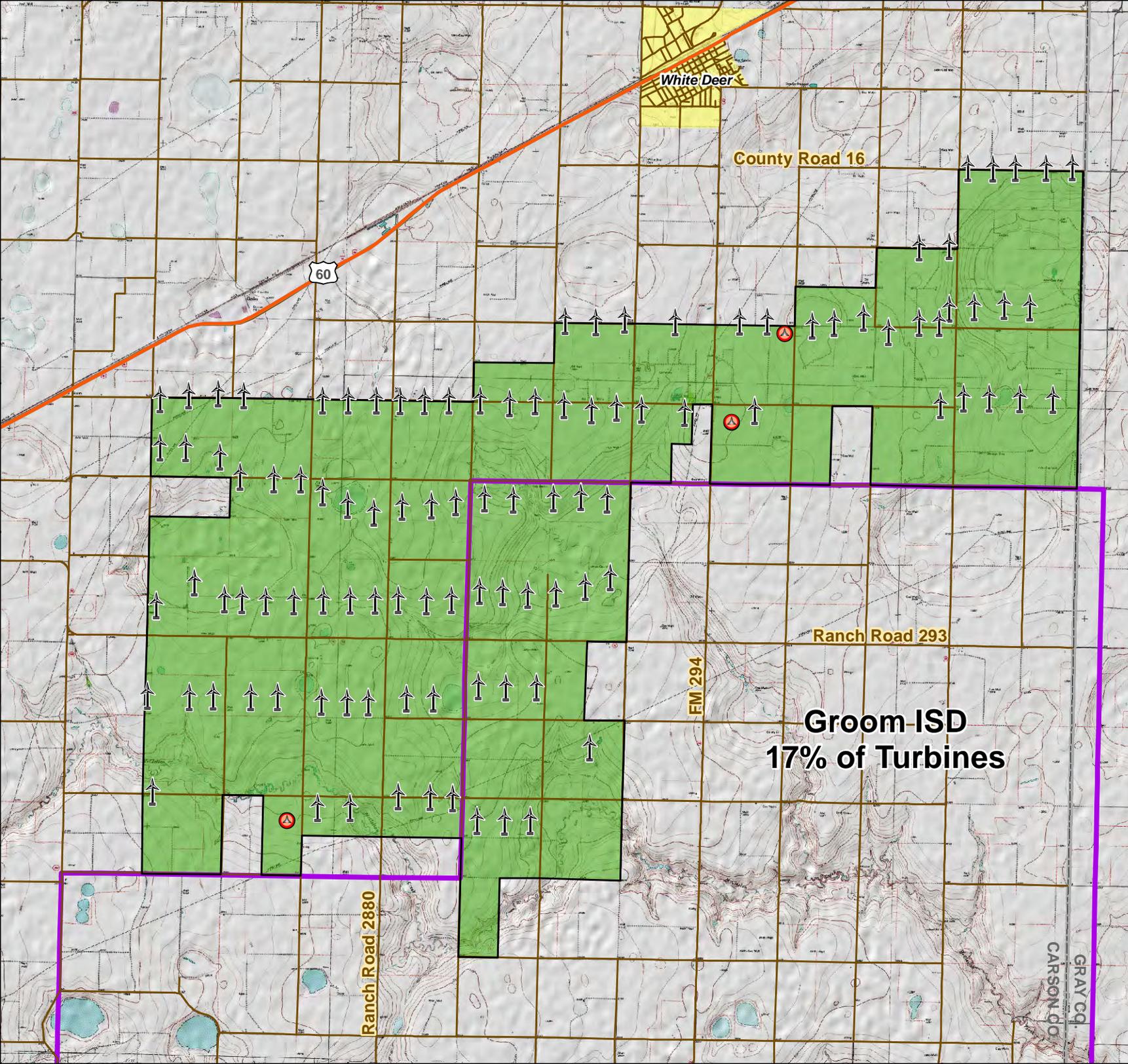


Date: October 13, 2015
Map Scale 1:100,000
Projection: UTM14
Datum: North American 1983

- Turbine
- Alternate
- County Roads
- Groom ISD
- Project Boundary
- Counties



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Groom ISD
17% of Turbines

GRAY CO.
CARSON CO.

TAB 10

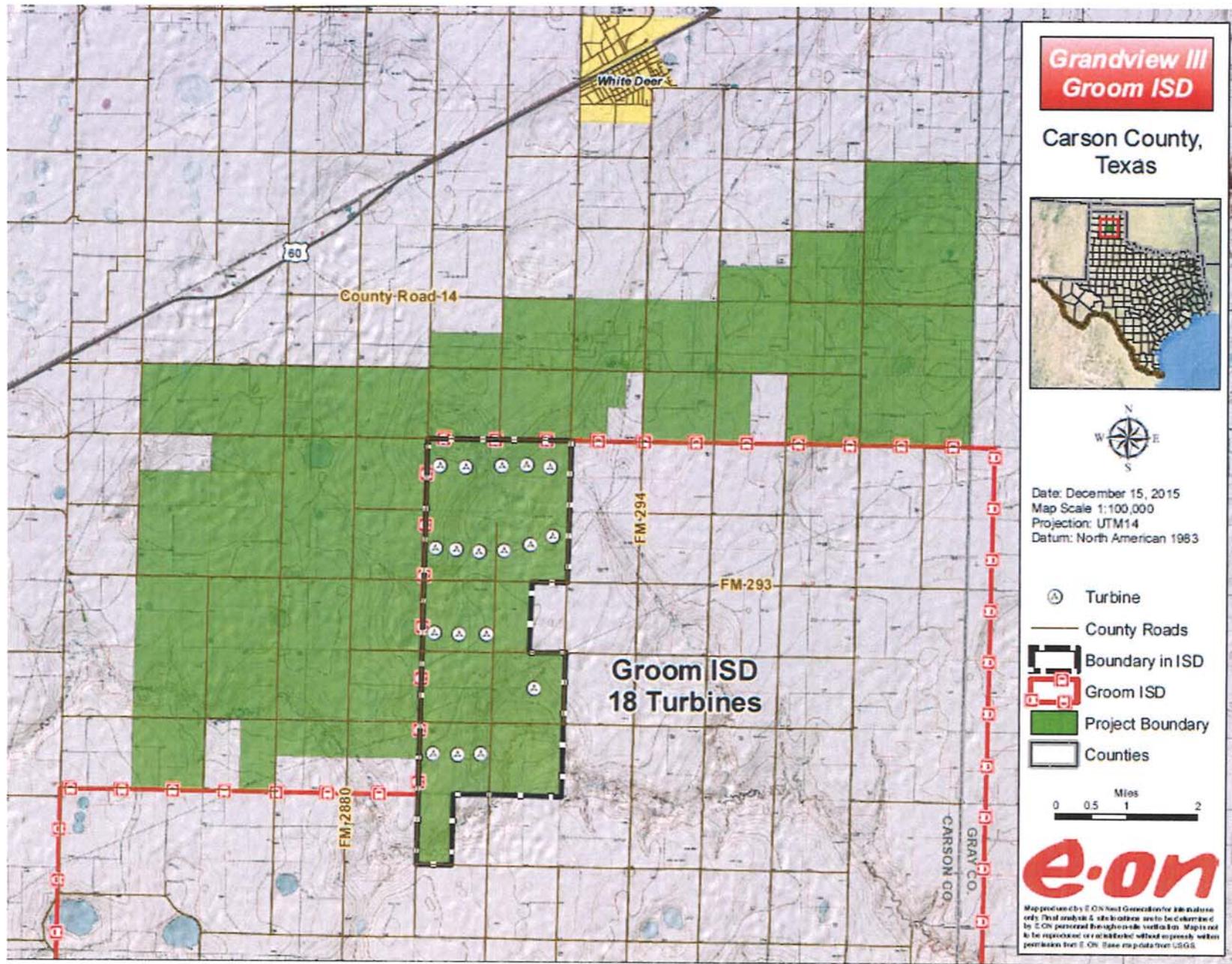
Tab 10

Description of Property Not Eligible

N/A

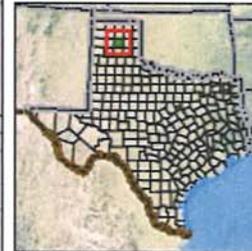
TAB 11

TAB 11
 MAP OF LAND WITH VICINITY MAP



Grandview III Groom ISD

Carson County,
Texas



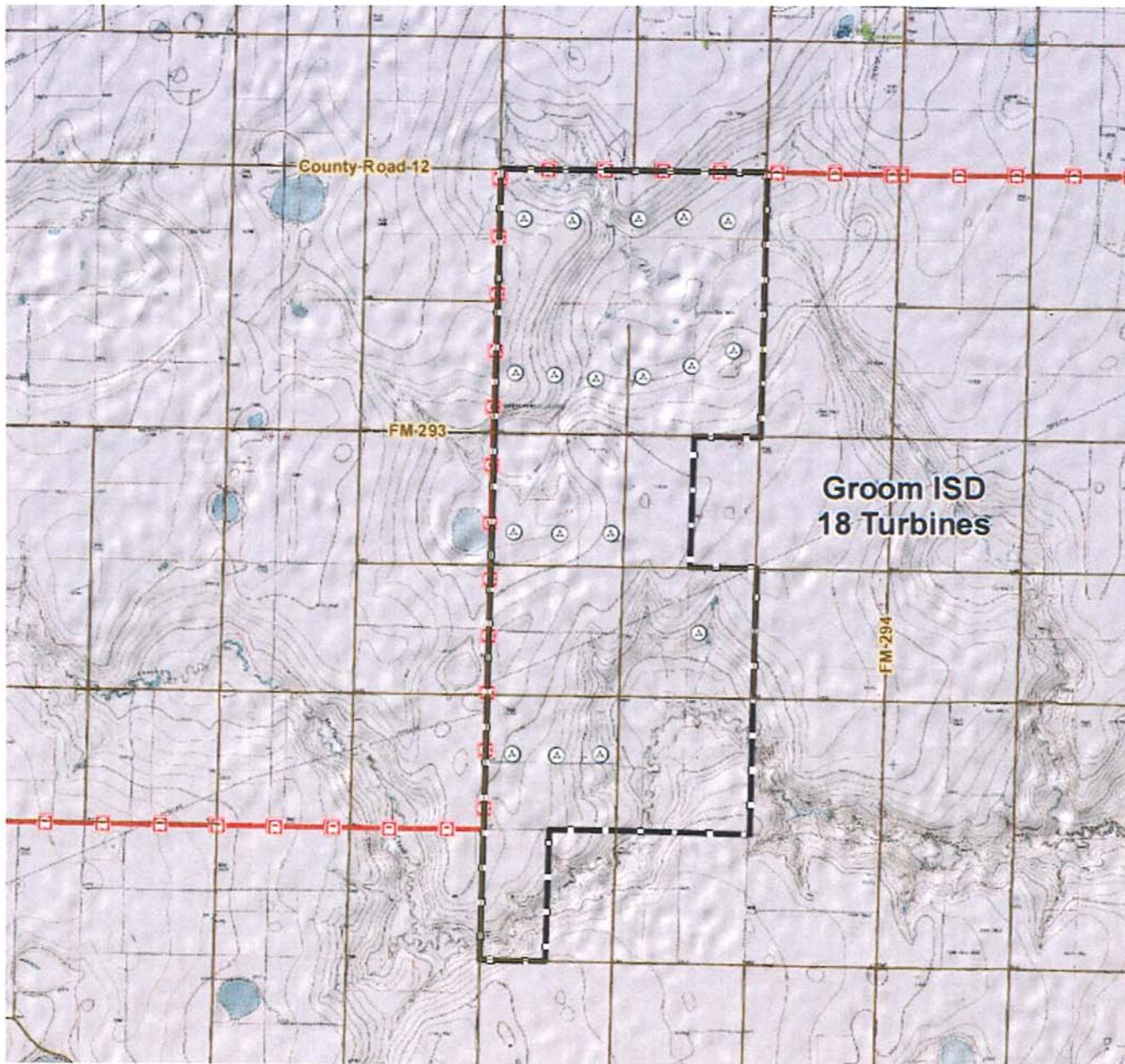
Date: December 15, 2015
Map Scale: 150,000
Projection: UTM14
Datum: North American 1983

-  Turbine
-  County Roads
-  Boundary in ISD
-  Groom ISD

Miles
0 0.375 0.75 1.5

e-on

Map produced by E.ON Next Generation for information only. Final analysis & site location use to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or exhibited without express written permission from E.ON. Base map data from USGS.



TAB 12



October 16, 2015

Mr. Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, TX 79039

Re: Chapter 313 Job Waiver Request

Dear Superintendent Lamb:

Grandview Wind Farm III, LLC, a subsidiary of E.ON Climate & Renewables North America, LLC, requests that the Groom 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.

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

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

Approximately 16 to 20 wind turbines are currently projected to be located in the Groom Independent School District. Grandview Wind Farm III, LLC requests that the Groom Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with the projected number of wind turbines to be located in the Groom Independent School District and the industry standards for job requirements as described above, Grandview Wind Farm III, LLC commits to create 2 total jobs relating to that part of the project located within the Groom Independent School District.

With kind regards,

A handwritten signature in blue ink, appearing to read 'PB', with a long, sweeping horizontal line extending to the right.

Paul Bowman
Sr. Vice President, Development

TAB 13

Grandview Wind Farm III, LLC
CALCULATION OF WAGE REQUIREMENTS

Tab 13

TOTAL REGION MANUFACTURING

Council of Government	Hourly	Weekly	Annual
1. Panhandle Regional Planning Commission	\$21.07	\$842.71	\$43,821

$$\begin{aligned}
 & \$842.71 \times 1.10 = \mathbf{\$926.98} \\
 & \$43,821 \times 1.10 = \mathbf{\$48,203.10}
 \end{aligned}$$

TOTAL – MANUFACTURING* –Carson County

Year	Quarter	Average Weekly Wages	Annualized
2014	3Q	\$1,365.00	\$70,980.00
2014	4Q	\$1,566.00	\$81,432.00
2015	1Q	\$1,489.00	\$77,428.00
2015	2Q	\$1,533.00	\$79,716.00
		\$1,488.25	\$76,613.33
		x <u>1.10</u>	x <u>1.10</u>
		\$1,637.08	\$84,274.67

110% of County Average Weekly Wage for all Jobs

**= TWC website has no information specific to manufacturing in Carson County. The figures for "All Industries" were used for these calculations.*

TOTAL – ALL INDUSTRIES –Carson County

Year	Quarter	Average Weekly Wages	Annualized
2014	3Q	\$1,365.00	\$70,980.00
2014	4Q	\$1,566.00	\$81,432.00
2015	1Q	\$1,489.00	\$77,428.00
2015	2Q	\$1,533.00	\$79,716.00
		\$1,488.25	\$76,613.33
		x <u>1.10</u>	x <u>1.10</u>
		\$1,637.08	\$84,274.67

110% of County Average Weekly Wage for all Jobs

Quarterly Employment and Wages (QCEW)
Panhandle Regional Planning Commission- Manufacturing

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

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

Source: Texas Occupational Employment and Wages
Data published: July 2015
Data published annually, next update will be July 31, 2016

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

Quarterly Employment and Wages (QCEW)
 Carson County -- All Industries

TRACER TEXAS LABOR MARKET INFORMATION LMC

LMCI TRACER The Future Career Resources Texas Labor Market Data Link

Texas Workforce Commission

LMCI Searchpage
 Data Link
 Wage Information
 The Future
 Career & Economic Dev Resource
 LMCI Publications
 Resources
 Select Data Type

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Carson County	Total All	00	0	10	Total All Industries	\$1,490
2015	2nd Qtr	Carson County	Total All	00	0	10	Total All Industries	\$1,533

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TRACER TEXAS LABOR MARKET INFORMATION LMC

LMCI TRACER The Future Career Resources Texas Labor Market Data Link

Texas Workforce Commission

LMCI Searchpage
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 Career & Economic Dev Resource
 LMCI Publications
 Resources
 Select Data Type

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	3rd Qtr	Carson County	Total All	00	0	10	Total All Industries	\$1,365
2014	4th Qtr	Carson County	Total All	00	0	10	Total All Industries	\$1,566

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TAB 14

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

Applicant Name **Grandview Wind Farm III, LLC**
 ISD Name **Groom ISD**

Form 50-296A
 Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
				Column A	Column B	Column C	Column D	Column E	
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)	
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016-2017	2016			\$ -	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$ -	
Investment made after filing complete application with district, but before final board approval of application									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 43,740,000.00	\$ -	\$ -	\$ -	\$ 43,740,000.00	
Complete tax years of qualifying time period	QTP1	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -	
	QTP2	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 43,740,000.00		\$ -	\$ -	\$ 43,740,000.00	
				Enter amounts from TOTAL row above in Schedule A2					
Total Qualified Investment (sum of green cells)				\$ 43,740,000.00					

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

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

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

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

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

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

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

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

Applicant Name **Grandview Wind Farm III, LLC**
 ISD Name **Groom ISD**

Form 50-296A
 Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		\$ 43,740,000.00				\$ 43,740,000.00
Each year prior to start of value limitation period** <i>insert as many rows as necessary</i>	0	2016-2017	2016	\$ 43,740,000.00				\$ 43,740,000.00
Value limitation period***	1	2017-2018	2017					
	2	2018-2019	2018					
	3	2019-2020	2019					
	4	2020-2021	2020					
	5	2021-2022	2021					
	6	2022-2023	2022					
	7	2023-2024	2023					
	8	2024-2025	2024					
	9	2025-2026	2025					
	10	2026-2027	2026					
Total Investment made through limitation				\$ 43,740,000.00				\$ 43,740,000.00
Continue to maintain viable presence	11	2027-2028	2027					
	12	2028-2029	2028					
	13	2029-2030	2029					
	14	2030-2031	2030					
	15	2031-2032	2031					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032					
	17	2033-2034	2033					
	18	2034-2035	2034					
	19	2035-2036	2035					
	20	2036-2037	2036					
	21	2037-2038	2037					
	22	2038-2039	2038					
	23	2039-2040	2039					
	24	2040-2041	2040					
	25	2041-2042	2041					

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

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

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

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

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

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

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

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

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

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

Applicant Name

Grandview Wind Farm III, LLC

Form 50-296A

ISD Name

Groom ISD

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
	0	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2017-2018	2017	\$ -	\$ -	\$ 40,500,000	\$ 40,500,000	\$ 40,500,000.00	\$ 20,000,000.00
	2	2018-2019	2018	\$ -	\$ -	\$ 38,880,000	\$ 38,880,000	\$ 38,880,000.00	\$ 20,000,000.00
	3	2019-2020	2019	\$ -	\$ -	\$ 37,260,000	\$ 37,260,000	\$ 37,260,000.00	\$ 20,000,000.00
	4	2020-2021	2020	\$ -	\$ -	\$ 35,640,000	\$ 35,640,000	\$ 35,640,000.00	\$ 20,000,000.00
	5	2021-2022	2021	\$ -	\$ -	\$ 34,020,000	\$ 34,020,000	\$ 34,020,000.00	\$ 20,000,000.00
	6	2022-2023	2022	\$ -	\$ -	\$ 32,400,000	\$ 32,400,000	\$ 32,400,000.00	\$ 20,000,000.00
	7	2023-2024	2023	\$ -	\$ -	\$ 30,780,000	\$ 30,780,000	\$ 30,780,000.00	\$ 20,000,000.00
	8	2024-2025	2024	\$ -	\$ -	\$ 29,160,000	\$ 29,160,000	\$ 29,160,000.00	\$ 20,000,000.00
	9	2025-2026	2025	\$ -	\$ -	\$ 27,540,000	\$ 27,540,000	\$ 27,540,000.00	\$ 20,000,000.00
	10	2026-2027	2026	\$ -	\$ -	\$ 25,920,000	\$ 25,920,000	\$ 25,920,000.00	\$ 20,000,000.00
Continue to maintain viable presence	11	2027-2028	2027	\$ -	\$ -	\$ 24,300,000	\$ 24,300,000	\$ 24,300,000.00	\$ 24,300,000.00
	12	2028-2029	2028	\$ -	\$ -	\$ 22,680,000	\$ 22,680,000	\$ 22,680,000.00	\$ 22,680,000.00
	13	2029-2030	2029	\$ -	\$ -	\$ 21,060,000	\$ 21,060,000	\$ 21,060,000.00	\$ 21,060,000.00
	14	2030-2031	2030	\$ -	\$ -	\$ 19,440,000	\$ 19,440,000	\$ 19,440,000.00	\$ 19,440,000.00
	15	2031-2032	2031	\$ -	\$ -	\$ 17,820,000	\$ 17,820,000	\$ 17,820,000.00	\$ 17,820,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	\$ -	\$ -	\$ 16,200,000	\$ 16,200,000	\$ 16,200,000.00	\$ 16,200,000.00
	17	2033-2034	2033	\$ -	\$ -	\$ 14,580,000	\$ 14,580,000	\$ 14,580,000.00	\$ 14,580,000.00
	18	2034-2035	2034	\$ -	\$ -	\$ 12,960,000	\$ 12,960,000	\$ 12,960,000.00	\$ 12,960,000.00
	19	2035-2036	2035	\$ -	\$ -	\$ 11,340,000	\$ 11,340,000	\$ 11,340,000.00	\$ 11,340,000.00
	20	2036-2037	2036	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00
	21	2037-2038	2037	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00
	22	2038-2039	2038	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00
	23	2039-2040	2039	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00
	24	2040-2041	2040	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00
25	2041-2042	2041	\$ -	\$ -	\$ 10,125,000	\$ 10,125,000	\$ 10,125,000.00	\$ 10,125,000.00	

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

Schedule C: Employment Information

Applicant Name Grandview Wind Farm III, LLC
ISD Name Groom ISD

Form 50-296A

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	26 FTE	\$ 48,203.00	N/A	2	\$ 50,000.00
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017			N/A	2	\$ 50,000.00
	2	2018-2019	2018			N/A	2	\$ 50,000.00
	3	2019-2020	2019			N/A	2	\$ 50,000.00
	4	2020-2021	2020			N/A	2	\$ 50,000.00
	5	2021-2022	2021			N/A	2	\$ 50,000.00
	6	2022-2023	2022			N/A	2	\$ 50,000.00
	7	2023-2024	2023			N/A	2	\$ 50,000.00
	8	2024-2025	2024			N/A	2	\$ 50,000.00
	9	2025-2026	2025			N/A	2	\$ 50,000.00
	10	2026-2027	2026			N/A	2	\$ 50,000.00
Years Following Value Limitation Period	11 through 26	2027-2042	2027-2042			N/A	2	\$ 50,000.00

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

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

Schedule D: Other Incentives (Estimated)

Applicant Name Grandview Wind Farm III, LLC
ISD Name Groom ISD

Form 50-296A
 Revised Feb 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Carson	2017	2026	\$ 178,669.00	Avg 50% Per Yr	\$ 89,334.50
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 178,669.00		\$ 89,334.50

Additional information on incentives for this project:

TAB 15

Tab 15

Economic Impact Analysis

N/A

TAB 16

Grandview Wind Farm III, LLC
Application for Appraised Value Limitations on Qualified Property

Tab 16

Section 12 – Reinvestment Zone

3b, 3c & 3e Please find information in Tab 5

3d Carson County Guidelines follow this page

IN THE CARSON COUNTY COMMISSIONERS COURT
CARSON COUNTY, TEXAS

A RESOLUTION
EXPRESSING THE INTENT OF THE COUNTY TO
PARTICIPATE IN TAX ABATEMENT AGREEMENTS AND
ESTABLISHING GUIDELINES FOR SUCH AGREEMENTS

Pursuant to Chapter 312 of the Texas Tax Code, Carson County may consider an application for tax abatement, designate a reinvestment zone and enter into a tax abatement agreement in accordance with these Guidelines and Criteria. It is the express intent of the Carson County Commissioners Court to promote economic development, but not at the expense of the County's natural resources or services provided to the general public. No application submitted under the following schedule deemed to have a substantially adverse effect on natural resources in the County or on County infrastructure (including roads and bridges) will be approved, unless the applicant can demonstrate just cause for such an exception.

I. Abatement Application Procedure

- A. Who May Apply. Any present or potential owner of taxable real property or interest in real property in Carson County may submit an application for tax abatement conforming to the requirements herein.

B. Eligible Improvements. Improvements eligible for abatement are limited to alternative and renewable energy and power facilities. Alternative or renewable energy and power facilities are the buildings and structures including fixed machinery and equipment used to produce electric power from a renewable or non-depletable power source.

C. Eligible Property. Abatement may be granted for the following property: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Taxes on real property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the agreement is executed. Tangible personal property located on the real property at any time before the period covered by the agreement is not eligible for abatement. Tangible personal property eligible for abatement shall not include inventory or supplies.

Property in a reinvestment zone that is owned or leased by a member of the County Commissioners Court is excluded from property tax abatement.

D. Application Provisions. The application shall consist of a completed Carson County Tax Abatement Application Form, which shall contain the following:

- (1) information showing how the project meets the requirements of the criteria outlined in Section II below;
- (2) a map and description of the property;
- (3) a time schedule for completing the planned improvements;

- (4) the estimated taxable value or range of values of the project or facility; and
- (5) basic financial information about the applicant sufficient to enable evaluation of the application=s financial capacity.

E. Procedure for Consideration of Application. The procedure for consideration by the County of a Tax Abatement Application is as follows:

- (1) An applicant may request a Tax Abatement Application form from the County Clerk or County Attorney.
- (2) After an applicant completes the Tax Abatement Application, the application must provide a copy to each member of the Carson County Commissioner=s Court and the County Clerk and the County Attorney.
- (3) The Commissioners Court shall issue a determination at any time before the expiration of sixty (60) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application or consider the application on an expedited basis.
 - a. *Denial of Application.* If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners Court that the

Carson County

A Resolution re: Tax Abatement, Page 3

application should be denied.

- b. *Consideration of Application.* If the County determines that the application should be further considered, the Commissioners Court must hold a public hearing to obtain public input on the application. Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria in Section II and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five (5) years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the

Carson County

A Resolution re: Tax Abatement, Page 4

Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County. A tax abatement agreement that is declined by the County may be amended and resubmitted to the County.

- c. **Expedited Consideration of Application.** If the County determines that the application should receive an expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners Court, provided the County meets the procedural prerequisites for each step.

- F. **Confidentiality.** As required by Chapter 312.003 of the Texas Tax Code, information that is provided to Carson County in connection with an application or request for tax abatement under this chapter and that described the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.
- G. **Effect of Error or Variance with Application Procedure.** Except where not allowed by state law, the County may waive application procedures or grant procedural variances as they deem appropriate.

II. Criteria for Designating a Reinvestment

Carson County

A Resolution re: Tax Abatement, Page 5

Zone and Evaluating Tax Abatement Agreement

- A. Minimum Requirements. To be designated a reinvestment zone, County Commissioners must find by majority vote that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County.
- B. Criteria. In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners Court shall consider the following factors, among others determined appropriate by the Court:
- (1) the current value of land and existing improvements, if any;
 - (2) the type, value and purpose of proposed improvements, if any;
 - (3) the productive life of proposed improvements;
 - (4) the impact of proposed improvements and any other proposed expenditures on existing jobs;
 - (5) the number and type of new jobs, of any, to be created by proposed improvements and expenditures;
 - (6) any costs to be incurred by Carson County, if any, to provide facilities or services directly resulting from the new improvements;
 - (7) the types and values of public improvements, if any, to be made by applicant seeking abatement;
 - (8) an estimate of the amount of ad valorem property taxes to be paid to Carson County after expiration of the abatement agreement;
 - (9) the impact on the business opportunities of existing businesses and the attraction

Carson County

A Resolution re: Tax Abatement, Page 6

- of new businesses to the area; if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
 - (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Carson County;
 - (12) the impact upon County infrastructure including roads, bridges and the use of County services; and
 - (13) the impact upon depletion of natural resources of the County.

III. Format for Tax Abatement Agreement

A. Required Provisions. If the Carson County Commissioners Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property as outlined above. Any tax abatement agreement shall include at least the following provisions:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of the abatement;
- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided

Carson County

A Resolution re: Tax Abatement, Page 7

in the agreement;

- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to each taxing unit that is a party to the agreement; and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient fails to comply with the agreement.

B. Optional Provisions. The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) the percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) the proposed use of the property;
- (5) a time schedule, map and property designation;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) the size of investment and number of temporary and permanent jobs involved, if any;
- (8) provisions for dispute resolution.

C. Duration and Portion of Abatement. A tax abatement agreement granted by Carson County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100 percent (100%) in portion of ad valorem property taxes abated. At any time before the expiration of the agreement, the parties may agree to modify the agreement or to delete provisions that were not necessary to the original agreement.

Carson County

A Resolution re: Tax Abatement, Page 8

The same procedural prerequisites for approval of the original agreement apply to modification of the agreement.

- D. Time Limit. Such agreement shall be executed with thirty (30) days after the passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

IV. General Provisions

These guidelines and criteria in no way require the County to enter into any specific tax abatement agreement. The County maintains the discretion to reject any application for tax abatement as it deems appropriate.

V. Sunset and Amendment of Guidelines and Criteria

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by a three-fourths (3/4) vote of the Carson County Commissioners Court.

UNANIMOUSLY ADOPTED the 14th day of January, 2013.



County Judge

Carson County

A Resolution re: Tax Abatement, Page 9

ATTEST:

Celeste Becksel

County Clerk

by: Geefa Cates
Deputy



Carson County

A Resolution re: Tax Abatement, Page 10

TAB 17

Tab 17

Signature & Certification Page

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 → Cory Henricks Section
Print Name (Authorized School District Representative) Title

sign here → [Signature] 10-19-2015
Signature (Authorized School District Representative) Date

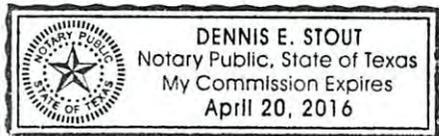
2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here → PAUL BOWMAN Sr VP
Print Name (Authorized Company Representative (Applicant)) Title

sign here → [Signature] 16 OCT 2015
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

16 day of OCTOBER 2015
Dennis E. Stout
 Notary Public in and for the State of Texas
 My Commission expires: 4-20-2016

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



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Jay S. Lamb
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

[Signature]
Signature (Authorized School District Representative)

16 Dec 2015
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

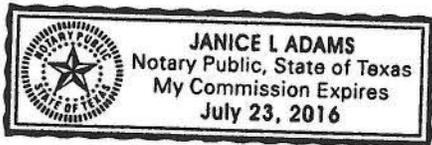
PAUL BOWMAN
Print Name (Authorized Company Representative (Applicant))

Sr VP
Title

sign here

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

14 DEC 2015
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

14th day of December, 2015

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

My Commission expires: 7-23-2016

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



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Jay Scott Lamb

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

[Handwritten Signature]

Signature (Authorized School District Representative)

March 15, 2016

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 FRANKLIN

Print Name (Authorized Company Representative (Applicant))

Senior Vice President

Title

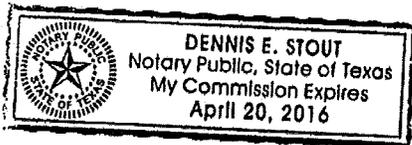
sign here

[Handwritten Signature]

Signature (Authorized Company Representative (Applicant))

March 14, 2016

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

14 day of MARCH, 2016

[Handwritten Signature]

Notary Public in and for the State of Texas

My Commission expires: 4-20-2016

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.



Franchise Tax Account Status

As of : 09/12/2016 18:43:17 PM

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

GRANDVIEW WIND FARM III, LLC	
Texas Taxpayer Number	32052353995
Mailing Address	353 N CLARK ST FL 30 CHICAGO, IL 60654-4704
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/30/2013
Texas SOS File Number	0801875442
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

April 04, 2016

Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, Texas 79039

Dear Superintendent Lamb:

On January 11, 2016, the Comptroller issued written notice that Grandview Wind Farm III, LLC (the applicant) submitted a completed application (Application #1108) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on October 19, 2015, to the Groom 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 #1108.

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 50-826) 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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of January 11, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Grandview Wind Farm III (the project) applying to Groom 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 Grandview Wind Farm III.

Applicant	Grandview Wind Farm III
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Groom ISD
2014-15 Enrollment in School District	130
County	Carson
Proposed Total Investment in District	\$43,740,000
Proposed Qualified Investment	\$43,740,000
Limitation Amount	\$20,000,000
Qualifying Time Period	2017-2018
Number of new qualifying jobs committed to by applicant*	2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$961.54
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$926.98
Minimum annual wage committed to by applicant for qualified jobs	\$50,000
Minimum weekly wage required for non-qualifying jobs	\$1,574.75
Minimum annual wage required for non-qualifying jobs	\$81,887.00
Investment per Qualifying Job	\$21,870,000
Estimated M&O levy without any limit (15 years)	\$4,548,960
Estimated M&O levy with Limitation (15 years)	\$3,175,120
Estimated gross M&O tax benefit (15 years)	\$1,373,840
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of Grandview Wind Farm III (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	28	26	54	\$1,353,278	\$2,646,722	\$4,000,000
2017	2	3	5	\$100,000	\$900,000	\$1,000,000
2018	2	2	4	\$100,000	-\$100,000	\$0
2019	2	1	3	\$100,000	-\$100,000	\$0
2020	2	0	2	\$100,000	-\$100,000	\$0
2021	2	0	2	\$100,000	-\$100,000	\$0
2022	2	0	2	\$100,000	-\$100,000	\$0
2023	2	0	2	\$100,000	-\$100,000	\$0
2024	2	0	2	\$100,000	-\$100,000	\$0
2025	2	0	2	\$100,000	-\$100,000	\$0
2026	2	0	2	\$100,000	-\$100,000	\$0
2027	2	(1)	1	\$100,000	-\$100,000	\$0
2028	2	(1)	1	\$100,000	-\$100,000	\$0
2029	2	(1)	1	\$100,000	-\$100,000	\$0
2030	2	0	2	\$100,000	-\$100,000	\$0

Source: CPA, REMI, Grandview Wind Farm III

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Tax Levy	Groom ISD M&O Tax Levy	M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Groundwater Tax Levy	Estimated Total Property Taxes
				0.0440	1.0400		0.5380	0.0079	
2017	\$40,500,000	\$40,500,000		\$17,820	\$421,200	\$439,020	\$217,893	\$3,200	\$660,113
2018	\$38,880,000	\$38,880,000		\$17,107	\$404,352	\$421,459	\$209,178	\$3,072	\$633,708
2019	\$37,260,000	\$37,260,000		\$16,394	\$387,504	\$403,898	\$200,462	\$2,944	\$607,304
2020	\$35,640,000	\$35,640,000		\$15,682	\$370,656	\$386,338	\$191,746	\$2,816	\$580,899
2021	\$34,020,000	\$34,020,000		\$14,969	\$353,808	\$368,777	\$183,030	\$2,688	\$554,495
2022	\$32,400,000	\$32,400,000		\$14,256	\$336,960	\$351,216	\$174,315	\$2,560	\$528,090
2023	\$30,780,000	\$30,780,000		\$13,543	\$320,112	\$333,655	\$165,599	\$2,432	\$501,686
2024	\$29,160,000	\$29,160,000		\$12,830	\$303,264	\$316,094	\$156,883	\$2,304	\$475,281
2025	\$27,540,000	\$27,540,000		\$12,118	\$286,416	\$298,534	\$148,167	\$2,176	\$448,877
2026	\$25,920,000	\$25,920,000		\$11,405	\$269,568	\$280,973	\$139,452	\$2,048	\$422,472
2027	\$24,300,000	\$24,300,000		\$10,692	\$252,720	\$263,412	\$130,736	\$1,920	\$396,068
2028	\$22,680,000	\$22,680,000		\$9,979	\$235,872	\$245,851	\$122,020	\$1,792	\$369,663
2029	\$21,060,000	\$21,060,000		\$9,266	\$219,024	\$228,290	\$113,304	\$1,664	\$343,259
2030	\$19,440,000	\$19,440,000		\$8,554	\$202,176	\$210,730	\$104,589	\$1,536	\$316,854
2031	\$17,820,000	\$17,820,000		\$7,841	\$185,328	\$193,169	\$95,873	\$1,408	\$290,450
			Total	\$192,456	\$4,548,960	\$4,741,416	\$2,353,247	\$34,555	\$7,129,218

Source: CPA, Grandview Wind Farm III

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Carson County, 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 county.

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		Groom ISD I&S Tax Levy	Groom ISD M&O Tax Levy	M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Groundwater Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.0440	1.0400		0.5380	0.0079	
2017	\$40,500,000	\$20,000,000		\$17,820	\$208,000	\$225,820	\$108,947	\$3,200	\$337,966
2018	\$38,880,000	\$20,000,000		\$17,107	\$208,000	\$225,107	\$104,589	\$3,072	\$332,767
2019	\$37,260,000	\$20,000,000		\$16,394	\$208,000	\$224,394	\$100,231	\$2,944	\$327,569
2020	\$35,640,000	\$20,000,000		\$15,682	\$208,000	\$223,682	\$95,873	\$2,816	\$322,370
2021	\$34,020,000	\$20,000,000		\$14,969	\$208,000	\$222,969	\$91,515	\$2,688	\$317,172
2022	\$32,400,000	\$20,000,000		\$14,256	\$208,000	\$222,256	\$87,157	\$2,560	\$311,973
2023	\$30,780,000	\$20,000,000		\$13,543	\$208,000	\$221,543	\$82,799	\$2,432	\$306,774
2024	\$29,160,000	\$20,000,000		\$12,830	\$208,000	\$220,830	\$78,442	\$2,304	\$301,576
2025	\$27,540,000	\$20,000,000		\$12,118	\$208,000	\$220,118	\$74,084	\$2,176	\$296,377
2026	\$25,920,000	\$20,000,000		\$11,405	\$208,000	\$219,405	\$69,726	\$2,048	\$291,178
2027	\$24,300,000	\$24,300,000		\$10,692	\$252,720	\$263,412	\$130,736	\$1,920	\$396,068
2028	\$22,680,000	\$22,680,000		\$9,979	\$235,872	\$245,851	\$122,020	\$1,792	\$369,663
2029	\$21,060,000	\$21,060,000		\$9,266	\$219,024	\$228,290	\$113,304	\$1,664	\$343,259
2030	\$19,440,000	\$19,440,000		\$8,554	\$202,176	\$210,730	\$104,589	\$1,536	\$316,854
2031	\$17,820,000	\$17,820,000		\$7,841	\$185,328	\$193,169	\$95,873	\$1,408	\$290,450
			Total	\$192,456	\$3,175,120	\$3,367,576	\$1,459,885	\$34,555	\$4,862,015
			Diff	\$0	\$1,373,840	\$1,373,840	\$893,362	\$0	\$2,267,202

Source: CPA, Grandview Wind Farm III

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

	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	\$208,000	\$208,000	\$213,200	\$213,200
	2018	\$208,000	\$416,000	\$196,352	\$409,552
	2019	\$208,000	\$624,000	\$179,504	\$589,056
	2020	\$208,000	\$832,000	\$162,656	\$751,712
	2021	\$208,000	\$1,040,000	\$145,808	\$897,520
	2022	\$208,000	\$1,248,000	\$128,960	\$1,026,480
	2023	\$208,000	\$1,456,000	\$112,112	\$1,138,592
	2024	\$208,000	\$1,664,000	\$95,264	\$1,233,856
	2025	\$208,000	\$1,872,000	\$78,416	\$1,312,272
	2026	\$208,000	\$2,080,000	\$61,568	\$1,373,840
Maintain Viable Presence (5 Years)	2027	\$252,720	\$2,332,720	\$0	\$1,373,840
	2028	\$235,872	\$2,568,592	\$0	\$1,373,840
	2029	\$219,024	\$2,787,616	\$0	\$1,373,840
	2030	\$202,176	\$2,989,792	\$0	\$1,373,840
	2031	\$185,328	\$3,175,120	\$0	\$1,373,840
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$168,480	\$3,343,600	\$0	\$1,373,840
	2033	\$151,632	\$3,495,232	\$0	\$1,373,840
	2034	\$134,784	\$3,630,016	\$0	\$1,373,840
	2035	\$117,936	\$3,747,952	\$0	\$1,373,840
	2036	\$105,300	\$3,853,252	\$0	\$1,373,840
	2037	\$105,300	\$3,958,552	\$0	\$1,373,840
	2038	\$105,300	\$4,063,852	\$0	\$1,373,840
	2039	\$105,300	\$4,169,152	\$0	\$1,373,840
	2040	\$105,300	\$4,274,452	\$0	\$1,373,840
	2041	\$105,300	\$4,379,752	\$0	\$1,373,840
		\$4,379,752	is greater than	\$1,373,840	
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

Source: CPA, Grandview Wind Farm III

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 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 Grandview Wind Farm III, LLC’s 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:

- Grandview Wind Farm III, LLC has entered into the following agreements and contracts at the time of application: “grants of leases and easements covering approximately 29,607 acres with 84 landowners, [c]ontracts for preliminary land work including work required to pre-qualify the Project for the Federal Production Tax Credit”, and the “Tax Code Chapter 312 Tax Abatement Agreement and the other Applications for Chapter 313 Appraised Value Limitation described in Section 6” per Tab 5 of this application.
- The applicant states that current business activities at the proposed project site “are preliminary in nature and part of the pre-construction development of the Project by Applicant, and the determination by Applicant whether the Project location and the development and operation of the Project are financially feasible.” Grandview Wind Farm III, LLC also maintains that “this project is still in the mid to late-stages of development” and that “further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects.”
- Per the applicant “a Chapter 313 Appraised Value Limitation with Groom ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the Project.”

- Grandview Wind Farm III is “a Delaware limited liability company formed to develop, build, own and operate the Grandview III Project. Applicant is a wholly-owned subsidiary of E.ON Climate & Renewables North America, LLC, a Delaware limited liability company (“E.ON”).” E.ON Climate & Renewables North America, LLC, is a global company. According to the application, E.ON currently owns 12 other projects “including 9 in Texas, 1 in Oklahoma, 1 in Illinois, and 1 in Pennsylvania” that have all “pre-qualified for the Federal Production Tax Credit that E.ON is considering in its investment decisions.”
- The proposed project area is adjacent to Competitive Renewable Energy Zone (CREZ) transmission lines. Per a GE Energy Financial Services press release dated April 22, 2015, the Grandview Wind Farm “was one of the first projects that helped pave the way for the development of the Competitive Renewable Energy Zones (CREZ).”
- Attached maps indicate the location of the project in relation to current CREZ lines.
- Per E.ON Climate & Renewables intends to sell power exclusively into ERCOT in the future through “an interconnection into ERCOT’s Alibates substation.”

Supporting Information

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

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

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

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

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.

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

Grandview Wind Farm III, LLC, a Delaware limited liability company ("Applicant"), was formed in 2013.

In support of its creation, the participating members and officers of the Applicant executed documents necessary to form the entity including an Operating Agreement.

Applicant and its parents, subsidiaries, and affiliates have entered into the following representative agreements and contracts for the development of a project phase within the Groom ISD, including the following:

- Grants of leases and easements covering approximately 29,607 acres with 84 landowners.
- Contracts for preliminary land work including work required to pre-qualify the Project for the Federal Production Tax Credit.
- The Tax Code Chapter 312 Tax Abatement Agreement and the other Applications for Chapter 313 Appraised Value Limitation described in Section 6 below.

All of these agreements are intended to be assigned to and held by the Applicant.

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

The business activities at the Project location and initial investments are preliminary in nature and part of the pre-construction development of the Project by Applicant, and the determination by Applicant whether the Project location and the development and operation of the Project are financially feasible. Applicant has determined that a Chapter 313 Appraised Value Limitation with Groom ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the Project.

6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?

The Project has received a Tax Code Chapter 312 Tax Abatement Agreement from Carson County, Texas for a period of 10 years.

In addition to this Chapter 313 Application for Appraised Value Limitation with Groom ISD (Comptroller Application #1108), Applicant has also applied for two additional Chapter 313 Applications for Appraised Value Limitation with White Deer ISD (Comptroller Application #1109) and Panhandle ISD (Comptroller Application #1107).

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

Applicant is a Delaware limited liability company formed to develop, build, own and operate the Grandview III Project. Applicant is a wholly-owned subsidiary of E.ON Climate & Renewables North America, LLC, a Delaware limited liability company ("E.ON"). E.ON is one of the world's largest developers and owners of renewable power projects and is rapidly expanding its wind and solar energy portfolio. E.ON develops, owns, and operates some of the most efficient, highest performing renewable energy projects in the United States. Already active in onshore wind, and photovoltaic renewable generation, E.ON currently operates over 2,700 MW of renewable capacity and has a current onshore wind development pipeline of over 5,000 MW of independent power assets located throughout the United States, of which, currently 3,062 MW have the opportunity to be developed in Texas. E.ON has already invested \$12.3 billion in renewable energy projects and will continue to expand the share of renewable energy in E.ON's power generation portfolio. E.ON currently owns and/or operates renewable capacity in Texas, New York, Pennsylvania, Illinois, Indiana, Arizona, and California, and has undeveloped assets throughout the United States. Already a leader in the American wind industry, E.ON is also actively building utility scale solar generation projects.

E.ON is actively assessing and developing other projects that are competing for limited investment funds. The Grandview III Project is one of 12 mid to late-stage projects owned by E.ON (including 9 in Texas, 1 in Oklahoma, 1 in Illinois, and 1 in Pennsylvania) that have been pre-qualified for the Federal Production Tax Credit that E.ON is considering in its investment decisions. This PTC is critical to the successful development of a wind project as is the Chapter 313 Appraised Value Limitation. In fact, E.ON elected to not build a Texas project, which had been selected for a long term power purchase agreement, because of the inability to obtain a Chapter 313 Appraised Value Limitation for the project. The Chapter 313 Appraised Value Limitation is critical to the ability of the Grandview III Project to obtain long-term financing and to maintain the economic competitiveness of the Project with other projects currently being developed in Texas by others.

The development resources and capital necessary to advance the Grandview III Project could be redeployed to other renewable energy development projects in other power markets in the United States. E.ON selected the Grandview III Project in Texas for its favorable wind

resource, access to the ERCOT market, and favorable property tax incentives under the Tax Code Chapter 312 Tax Abatement and Chapter 313 Appraised Value Limitation. E.ON desires to develop and build the proposed Grandview III Project described in this Application, but since this Project is still in the mid to late-stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the Chapter 313 Appraised Value Limitation to the feasibility of the Grandview III Project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



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April 22, 2015

E.ON & GE Christen Wind Farm

GROOM, TEXAS, Apr 22, 2015 —

E.ON and GE Unit (NYSE: GE) GE Energy Financial Services today celebrated the opening of the Grandview Wind Farm (Grandview), which is located 30 miles east of Amarillo in the Texas Panhandle. E.ON and GE Energy Financial Services (GE) jointly own Grandview through a 50/50 investment partnership.

"The community has been wonderful and more than patient in developing this project. Grandview was one of the first projects that helped pave the way for the development of the Competitive Renewable Energy Zones (CREZ) and was more than a decade in the making. The area boasts some of the best winds in the world and will now be one of the landmark projects anywhere," North American chairman Patrick Woodson said. "These types of super-windy sites are the ideal developers have been seeking and the outstanding nature of the winds here will test our technology and operating approaches.

Like so many other projects this is creating jobs here at home, providing new development to the local community and helping to provide stable electricity pricing for the people of Texas," Woodson added. "Building Grandview created 300 temporary and 13 permanent jobs; more than \$4 million of local spending on labor, subcontractors, infrastructure and materials; and 40 miles of roads upgrades, with \$40 million in projected additional tax revenues generated during the life of the project," said Woodson.

David Nason, president and chief executive officer of GE Energy Financial Services, noted that the Grandview wind project represents the company's first co-investment on a new project with E.ON.

"E.ON is a leader in the US renewable energy industry and in global energy infrastructure, and we look forward to future opportunities to co-invest together."

- David Nason

President and Chief Executive Officer of GE Energy Financial Services

With representatives from E.ON, GE Energy Financial Services, local and national elected officials in attendance, Woodson and Nason presented the City of Groom Ambulance Service a check for \$100,000, to be used toward the purchase of a new ambulance.

"GE has been a tremendous partner in this effort. We share a common dedication to be good corporate citizens of the communities we also call home, said Woodson. "We know this new ambulance will play a vital role in the health and safety of Groom and the surrounding rural Texas community."

Grandview began commercial operation last December. The wind farm has 118 GE 1.79 megawatt turbines that can create 211.2 MW, enough electricity to power approximately 64,000 homes. Since 2005, EC&RNA has developed 2.7GW of wind projects in the United States.

Since 2004, GE Energy Financial Services has committed to invest more than \$9 billion in over 14-gigawatts of wind power projects worldwide. It plans to continue to invest approximately \$1 billion annually in renewable energy globally.

About E.ON

E.ON is one of the world's largest investor-owned power and gas companies, with annual sales of €12 billion and more than 58,000 employees. E.ON, headquartered in Dusseldorf, Germany, plays a leading role in the development of the renewable industry worldwide and is already active in onshore and offshore wind, photovoltaic, and concentrating solar power (CSP). E.ON currently operates over 10 gigawatt of renewable capacity including large hydro. Since 2007, E.ON has already invested more than €9.5 billion and will continue to expand the share of renewable energy in E.ON's power generation portfolio. It is E.ON's ambition to further industrialize the sector and professionalize its operations, in order to reduce the cost of renewable generation and make it ever more competitive. To this end, E.ON works with a wide range of partners and is always open to discuss potential cooperation with committed technical experts and financial investors alike. For more information, please visit www.eon.com.

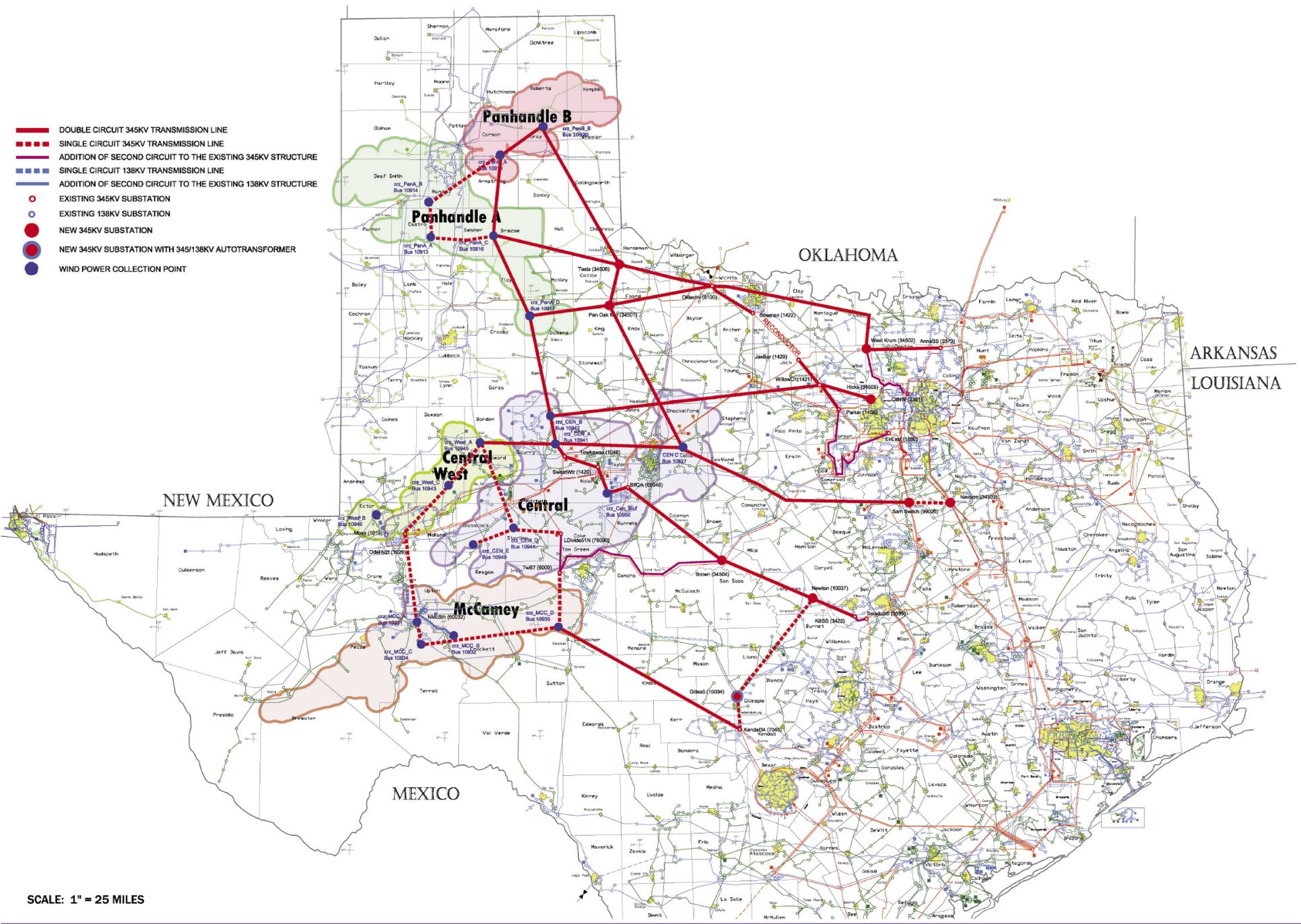
This press release may contain forward-looking statements based on current assumptions and forecasts made by E.ON Group management and other information currently available to E.ON. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. E.ON SE does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

Media contact:

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GE Energy Financial Services
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Downloads





COMPTROLLER QUERY RELATED TO GRANDVIEW III PROJECTS
– Groom ISD – Grandview Wind Farm III App. #1108

Comptroller Question (via email on March 17, 2016):

Will these three projects be selling exclusively into ERCOT? If not, where/who/how?

Applicant Response (via email on March 17, 2016):

Yes, all three projects have an interconnection into ERCOT's Alibates substation.

Comptroller Additional Question (via email on March 17, 2016):

Your intent is to sell exclusively into ERCOT in the future?

Applicant Response (via email on March 17, 2016):

Yes, that is correct.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Grandview Wind Farm III, LLC**

April 10, 2016

McDowell & Brown, LLC
School Finance Consulting

**Summary of Groom ISD Financial Impact
of the
Limited Appraised Value Application
from
Grandview Wind Farm III, LLC**

Introduction

Grandview Wind Farm III, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on October 19, 2015 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm III, LLC (“Grandview Wind III”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

Groom ISD Financial Impact of Chapter 313 Agreement

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

Years Prior to Start of Value Limitation Period:

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

Value Limitation Period:

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

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

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

Groom ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

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

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2015-2016	2015	0	0
	0	2016-2017	2016	0	0
Value Limitation Period	1	2017-2018	2017	\$40,500,000	\$20,000,000
	2	2018-2019	2018	\$38,880,000	\$20,000,000
	3	2019-2020	2019	\$37,260,000	\$20,000,000
	4	2020-2021	2020	\$35,640,000	\$20,000,000
	5	2021-2022	2021	\$34,020,000	\$20,000,000
	6	2022-2023	2022	\$32,400,000	\$20,000,000
	7	2023-2024	2023	\$30,780,000	\$20,000,000
	8	2024-2025	2024	\$29,160,000	\$20,000,000
	9	2025-2026	2025	\$27,540,000	\$20,000,000
	10	2026-2027	2026	\$25,920,000	\$20,000,000
Continue to Maintain Viable Presence	11	2027-2028	2027	\$24,300,000	\$24,300,000
	12	2028-2029	2028	\$22,680,000	\$22,680,000
	13	2029-2030	2029	\$21,060,000	\$21,060,000
	14	2030-2031	2030	\$19,440,000	\$19,440,000
	15	2031-2032	2031	\$17,820,000	\$17,820,000
Additional Years for 25 Year Economic Impact Study	16	2032-2033	2032	\$16,200,000	\$16,200,000
	17	2033-2034	2033	\$14,580,000	\$14,580,000
	18	2034-2035	2034	\$12,960,000	\$12,960,000
	19	2035-2036	2035	\$11,340,000	\$11,340,000
	20	2036-2037	2036	\$10,125,000	\$10,125,000
	21	2037-2038	2037	\$10,125,000	\$10,125,000
	22	2038-2039	2038	\$10,125,000	\$10,125,000
	23	2039-2040	2039	\$10,125,000	\$10,125,000
	24	2040-2041	2040	\$10,125,000	\$10,125,000
	25	2041-2042	2041	\$10,125,000	\$10,125,000

Groom ISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from Grandview Wind III” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2017 through 2026, the company’s taxable value will be limited to the \$20,000,000 minimum qualified investment of Groom ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Grandview Wind III	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	0	n/a	0	0
Jan. 1, 2017	40,500,000	(20,000,000)	20,500,000	20,000,000
Jan. 1, 2018	38,880,000	(20,000,000)	18,880,000	20,000,000
Jan. 1, 2019	37,260,000	(20,000,000)	17,260,000	20,000,000
Jan. 1, 2020	35,640,000	(20,000,000)	15,640,000	20,000,000
Jan. 1, 2021	34,020,000	(20,000,000)	14,020,000	20,000,000
Jan. 1, 2022	32,400,000	(20,000,000)	12,400,000	20,000,000
Jan. 1, 2023	30,780,000	(20,000,000)	10,780,000	20,000,000
Jan. 1, 2024	29,160,000	(20,000,000)	9,160,000	20,000,000
Jan. 1, 2025	27,540,000	(20,000,000)	7,540,000	20,000,000
Jan. 1, 2026	25,920,000	(20,000,000)	5,920,000	20,000,000
Jan. 1, 2027	24,300,000	n/a	0	24,300,000
Jan. 1, 2028	22,680,000	n/a	0	22,680,000
Jan. 1, 2029	21,060,000	n/a	0	21,060,000
Jan. 1, 2030	19,440,000	n/a	0	19,440,000
Jan. 1, 2031	17,820,000	n/a	0	17,820,000

Groom ISD Financial Impact of Chapter 313 Agreement

Grandview Wind III's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind III is \$1.3 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2015-2016, 2024-2025 and 2025-2026 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.044 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.04	0.044	0	0	0	0
2016-2017	1.17	0.027	0	0	0	0
2017-2018	1.17	0.026	473,850	239,850	(222,464)	17,386
2018-2019	1.17	0.027	454,896	220,896	0	220,896
2019-2020	1.17	0.028	435,942	201,942	0	201,942
2020-2021	1.17	0.029	416,988	182,988	0	182,988
2021-2022	1.17	0.030	398,034	164,034	0	164,034
2022-2023	1.17	0.032	379,080	145,080	0	145,080
2023-2024	1.17	0.033	360,126	126,126	0	126,126
2024-2025	1.04	0.034	303,264	95,264	0	95,264
2025-2026	1.04	0.036	286,416	78,416	0	78,416
2026-2027	1.17	0.038	303,264	69,264	(593)	68,671
2027-2028	1.17	0.000	284,310	0	0	0
2028-2029	1.17	0.000	265,356	0	0	0
2029-2030	1.17	0.000	246,402	0	0	0
2030-2031	1.17	0.000	227,448	0	0	0
2031-2032	1.17	0.000	208,494	0	0	0
Totals			5,043,870	1,523,860	(223,057)	1,300,803

Groom ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

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

- The current state funding formulas (in effect for 2016-2017 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$77.53 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2015.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of .5% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2015-2016 was increased by .25% per year for the life of the agreement.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Grandview Wind Farm III, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Tier I Total Revenue	M&O Revenue > Comp Rate	Total District Revenue
2015-2016	358,269,057	3,556,479	417,724	0	3,974,203	309,074	4,283,277
2016-2017	329,526,904	3,270,863	133,344	2,434,465	969,742	556,047	1,525,789
2017-2018	99,956,949	998,121	47,891	1,177,136	(131,124)	169,681	38,557
2018-2019	100,356,734	1,002,079	277,955	25,743	1,254,290	222,054	1,476,344
2019-2020	100,758,518	1,006,056	273,956	25,972	1,254,041	222,768	1,476,808
2020-2021	101,162,310	1,010,054	275,186	26,203	1,259,037	223,484	1,482,521
2021-2022	101,568,122	1,014,071	276,396	26,435	1,264,033	224,204	1,488,236
2022-2023	101,975,963	1,018,109	272,338	26,669	1,263,779	224,926	1,488,705
2023-2024	102,385,842	1,022,167	273,507	26,904	1,268,770	225,652	1,494,421
2024-2025	267,443,488	2,657,306	269,408	0	2,926,714	195,915	3,122,629
2025-2026	402,704,551	3,996,390	70,704	2,122,174	1,944,920	159,856	2,104,776
2026-2027	385,226,228	3,822,287	93,627	2,967,683	948,230	649,789	1,598,019
2027-2028	368,164,770	3,653,378	88,204	2,778,060	963,521	621,074	1,584,596
2028-2029	352,139,315	3,494,726	87,356	2,597,607	984,475	594,103	1,578,579
2029-2030	337,087,563	3,345,714	79,893	2,427,806	997,801	568,771	1,566,572
2030-2031	322,950,989	3,205,762	81,591	2,268,014	1,019,339	544,980	1,564,318
2031-2032	309,674,660	3,074,326	81,181	2,117,628	1,037,879	522,635	1,560,515

Groom ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Grandview Wind Farm III without Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Tier I Total Revenue	M&O Revenue > Comp Rate	Total District Revenue
2015-2016	358,269,057	3,556,479	417,724	0	3,974,203	309,074	4,283,277
2016-2017	329,526,904	3,270,863	133,344	2,434,465	969,742	556,047	1,525,789
2017-2018	140,456,949	1,399,071	47,892	1,203,885	243,078	237,842	480,920
2018-2019	139,236,734	1,386,991	51,902	239,248	1,199,645	262,718	1,462,363
2019-2020	138,018,518	1,374,930	48,668	222,621	1,200,978	261,666	1,462,644
2020-2021	136,802,310	1,362,890	50,424	206,007	1,207,306	260,617	1,467,923
2021-2022	135,588,122	1,350,869	52,453	189,408	1,213,915	259,570	1,473,485
2022-2023	134,375,963	1,338,869	47,790	172,823	1,213,837	258,527	1,472,363
2023-2024	133,165,842	1,326,889	50,932	156,252	1,221,569	257,486	1,479,055
2024-2025	296,603,488	2,945,990	45,369	178,169	2,813,190	166,995	2,980,185
2025-2026	430,244,551	4,269,036	75,248	2,463,786	1,880,498	170,761	2,051,260
2026-2027	411,146,228	4,078,895	97,911	3,254,013	922,793	693,412	1,616,205
2027-2028	392,464,770	3,893,948	92,240	3,046,812	939,376	661,971	1,601,347
2028-2029	374,819,315	3,719,258	91,136	2,848,946	961,448	632,274	1,593,722
2029-2030	358,147,563	3,554,208	83,426	2,661,758	975,876	604,215	1,580,091
2030-2031	342,390,989	3,398,218	84,870	2,484,606	998,482	577,697	1,576,179
2031-2032	327,494,660	3,250,744	84,203	2,316,885	1,018,062	552,627	1,570,689

TABLE V – District Revenues with Grandview Wind Farm III with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Tier I Total Revenue	M&O Revenue > Comp Rate	Payment for District Losses	Total District Revenue
2015-2016	358,269,057	3,556,479	417,724	0	3,974,203	309,074	0	4,283,277
2016-2017	329,526,904	3,270,863	133,344	2,434,465	969,742	556,047	0	1,525,789
2017-2018	119,956,949	1,196,121	47,892	1,188,898	55,115	203,341	222,464	480,920
2018-2019	120,356,734	1,200,079	77,955	47,699	1,230,335	243,601	0	1,473,936
2019-2020	120,758,518	1,204,056	73,956	47,927	1,230,085	244,316	0	1,474,401
2020-2021	121,162,310	1,208,054	75,186	48,157	1,235,082	245,033	0	1,480,116
2021-2022	121,568,122	1,212,071	76,396	48,389	1,240,079	245,753	0	1,485,832
2022-2023	121,975,963	1,216,109	72,338	48,622	1,239,825	246,477	0	1,486,302
2023-2024	122,385,842	1,220,167	73,507	48,857	1,244,817	247,203	0	1,492,019
2024-2025	287,443,488	2,855,306	69,408	0	2,924,714	176,111	0	3,100,825
2025-2026	422,704,551	4,194,390	73,820	2,364,183	1,904,027	167,776	0	2,071,803
2026-2027	405,226,228	4,020,287	96,744	3,184,867	932,163	683,449	593	1,616,205
2027-2028	392,464,770	3,893,948	91,301	3,028,178	957,070	661,971	0	1,619,041
2028-2029	374,819,315	3,719,258	91,136	2,848,946	961,448	632,274	0	1,593,722
2029-2030	358,147,563	3,554,208	83,426	2,661,758	975,876	604,215	0	1,580,091
2030-2031	342,390,989	3,398,218	84,870	2,484,606	998,482	577,697	0	1,576,179
2031-2032	327,494,660	3,250,744	84,203	2,316,885	1,018,062	552,627	0	1,570,689

Groom ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

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

Groom ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm III, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, will be paid to Groom ISD by Grandview Wind III, the projected amount of these payments over the life of the agreement is \$700,000 of the \$1.3 million net tax savings amount. This amount will be computed annually according to Section VI of the Agreement.

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

Fiscal Year	Net Tax Savings	Groom ISD \$100/ADA	Grandview Wind III's Share
2015-2016	0	0	0
2016-2017	0	50,000	(50,000)
2017-2018	17,386	50,000	(32,614)
2018-2019	220,896	50,000	170,896
2019-2020	201,942	50,000	151,942
2020-2021	182,988	50,000	132,988
2021-2022	164,034	50,000	114,034
2022-2023	145,080	50,000	95,080
2023-2024	126,126	50,000	76,126
2024-2025	95,264	50,000	45,264
2025-2026	78,416	50,000	28,416
2026-2027	68,671	50,000	18,671
2027-2028	0	50,000	(50,000)
2028-2029	0	50,000	(50,000)
2029-2030	0	50,000	(50,000)
2030-2031	0	0	0
2031-2032	0	0	0
Totals	1,300,803	700,000	600,803

Groom ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Groom School	K-12	24	432	147	285
Total		24	432	147	285

The building capacities are based on 18 students per classroom for all grade levels. Groom ISD is a kindergarten through 12th grade district.

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new two positions equates to 1 new student.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Grandview Wind Farm III, LLC, would be beneficial to both Grandview Wind III and Groom ISD under the current school finance system.

Grandview Wind Farm III, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Grandview Wind III is projected to benefit from a 40% tax savings during that ten year period of this Agreement. Grandview Wind III also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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



Texas Education Agency

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

Michael Williams
Commissioner

January 14, 2016

Ron Kuehler
Board President
Groom Independent School District
PO Box 598
Groom, TX 79039-0598

Dear Mr. Kuehler:

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

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', is written over a light blue horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Jay Scott Lamb



2014 ISD Summary Worksheet

006/Armstrong

033-901/Groom ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	172,070	N/A	172,070	172,070
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	942,630	N/A	942,630	942,630
D2. Real Prop Farm & Ranch	61,470	N/A	61,470	61,470
E. Real Prop NonQual Acres	57,970	N/A	57,970	57,970
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	85,980	N/A	85,980	85,980
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,320,120		1,320,120	1,320,120
Less Total Deductions	95,320		95,320	95,320
Total Taxable Value	1,224,800		1,224,800	1,224,800 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
1,234,800	1,224,800	1,234,800	1,224,800	1,224,800	1,224,800
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption	
10,000		0			

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,234,800	1,224,800	1,234,800	1,224,800	1,224,800	1,224,800

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

033/Carson

033-901/Groom ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	14,820,590	.9532	15,548,248	14,820,590
B. Multi-Family Residences	25,860	N/A	25,860	25,860
C1. Vacant Lots	87,290	N/A	87,290	87,290
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	13,218,280	.9356	14,127,568	13,218,280
D2. Real Prop Farm & Ranch	1,136,170	N/A	1,136,170	1,136,170
E. Real Prop NonQual Acres	6,310,890	.9924	6,359,220	6,310,890
F1. Commercial Real	1,578,880	N/A	1,578,880	1,578,880
F2. Industrial Real	2,322,860	N/A	2,322,860	2,322,860
G. Oil, Gas, Minerals	13,536,550	.9944	13,612,782	13,536,550
J. Utilities	16,077,100	.9210	17,456,135	16,077,100
L1. Commercial Personal	1,839,470	N/A	1,839,470	1,839,470
L2. Industrial Personal	192,510	N/A	192,510	192,510
M. Other Personal	380,660	N/A	380,660	380,660
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,475,580	N/A	1,475,580	1,475,580
Subtotal	73,002,690		76,143,233	73,002,690
Less Total Deductions	5,622,297		5,861,538	5,622,297
Total Taxable Value	67,380,393		70,281,695	67,380,393 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
69,427,433	67,380,393	69,427,433	67,380,393	67,680,625	67,680,625

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

2,047,040	0
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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
69,427,433	67,380,393	69,427,433	67,380,393	67,680,625	67,680,625

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

065/Donley

033-901/Groom ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family	0	N/A	0	0

	U	N/A	U	U
Residences				
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,292,269	N/A	2,292,269	2,292,269
D2. Real Prop Farm & Ranch	57,021	N/A	57,021	57,021
E. Real Prop NonQual Acres	307,496	N/A	307,496	307,496
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	73,770	N/A	73,770	73,770
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	2,730,556		2,730,556	2,730,556
Less Total Deductions	72,607		72,607	72,607
Total Taxable Value	2,657,949		2,657,949	2,657,949 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
2,687,949	2,657,949	2,687,949	2,657,949	2,657,949	2,657,949

Loss To the Additional \$10,000 Homestead Exemption

30,000

50% of the loss to the Local Optional Percentage Homestead Exemption

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
2,687,949	2,657,949	2,687,949	2,657,949	2,657,949	2,657,949

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

090/Gray

033-901/Groom ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	379,050	N/A	379,050	379,050
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	13,020	N/A	13,020	13,020
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,686,120	1.3309	2,018,329	2,686,120
D2. Real Prop Farm & ...	294,850	N/A	294,850	294,850

kanen				
E. Real Prop NonQual Acres	2,290,770	.8598	2,664,306	2,290,770
F1. Commercial Real	100,170	N/A	100,170	100,170
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	4,642,030	1.0098	4,596,980	4,642,030
J. Utilities	5,887,430	1.0471	5,622,605	5,887,430
L1. Commercial Personal	86,150	N/A	86,150	86,150
L2. Industrial Personal	8,870	N/A	8,870	8,870
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	16,388,460		15,784,330	16,388,460
Less Total Deductions	337,024		337,024	337,024
Total Taxable Value	16,051,436		15,447,306	16,051,436 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
16,161,436	16,051,436	16,161,436	16,051,436	16,051,436	16,051,436

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

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
16,161,436	16,051,436	16,161,436	16,051,436	16,051,436	16,051,436

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

033-901/Groom ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	15,371,710	.9548	16,099,368	15,371,710
B. Multi-Family Residences	25,860	N/A	25,860	25,860
C1. Vacant Lots	100,310	N/A	100,310	100,310
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	19,139,299	.9875	19,380,796	19,139,299
D2. Real Prop Farm & Ranch	1,549,511	N/A	1,549,511	1,549,511
E. Real Prop NonQual Acres	8,967,126	.9551	9,388,992	8,967,126
F1. Commercial Real	1,679,050	N/A	1,679,050	1,679,050
F2. Industrial Real	2,322,860	N/A	2,322,860	2,322,860
G. Oil, Gas, Minerals	18,178,580	.9983	18,209,762	18,178,580
J. Utilities	22,124,280	.9521	23,238,490	22,124,280
L1. Commercial Personal	1,925,620	N/A	1,925,620	1,925,620
L2. Industrial Personal	201,380	N/A	201,380	201,380

M. Other Personal	380,660	N/A	380,660	380,660
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,475,580	N/A	1,475,580	1,475,580
Subtotal	93,441,826		95,978,239	93,441,826
Less Total Deductions	6,127,248		6,366,489	6,127,248
Total Taxable Value	87,314,578		89,611,750	87,314,578 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

x



2015 ISD Summary Worksheet

006/Armstrong

033-901/Groom ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	175,900	N/A	175,900	175,900
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	943,110	N/A	943,110	943,110
D2. Real Prop Farm & Ranch	61,470	N/A	61,470	61,470
E. Real Prop NonQual Acres	61,010	N/A	61,010	61,010
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	88,320	N/A	88,320	88,320
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,329,810		1,329,810	1,329,810
Less Total Deductions	100,910		100,910	100,910
Total Taxable Value	1,228,900		1,228,900	1,228,900 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1		T2		T3		T4
1,238,900		1,228,900		1,238,900		1,228,900
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption		
10,000			0			

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

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

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

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

Value Taxable For I&S Purposes

T7		T8		T9		T10
1,238,900		1,228,900		1,238,900		1,228,900

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

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

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

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

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

033/Carson

033-901/Groom ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	14,939,080	N/A	14,939,080	14,939,080
B. Multi-Family Residences	25,860	N/A	25,860	25,860
C1. Vacant Lots	91,950	N/A	91,950	91,950
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	13,742,390	N/A	13,742,390	13,742,390
D2. Real Prop Farm & Ranch	1,323,890	N/A	1,323,890	1,323,890
E. Real Prop NonQual Acres	6,604,270	N/A	6,604,270	6,604,270
F1. Commercial Real	2,483,190	N/A	2,483,190	2,483,190
F2. Industrial Real	279,464,780	N/A	279,464,780	279,464,780
G. Oil, Gas, Minerals	10,245,760	N/A	10,245,760	10,245,760
J. Utilities	17,246,160	N/A	17,246,160	17,246,160
L1. Commercial Personal	2,405,270	N/A	2,405,270	2,405,270
L2. Industrial Personal	283,210	N/A	283,210	283,210
M. Other Personal	370,560	N/A	370,560	370,560
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,482,600	N/A	1,482,600	1,482,600
Subtotal	350,708,970		350,708,970	350,708,970
Less Total Deductions	7,104,875		7,104,875	7,104,875
Total Taxable Value	343,604,095		343,604,095	343,604,095 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
345,430,305	343,604,095	345,430,305	343,604,095

Loss To the Additional \$10,000 Homestead Exemption

1,826,210

0

50% of the loss to the Local Optional Percentage Homestead Exemption

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

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

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
345,430,305	343,604,095	345,430,305	343,604,095

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

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

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

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

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

065/Donley

033-901/Groom ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,470,441	N/A	2,470,441	2,470,441
D2. Real Prop Farm & Ranch	77,277	N/A	77,277	77,277
E. Real Prop NonQual Acres	324,472	N/A	324,472	324,472
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0

G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	58,510	N/A	58,510	58,510
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	2,930,700		2,930,700	2,930,700
Less Total Deductions	83,468		83,468	83,468
Total Taxable Value	2,847,232		2,847,232	2,847,232 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
2,875,700	2,847,232	2,875,700	2,847,232
Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption	
28,468	0		

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

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

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
2,875,700	2,817,232	2,875,700	2,817,232

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

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

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

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

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

090/Gray

033-901/Groom ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	507,440	N/A	507,440	507,440
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	12,700	N/A	12,700	12,700
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	3,005,040	N/A	3,005,040	3,005,040
D2. Real Prop Farm & Ranch	291,810	N/A	291,810	291,810
E. Real Prop NonQual Acres	2,220,700	N/A	2,220,700	2,220,700
F1. Commercial Real	100,170	N/A	100,170	100,170
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	3,041,170	N/A	3,041,170	3,041,170
J. Utilities	5,738,530	N/A	5,738,530	5,738,530
L1. Commercial Personal	74,370	N/A	74,370	74,370
L2. Industrial Personal	8,160	N/A	8,160	8,160
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	15,000,090		15,000,090	15,000,090
Less Total Deductions	913,557		913,557	913,557
Total Taxable Value	14,086,533		14,086,533	14,086,533 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1		T2		T3		T4
14,196,533		14,086,533		14,196,533		14,086,533
	Loss To the Additional \$10,000 Homestead Exemption			50% of the loss to the Local Optional Percentage Homestead Exemption		
110,000			0			

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

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

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

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

Value Taxable For I&S Purposes

T7		T8		T9		T10
14,196,533		14,086,533		14,196,533		14,086,533

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

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

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

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

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

033-901/Groom ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	15,622,420	N/A	15,622,420	15,622,420
B. Multi-Family Residences	25,860	N/A	25,860	25,860
C1. Vacant Lots	104,650	N/A	104,650	104,650
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	20,160,981	N/A	20,160,981	20,160,981
D2. Real Prop Farm & Ranch	1,754,447	N/A	1,754,447	1,754,447
E. Real Prop NonQual Acres	9,210,452	N/A	9,210,452	9,210,452
F1. Commercial Real	2,583,360	N/A	2,583,360	2,583,360
F2. Industrial Real	279,464,780	N/A	279,464,780	279,464,780
G. Oil, Gas, Minerals	13,286,930	N/A	13,286,930	13,286,930
J. Utilities	23,131,520	N/A	23,131,520	23,131,520
L1. Commercial Personal	2,479,640	N/A	2,479,640	2,479,640
L2. Industrial Personal	291,370	N/A	291,370	291,370
M. Other Personal	370,560	N/A	370,560	370,560
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,482,600	N/A	1,482,600	1,482,600
Subtotal	369,969,570		369,969,570	369,969,570
Less Total Deductions	8,202,810		8,202,810	8,202,810
Total Taxable Value	361,766,760		361,766,760	361,766,760 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

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

by and between

GROOM INDEPENDENT SCHOOL DISTRICT

and

GRANDVIEW WIND FARM III, LLC

(Texas Taxpayer ID #32052353995)

Comptroller Application #1108

Dated

September 26, 2016

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

STATE OF TEXAS §

COUNTY OF CARSON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **GROOM INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **GRANDVIEW WIND FARM III, LLC**, Texas Taxpayer Identification Number 32052353995 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on October 19, 2015, the Superintendent of Schools of the Groom Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on October 19, 2015, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (LOCAL), and agreed to consider the Application;

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

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and January 11, 2016 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

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

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on April 4, 2016, issued a certificate for limitation on

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

WHEREAS, the District's Board of Trustees, by resolution dated May 19, 2016, extended the statutory deadline by which the District must consider the Application until December 31, 2016, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

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

WHEREAS, on September 26, 2016, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on September 26, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on September 26, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on September 2, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on September 26, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized [*Insert Name*] to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

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

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

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

“Applicant” means **GRANDVIEW WIND FARM III, LLC**, (Texas Taxpayer ID # 32052353995), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

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

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on October 19, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

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

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

TEXAS TAX CODE.

“Appraisal District” means the Carson County Appraisal District.

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

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

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

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

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

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

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

“County” means Carson County, Texas.

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

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

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

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

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of

the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

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

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

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

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

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

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

"State" means the State of Texas.

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

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

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

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS

TAX CODE (*i.e.*, the calendar year).

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

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

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

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

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

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

“Net Tax Savings” shall have the same meaning as assigned to such term in Section 6.3 of the Agreement.

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

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

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

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

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is January 11, 2016, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is September 26, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on September 26, 2016, the Application Approval Date; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2017, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
- ii. Ends on December 31, 2026.

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

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection 2.3.E, unless extended by the express terms of this Agreement.

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

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

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

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

- A. have completed the Applicant's Qualified Investment in the amount of \$10,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,574.75 for all New Non-Qualifying Jobs created by the Applicant.

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

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III
QUALIFIED PROPERTY

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

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

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

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

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

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the

provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in **EXHIBIT 5**), the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

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

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

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

- iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations for the M&O Amount made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

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

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

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Seven Thousand Dollars, (\$7,000.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to § 26.01 of the

TEXAS TAX CODE in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

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

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

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

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

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this

Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

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

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

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

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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

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

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

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2014-15 Average Daily Attendance of 130, rounded to the whole number.

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

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

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum

of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

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

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

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

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

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

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

extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

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

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

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

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

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their

performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

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

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

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

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

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

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

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

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

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

ARTICLE IX **MATERIAL BREACH OR EARLY TERMINATION**

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

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

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

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

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

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

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully

described in Article IV of this Agreement;

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

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

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

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

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

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

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

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

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

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement,

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

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

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

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

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

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

Section 9.3. DISPUTE RESOLUTION.

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

Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Carson County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

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

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

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

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

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District

pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

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

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

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

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

A. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that

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

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

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

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

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

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

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

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

of such electronic receipt.

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

To the District:

Groom Independent School District
Attn: Jay Lamb, Superintendent
(or the successor Superintendent)
304 W. 3rd
Groom, TX 79039
Phone #: (806) 248-7557
Fax #: (806) 248-7474
Email: jay.lamb@region16.net

With a copy to:

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

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

To Applicant:

Grandview Wind Farm III, LLC
c/o Dennis Stout, Development Manager
701 Brazos St., Suite 1400
Austin, TX 78701
Phone #: (512) 482-4080
Email: dennis.stout@eon.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

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

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

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was

approved by the District and considered by the Comptroller;

- c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

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

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

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

Section 10.3. ASSIGNMENT.

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

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

C. In the event of an assignment to a creditor, the Applicant must notify the District and

the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

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

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

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

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

Section 10.9. INTERPRETATION.

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

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

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

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

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

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

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

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

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

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the

Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

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

Section 10.14. CONFLICTS OF INTEREST.

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

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

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

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

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;

- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

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

B. Delivery is deemed complete as follows:

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

[signatures follow on next page]

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

GRANDVIEW WIND FARM III, LLC

GROOM INDEPENDENT SCHOOL DISTRICT

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

DRAFT

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Carson County Commissioners Court created Carson County Reinvestment Zone Nos. 7, 9 and 10 as follows:

The Carson County Commissioners Court created Reinvestment Zone No. 7 on February 11, 2013, which is more particularly described as follows:

All of Sections 233, 234, 235, 236, 237, 238, 243, 244, 245, 246, 247 and 248, Block B2, H&GN RR Co. Survey, Carson County, Texas.

All of Sections 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, and 88, Block 7, I&GN RR Co. Survey, Carson County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, and 96, Block 2, IT RR Co. Survey, Carson County, Texas.

All of Sections 1, 2, 3, 4, 17, 18, 19, 20, 21, 22, 23, 24, 41, 42 and 65, Block T, AB&M Survey, Carson County, Texas.

All of Sections 37, 38, 39, 40, 43 and 44, Block T, H&W Survey, Carson County, Texas.

All of Sections 57, 58, 59, 60, 61, 62, 63, and 64, Block T, BS&F Survey, Carson County, Texas.

All of Sections 1, 16, and 17, Block 3, AB&M Survey, Carson County, Texas.

All of Sections 2 and 3, Block 4, J H Gibson Survey, Carson County, Texas.

All of Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26, Block S, H&GN RR Co. Survey, Carson County, Texas.

All of Section 1, Block 1, BS&F Survey, Carson County, Texas.

All of Section 2, Block 1, B&B Survey, Carson County, Texas.

All of Sections 31 and 32, Block Y-2, C&M Ry. Co. Survey, Carson County, Texas.

All of Sections 1, 2, 3, 4, 5, 6, 7 and 8, Block 5, B&B Survey, Carson County, Texas.

All of Sections 11 and 12, Block Y-2, B&B Survey, Carson County, Texas.

All of Sections 10, 23 and 24, Block Y-2, TT RR Co. Survey, Carson County, Texas.

All of Sections 1 and 2, Block Y-2, BS&F Survey, Carson County, Texas.

All of Sections 2, 3, 4, 5, 8, 9, 10, 13, 14, 15, 16, 19 and 20, Block 3, AB&M Survey, Carson County, Texas.

All of Sections 21 and 22, Block Y-2, AB&M Survey, Carson County, Texas.

All of Sections 27, 28, 29 and 30, Block Y-2, TC Ry. Co. Survey, Carson County, Texas.

All of Sections 25 and 26, Block Y-2, CB & CNG Ry. Co. Survey, Carson County, Texas

The Carson County Commissions Court passed a Resolution designating Carson County Reinvestment Zone No. 9 on August 23, 2013, which is more particularly described as follows:

The real property in Carson County being all of Sections 191, 192, and 193 Block B3, H&GN RR Co. Survey, Carson County, Texas

All of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 34, 35, 36, 37, 38, 40 and 44 Block B4, H&GN RR Co. Survey, Carson County, Texas

All of Sections 125, 126, 127, 128, 137, 138, 139, 140, 141, 142, 144, 145, 146, 147, 148, 149, 150, 151, 161, 162, 163, 164 and 165 Block 7, I&GN RR Co. Survey, Carson County, Texas

All of Sections 14, 15, 16, 17, 44, 45, 46, 47, 74, 75, 76 and 77 Block 2, TT RR Co. Survey, Carson County, Texas

All of DO WOLFE, Carson County, Texas.

The Carson County Commissions Court passed a Resolution designating Carson County Reinvestment Zone No. 10 on December 9, 2013, which is more particularly described as follows:

All of Sections 226, 227, 228, 229, 230, 231, 232, 233, 248, 249, 250, 251, 252, 253, 254, Block B2, H&GN RR Co. Survey, Carson County, Texas.

All of Sections 55, 56, 92, 93, 94, 95, 96, 97, 126, 127, 128, 129, 158 and 160, Block B3, H&GN RR Co. Survey, Carson County, Texas.

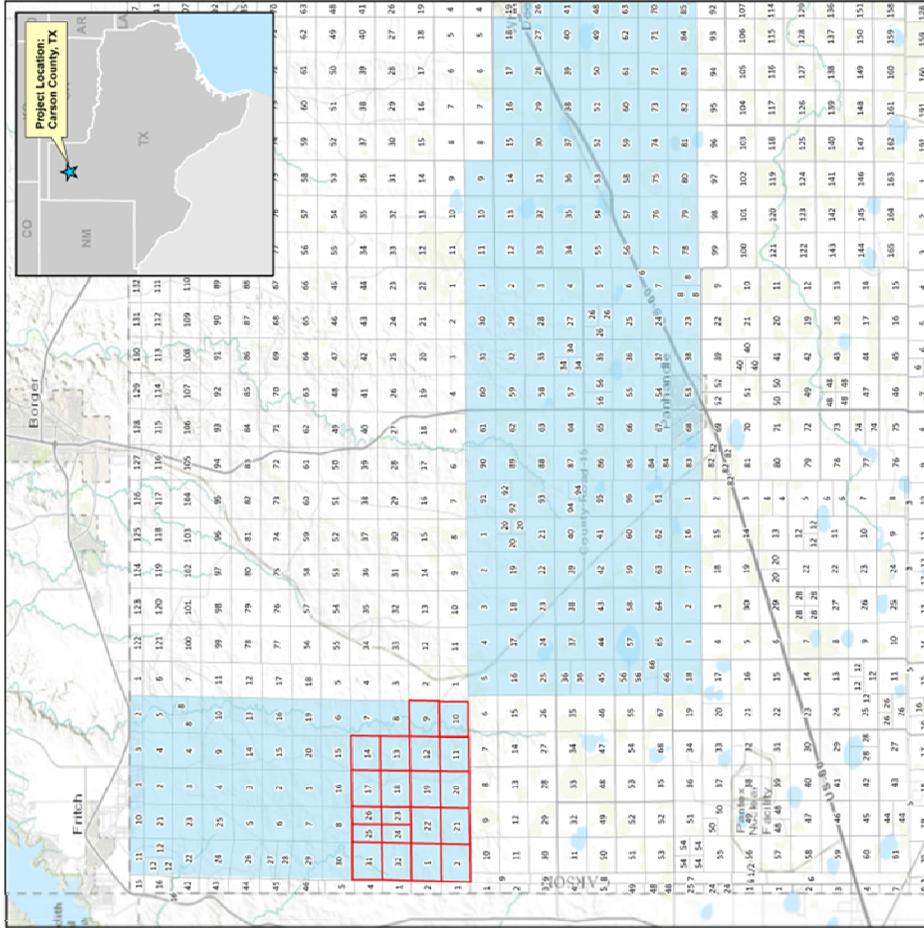
All of Sections 75, 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 129, 130, 131, 132, 133, 134, 135, 136, 143, 152, 153, 154, 155, 156, 157, 158, 159, 160, 166, Block 7, I&GN RR Co. Survey, Carson County, Texas.

All of Sections 10, 11, 12, 13, 18, 19, 20, 41, 42 and 43, Block 2, TT RR Co. Survey, Carson County, Texas.

All of WH Hickox strip.

All of NA Steed strip in Carson County, Texas.

Map of Carson County Reinvestment Zone No. 7



Panhandle Wind Project
Texas, USA

Panhandle 3

Privileged & Confidential
Created: 12/18/2013 MP



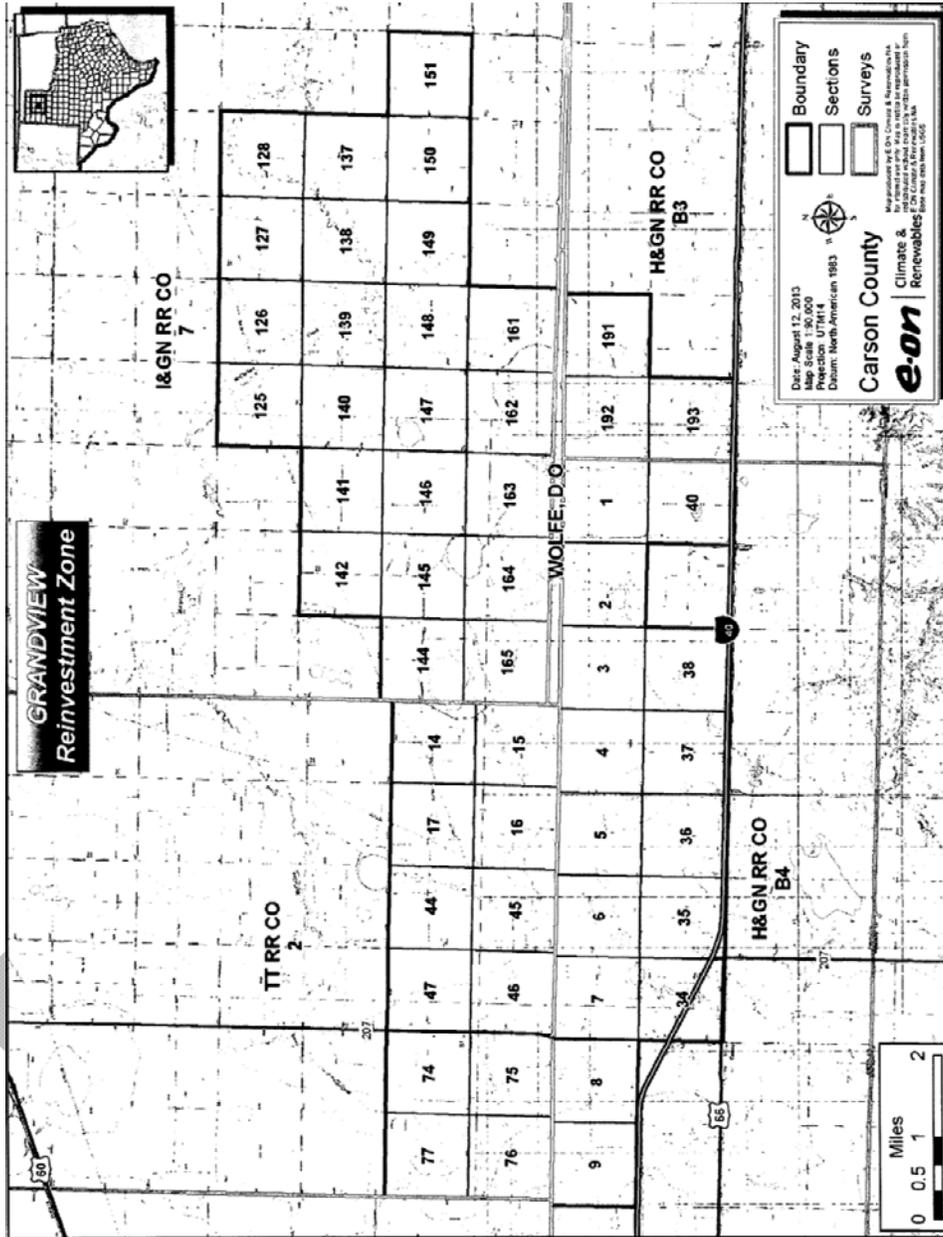
Legend

- Panhandle 3 Project Area
- Reinvestment Zone

Agreement for Limitation on Appraised Value
Between Groom ISD and Grandview Wind Farm III, LLC
(App No. 1108), September 26, 2016
Exhibit 1

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

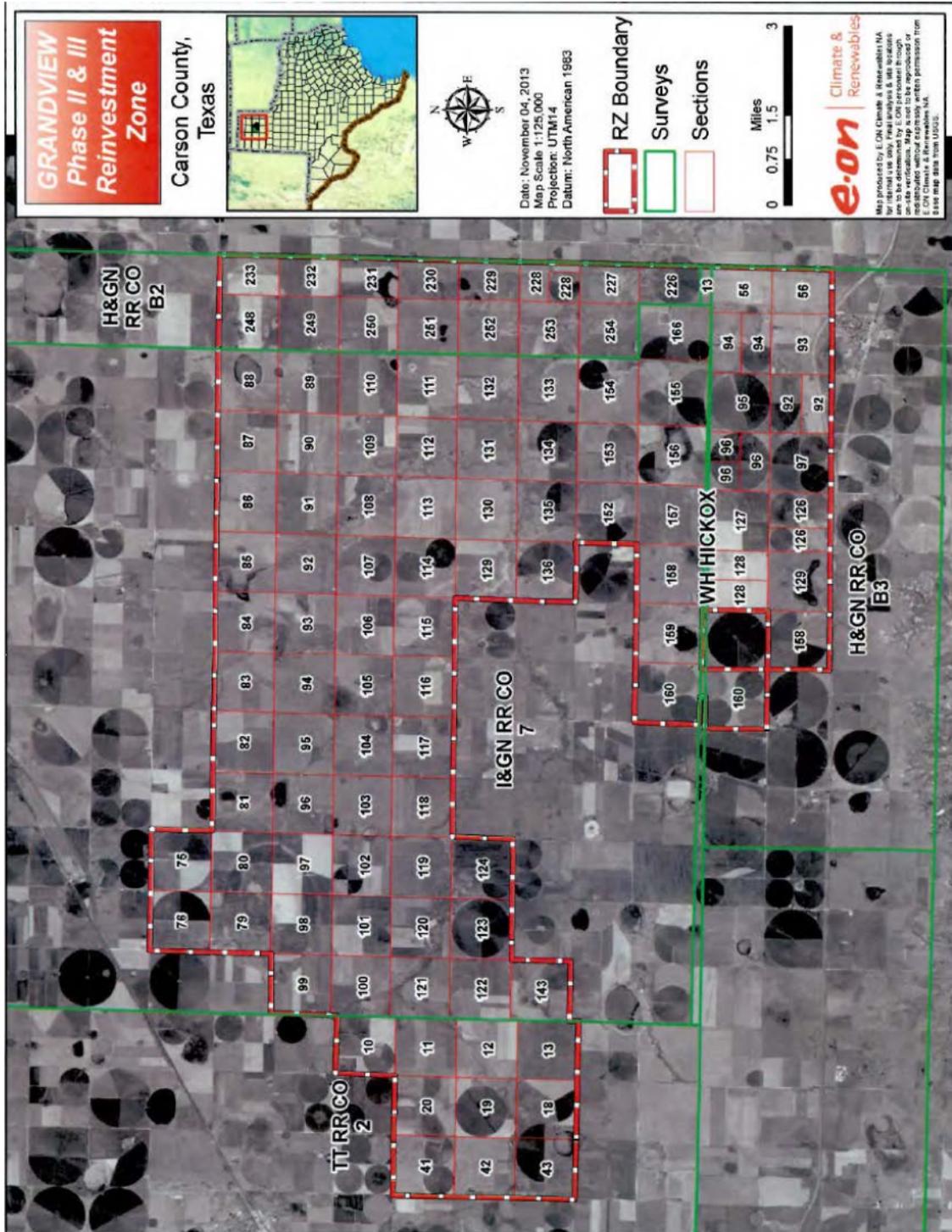
Map of Carson County Reinvestment Zone No. 9



Agreement for Limitation on Appraised Value
 Between Groom ISD and Grandview Wind Farm III, LLC
 (App No. 1108), September 26, 2016
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Texas Economic Development Act Agreement
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Map of Carson County Reinvestment Zone No. 10



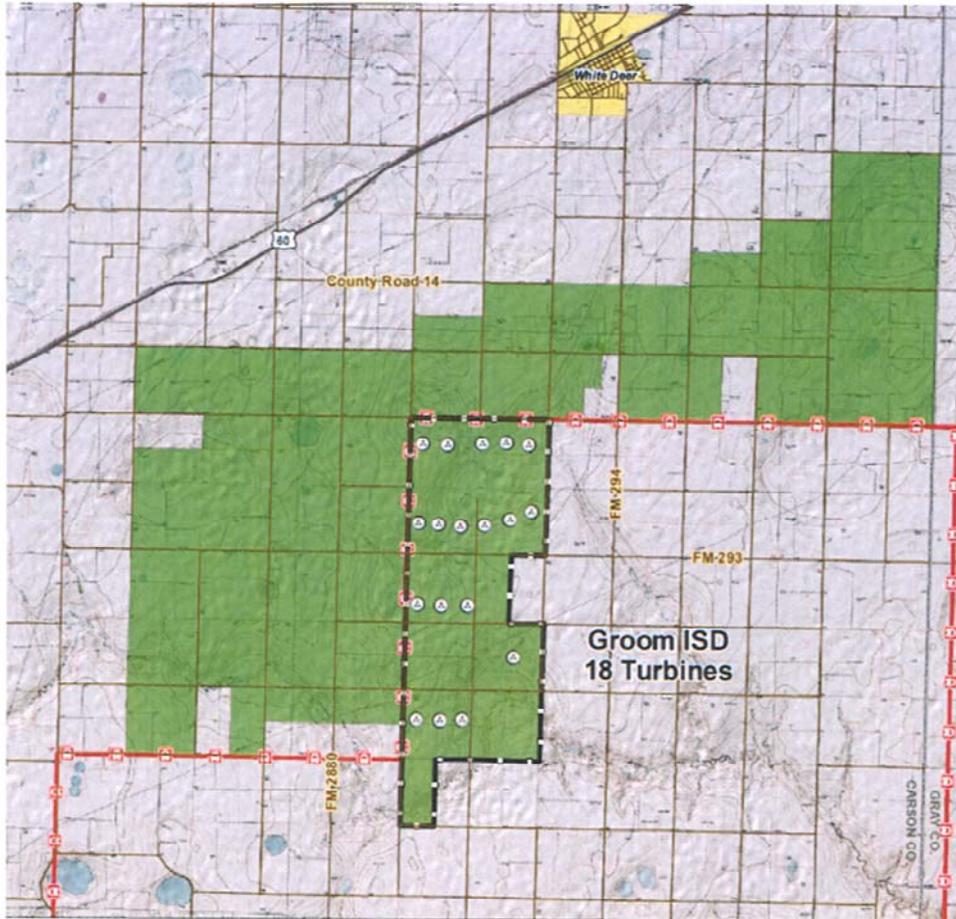
Agreement for Limitation on Appraised Value
 Between Groom ISD and Grandview Wind Farm III, LLC
 (App No. 1108), September 26, 2016
 Exhibit 1

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

EXHIBIT 2

DESCRIPTION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of both the Groom Independent School District and the Carson County Reinvestment Zone Nos. 7, 9 and/or 10, and is particularly depicted as follows:



Agreement for Limitation on Appraised Value
Between Groom ISD and Grandview Wind Farm III, LLC
(App No. 1108), _____, 2016
Exhibit 2

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

EXHIBIT 3

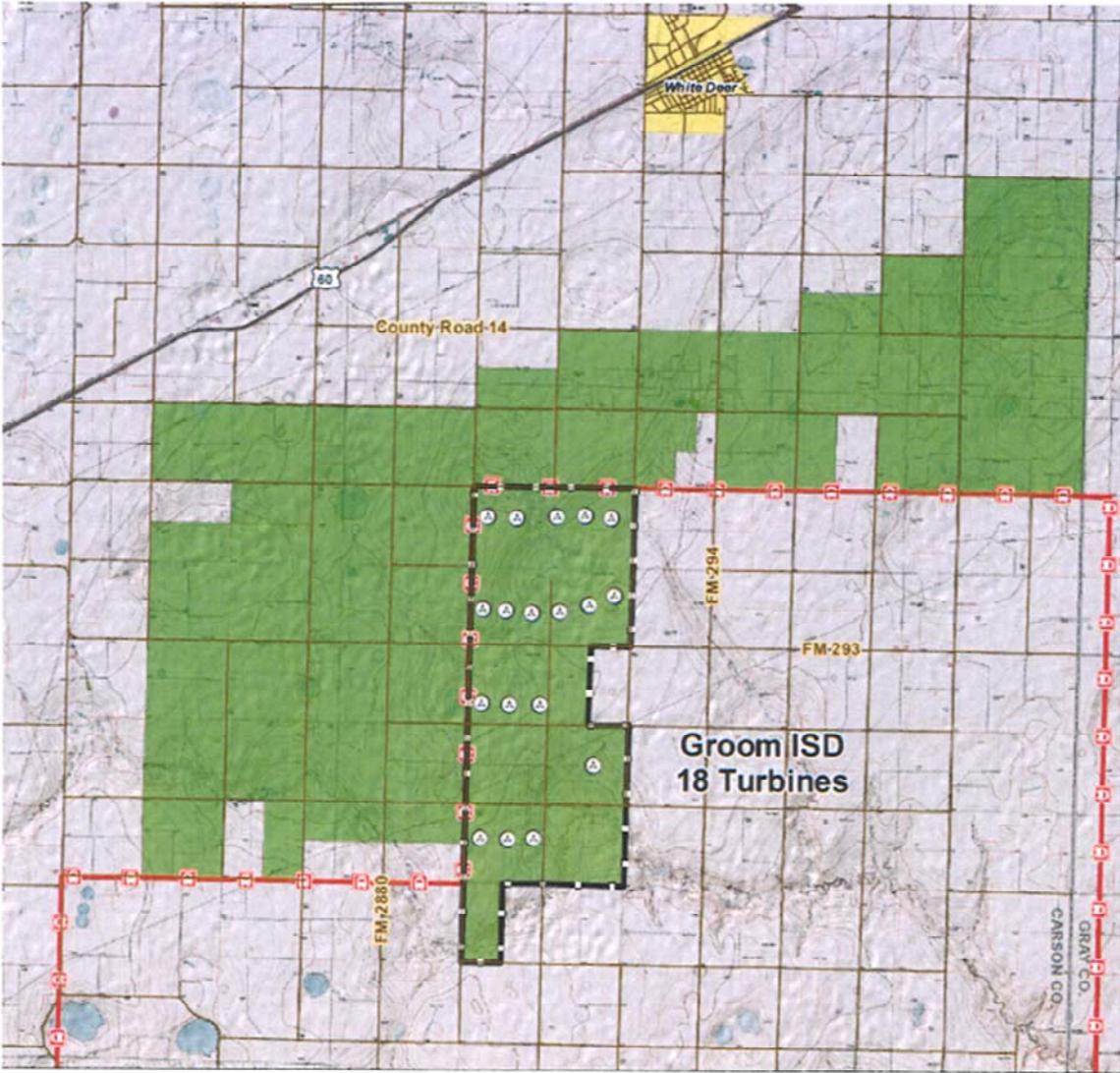
APPLICANT'S QUALIFIED INVESTMENT

Grandview Wind Farm III, LLC anticipates constructing a wind-powered electric generating facility consisting of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, to be located within the Groom ISD and the Carson County Reinvestment Zones (the "**Grandview III-Groom ISD Project**"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the completed Grandview III-Groom Project. Applicant currently plans to install 16 to 20 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of 28 MW to 40 MW to be located within the Grandview III-Groom Project. Descriptions of the Carson County Reinvestment Zones are included in **EXHIBIT 1**. A map showing the location of the Grandview III-Groom Project is included below.

The improvements for the Grandview III-Groom Project located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones, and being part of the Qualified Property and Qualified Investment subject to this Agreement may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- Approximately 16 to 20 wind turbine generators and related foundations, with anchor bolt embeds and template rings will be located in Groom ISD
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including three 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 9 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables.

MAP OF QUALIFIED INVESTMENT



Agreement for Limitation on Appraised Value
Between Groom ISD and Grandview Wind Farm III, LLC
(App No. 1108), September 26, 2016
Exhibit 3

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

EXHIBIT 4

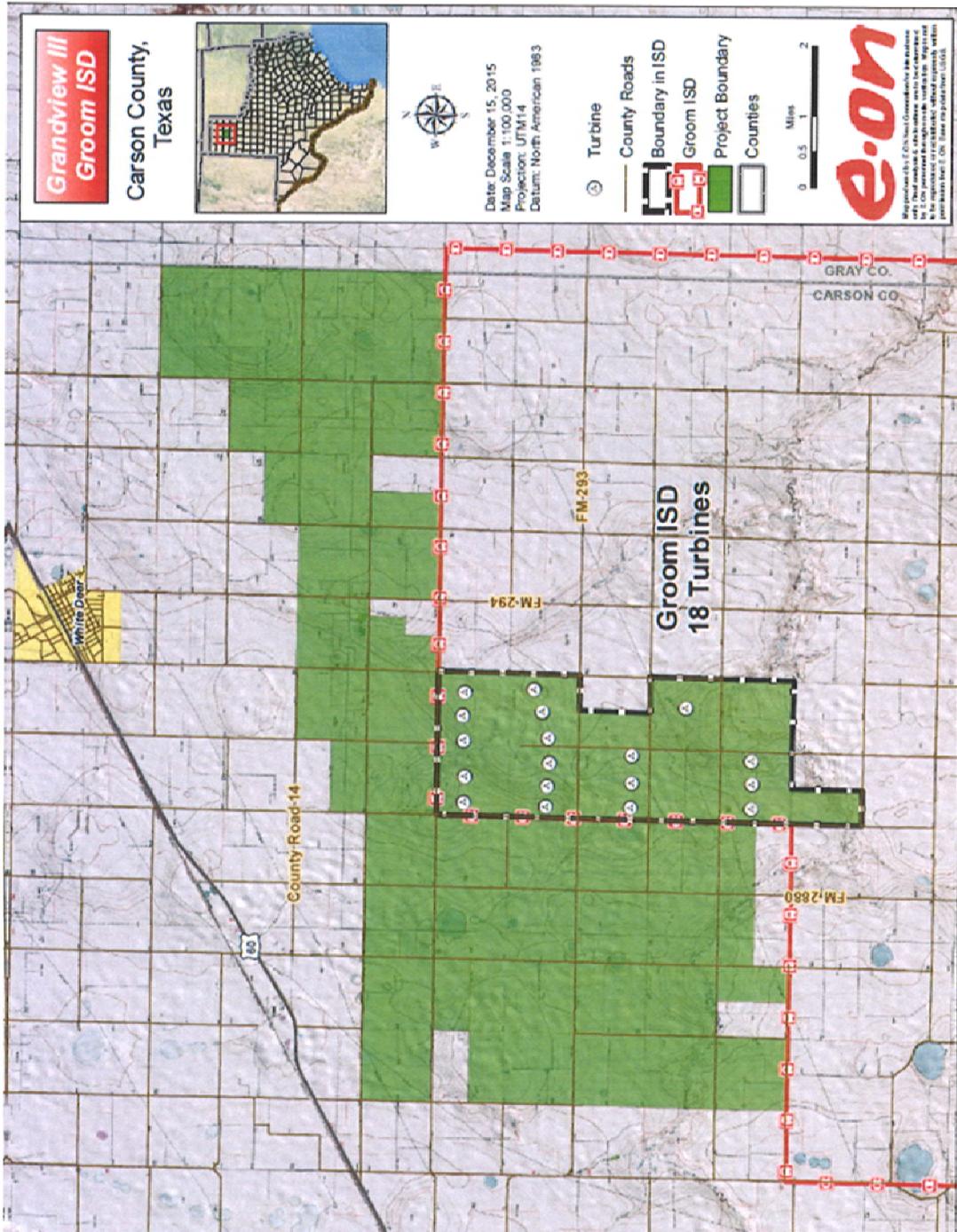
DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Grandview Wind Farm III, LLC anticipates constructing a wind-powered electric generating facility consisting of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction, to be located within the Groom ISD and the Carson County Reinvestment Zones (the "**Grandview III-Groom ISD Project**"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the completed Grandview III-Groom Project. Applicant currently plans to install 16 to 20 wind turbine generators (GE 1.79 or GE 2.0 models) for an approximate total megawatt nameplate capacity of 28 MW to 40 MW to be located within the Grandview III-Groom Project. Descriptions of the Carson County Reinvestment Zones are included in **EXHIBIT 1**. A map showing the location of the Grandview III-Groom Project is included below.

The improvements for the Grandview III-Groom Project located within the boundaries of the Groom ISD and the Carson County Reinvestment Zones, and being part of the Qualified Property and Qualified Investment subject to this Agreement may include but are not limited to:

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- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- Approximately 16 to 20 wind turbine generators and related foundations, with anchor bolt embeds and template rings will be located in Groom ISD
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including three 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 9 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables.

MAP OF QUALIFIED PROPERTY



Agreement for Limitation on Appraised Value
 Between Groom ISD and Grandview Wind Farm III, LLC
 (App No. 1108), September 26, 2016
 Exhibit 4

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

EXHIBIT 5

AGREEMENT SCHEDULE

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

Agreement for Limitation on Appraised Value
 Between Groom ISD and Grandview Wind Farm III, LLC
 (App No. 1108), September 26, 2016
 Exhibit 5

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



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 02, 2016

Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, Texas 79039

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Groom Independent School District and Grandview Wind Farm III, LLC, Application #1108

Dear Superintendent Lamb:

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 Groom Independent School District and Grandview Wind Farm III, 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.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or direct in Austin at 512-936-8597.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan", is positioned below the word "Sincerely,".

Will Counihan
Director
Data Analysis & Transparency Division

cc: James Wester, Underwood Law Firm, P.C.
Paul Bowman, EC&R Development, LLC
Dennis Stout, EC&R Development, LLC



October 16, 2015

Mr. Jay Lamb
Superintendent
Groom Independent School District
304 W. 3rd Street
Groom, TX 79039

Re: Chapter 313 Job Waiver Request

Dear Superintendent Lamb:

Grandview Wind Farm III, LLC, a subsidiary of E.ON Climate & Renewables North America, LLC, requests that the Groom 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.

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

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

Approximately 16 to 20 wind turbines are currently projected to be located in the Groom Independent School District. Grandview Wind Farm III, LLC requests that the Groom Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with the projected number of wind turbines to be located in the Groom Independent School District and the industry standards for job requirements as described above, Grandview Wind Farm III, LLC commits to create 2 total jobs relating to that part of the project located within the Groom Independent School District.

With kind regards,

A handwritten signature in blue ink, appearing to read 'PB', with a long, sweeping horizontal line extending to the right.

Paul Bowman
Sr. Vice President, Development

Groom Independent School District

P.O. Box 598

Groom, Texas 79039

Excellence Now: A Commitment to the Future

(806) 248-7557

Superintendent: Jay Lamb

Principal: Stephen Vanderpool

May 20, 2016

Grandview Wind Farm, III
c/o Paul Bowman, Senior Vice President
701 Brazos St., Suite 1400
Austin, TX 78701

*via email: paul.bowman@eon
and US Mail*

Re: Request for Extension on Application of Grandview Wind Farm III, LLC
For an Appraised Value Limitation Agreement

Dear Mr. Bowman,

Please be advised that at a properly called meeting of the Groom Independent School District Board of Trustees on May 19, 2016, the Board took action on the request for an extension to consider the application of Grandview Wind Farm III, LLC for an Appraised Value Limitation Agreement with Groom ISD. The District approved the request, and has granted the extension on the application up to the maximum time allowed *i.e.*, December 31, 2016. *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

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

Sincerely,



Jay Lamb, Superintendent

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

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

WHEREAS, on or about October 19, 2015, Grandview III submitted to the District an application under Texas Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”); and

WHEREAS, on or about October 22, 2015, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about January 11, 2016, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

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

WHEREAS, the Comptroller completed its economic impact analysis and issued its certificate decision for limitation on appraised value on April 4, 2016, and such certificate is contingent on the District approving and executing an Agreement by December 31, 2016; and,

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

WHEREAS, on May 3, 2016, Grandview III submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

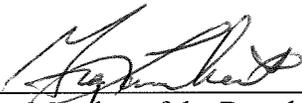
NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District's best interest to extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Grandview III's request, and extend the Deadline for the maximum time allowed, *i.e.*, December 31, 2016, in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent is directed to provide notice to Grandview III of the Board's decision to grant its request, and extend the deadline until December 31, 2016.

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

Groom Independent School District



By: Member of the Board of Trustees



By: Member of the Board of Trustees

EXHIBIT A

Grandview Wind Farm III, LLC

May 3, 2016

Mr. Jay Lamb, Superintendent
Groom Independent School District
304 W. 3rd Street
P.O. Box 598
Groom, Texas 79068

Re: Request for Extension on Application for Appraised Value Limitation on Qualified Property Agreement (Texas Comptroller's Applications No. 1108) submitted to Groom Independent School District by Grandview Wind Farm III, LLC, as the "Applicant," dated October 19, 2015, as thereafter amended and supplemented (the "Application," the capitalized terms used herein, but not otherwise defined herein being used herein as defined in the Application)

Dear Superintendent Lamb:

Please accept this letter as Grandview Wind Farm III, LLC's (the "Applicant") request to Groom Independent School District (the "District") for and extension for the District's consideration of the above-referenced Application pursuant to §313.025(b) of the Texas Tax Code in order to allow Applicant and the District to continue to review, negotiate, and execute the final terms of the Appraised Value Limitation on Qualified Property Agreement (the "Agreement"). On April 4, 2016, the Texas Comptroller of Public Accounts (the "Comptroller") issued its certificate required under to §§313.025 and 313.026 of the Texas Tax Code conditioned on the District approving and executing the Agreement by December 31, 2016. Accordingly, we ask that the District extend the deadline for the District's consideration of the Application until December 31, 2016.

With kind regards,



Paul Bowman
Sr. Vice President, Development

Enclosure

cc Mr. Fred Stormer
Mr. James Wester
Underwood Law Firm, P.C.
500 S. Taylor, Suite 1200 LB 233
P.O. Box 9158
Amarillo, Texas 79105-9158