



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 23, 2017

Johnny Johnson
Superintendent
Kenedy County Wide Common School District
P.O. Box 100
Sarita, Texas 78385

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Kenedy County Wide Common
School District and Stella Wind Farm, LLC, Application 1176

Dear Superintendent Johnson:

On April 24, 2017, the Comptroller issued written notice that Stella Wind Farm, LLC (applicant) submitted a completed application (Application 1176) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 25, 2017, to the Kenedy County Wide Common School District (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.

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

- 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 1176.

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.

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'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, 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).

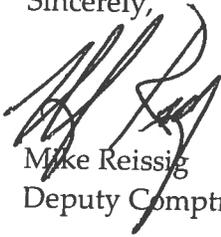
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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, 2017.

Note that any building or improvement existing as of the application review start date of April 24, 2017, 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 Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Stella Wind Farm, LLC (project) applying to Kenedy County Wide Common School District (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 Stella Wind Farm, LLC.

Applicant	Stella Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Kenedy County Wide CSD
2015-2016 Average Daily Attendance	65
County	Kenedy County
Proposed Total Investment in District	\$265,000,000
Proposed Qualified Investment	\$265,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,142
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,142
Minimum annual wage committed to by applicant for qualified jobs	\$59,409
Minimum weekly wage required for non-qualifying jobs	\$1,100
Minimum annual wage required for non-qualifying jobs	\$57,214
Investment per Qualifying Job	\$53,000,000
Estimated M&O levy without any limit (15 years)	\$28,047,600
Estimated M&O levy with Limitation (15 years)	\$9,932,200
Estimated gross M&O tax benefit (15 years)	\$18,115,400

* 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 Stella Wind Farm, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	100	99	199	\$5,940,896	\$7,609,104	\$13,550,000
2019	5	16	21.484	\$297,045	\$1,777,955	\$2,075,000
2020	5	13	18	\$297,045	\$1,777,955	\$2,075,000
2021	5	13	18	\$297,045	\$1,655,955	\$1,953,000
2022	5	11	16	\$297,045	\$1,655,955	\$1,953,000
2023	5	13	18	\$297,045	\$1,533,955	\$1,831,000
2024	5	9	14	\$297,045	\$1,411,955	\$1,709,000
2025	5	15	20	\$297,045	\$1,411,955	\$1,709,000
2026	5	11	16	\$297,045	\$1,289,955	\$1,587,000
2027	5	11	16	\$297,045	\$1,655,955	\$1,953,000
2028	5	15	20	\$297,045	\$1,411,955	\$1,709,000
2029	5	9	14	\$297,045	\$1,411,955	\$1,709,000
2030	5	7	12	\$297,045	\$923,955	\$1,221,000
2031	5	3	8	\$297,045	\$679,955	\$977,000
2032	5	5	10	\$297,045	\$434,955	\$732,000
2033	5	5	10	\$297,045	\$434,955	\$732,000

Source: CPA REMI, Stella Wind Farm, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Kenedy County Wide CSD I&S Tax Levy	Kenedy County Wide CSD M&O Tax Levy	Kenedy County Wide CSD M&O and I&S Tax Levies	Kenedy County Tax Levy	Kenedy County Emergency Services District #1 Tax Levy	Kenedy County Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.2698	1.0600		0.7293	0.0717	0.0153	
2019	\$245,000,000	\$245,000,000		\$661,010	\$2,597,000	\$3,258,010	\$1,786,792	\$175,721	\$37,485	\$5,258,009
2020	\$235,200,000	\$235,200,000		\$634,570	\$2,493,120	\$3,127,690	\$1,715,321	\$168,692	\$35,986	\$5,047,688
2021	\$225,400,000	\$225,400,000		\$608,129	\$2,389,240	\$2,997,369	\$1,643,849	\$161,664	\$34,486	\$4,837,368
2022	\$215,600,000	\$215,600,000		\$581,689	\$2,285,360	\$2,867,049	\$1,572,377	\$154,635	\$32,987	\$4,627,048
2023	\$205,800,000	\$205,800,000		\$555,248	\$2,181,480	\$2,736,728	\$1,500,906	\$147,606	\$31,487	\$4,416,727
2024	\$196,000,000	\$196,000,000		\$528,808	\$2,077,600	\$2,606,408	\$1,429,434	\$140,577	\$29,988	\$4,206,407
2025	\$186,200,000	\$186,200,000		\$502,368	\$1,973,720	\$2,476,088	\$1,357,962	\$133,548	\$28,489	\$3,996,087
2026	\$176,400,000	\$176,400,000		\$475,927	\$1,869,840	\$2,345,767	\$1,286,490	\$126,519	\$26,989	\$3,785,766
2027	\$166,600,000	\$166,600,000		\$449,487	\$1,765,960	\$2,215,447	\$1,215,019	\$119,491	\$25,490	\$3,575,446
2028	\$156,800,000	\$156,800,000		\$423,046	\$1,662,080	\$2,085,126	\$1,143,547	\$112,462	\$23,990	\$3,365,126
2029	\$147,000,000	\$147,000,000		\$396,606	\$1,558,200	\$1,954,806	\$1,072,075	\$105,433	\$22,491	\$3,154,805
2030	\$137,200,000	\$137,200,000		\$370,166	\$1,454,320	\$1,824,486	\$1,000,604	\$98,404	\$20,992	\$2,944,485
2031	\$127,400,000	\$127,400,000		\$343,725	\$1,350,440	\$1,694,165	\$929,132	\$91,375	\$19,492	\$2,734,165
2032	\$117,600,000	\$117,600,000		\$317,285	\$1,246,560	\$1,563,845	\$857,660	\$84,346	\$17,993	\$2,523,844
2033	\$107,800,000	\$107,800,000		\$290,844	\$1,142,680	\$1,433,524	\$786,189	\$77,317	\$16,493	\$2,313,524
			Total	\$7,138,908	\$28,047,600	\$35,186,508	\$19,297,357	\$1,897,791	\$404,838	\$56,786,494

Source: CPA, Stella Wind Farm, LLC

*Tax Rate per \$100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Kenedy County Wide CSD I&S Tax Levy	Kenedy County Wide CSD M&O Tax Levy	Kenedy County Wide CSD M&O and I&S Tax Levies	Kenedy County Tax Levy	Kenedy County Emergency Services District #1 Tax Levy	Kenedy County Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
2019	\$245,000,000	\$30,000,000	0.2698	\$661,010	\$318,000	\$979,010	\$0	\$175,721	\$37,485	\$1,192,216
2020	\$235,200,000	\$30,000,000		\$634,570	\$318,000	\$952,570	\$0	\$168,692	\$35,986	\$1,157,248
2021	\$225,400,000	\$30,000,000		\$608,129	\$318,000	\$926,129	\$0	\$161,664	\$34,486	\$1,122,279
2022	\$215,600,000	\$30,000,000		\$581,689	\$318,000	\$899,689	\$0	\$154,635	\$32,987	\$1,087,310
2023	\$205,800,000	\$30,000,000		\$555,248	\$318,000	\$873,248	\$0	\$147,606	\$31,487	\$1,052,342
2024	\$196,000,000	\$30,000,000		\$528,808	\$318,000	\$846,808	\$0	\$140,577	\$29,988	\$1,017,373
2025	\$186,200,000	\$30,000,000		\$502,368	\$318,000	\$820,368	\$0	\$133,548	\$28,489	\$982,404
2026	\$176,400,000	\$30,000,000		\$475,927	\$318,000	\$793,927	\$0	\$126,519	\$26,989	\$947,436
2027	\$166,600,000	\$30,000,000		\$449,487	\$318,000	\$767,487	\$0	\$119,491	\$25,490	\$912,467
2028	\$156,800,000	\$30,000,000		\$423,046	\$318,000	\$741,046	\$0	\$112,462	\$23,990	\$877,498
2029	\$147,000,000	\$147,000,000		\$396,606	\$1,558,200	\$1,954,806	\$1,072,075	\$105,433	\$22,491	\$3,154,805
2030	\$137,200,000	\$137,200,000		\$370,166	\$1,454,320	\$1,824,486	\$1,000,604	\$98,404	\$20,992	\$2,944,485
2031	\$127,400,000	\$127,400,000		\$343,725	\$1,350,440	\$1,694,165	\$929,132	\$91,375	\$19,492	\$2,734,165
2032	\$117,600,000	\$117,600,000		\$317,285	\$1,246,560	\$1,563,845	\$857,660	\$84,346	\$17,993	\$2,523,844
2033	\$107,800,000	\$107,800,000		\$290,844	\$1,142,680	\$1,433,524	\$786,189	\$77,317	\$16,493	\$2,313,524
			Total	\$7,138,908	\$9,932,200	\$17,071,108	\$4,645,660	\$1,897,791	\$404,838	\$24,019,397
			Diff	\$0	\$18,115,400	\$18,115,400	\$14,651,697	\$0	\$0	\$32,767,097

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Stella Wind Farm, LLC

*Tax 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 before 25th Anniversary of Limitation Start

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$318,000	\$318,000	\$2,279,000	\$2,279,000
	2020	\$318,000	\$636,000	\$2,175,120	\$4,454,120
	2021	\$318,000	\$954,000	\$2,071,240	\$6,525,360
	2022	\$318,000	\$1,272,000	\$1,967,360	\$8,492,720
	2023	\$318,000	\$1,590,000	\$1,863,480	\$10,356,200
	2024	\$318,000	\$1,908,000	\$1,759,600	\$12,115,800
	2025	\$318,000	\$2,226,000	\$1,655,720	\$13,771,520
	2026	\$318,000	\$2,544,000	\$1,551,840	\$15,323,360
	2027	\$318,000	\$2,862,000	\$1,447,960	\$16,771,320
	2028	\$318,000	\$3,180,000	\$1,344,080	\$18,115,400
Maintain Viable Presence (5 Years)	2029	\$1,558,200	\$4,738,200	\$0	\$18,115,400
	2030	\$1,454,320	\$6,192,520	\$0	\$18,115,400
	2031	\$1,350,440	\$7,542,960	\$0	\$18,115,400
	2032	\$1,246,560	\$8,789,520	\$0	\$18,115,400
	2033	\$1,142,680	\$9,932,200	\$0	\$18,115,400
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$1,038,800	\$10,971,000	\$0	\$18,115,400
	2035	\$934,920	\$11,905,920	\$0	\$18,115,400
	2036	\$831,040	\$12,736,960	\$0	\$18,115,400
	2037	\$727,160	\$13,464,120	\$0	\$18,115,400
	2038	\$649,250	\$14,113,370	\$0	\$18,115,400
	2039	\$649,250	\$14,762,620	\$0	\$18,115,400
	2040	\$649,250	\$15,411,870	\$0	\$18,115,400
	2041	\$649,250	\$16,061,120	\$0	\$18,115,400
	2042	\$649,250	\$16,710,370	\$0	\$18,115,400
	2043	\$649,250	\$17,359,620	\$0	\$18,115,400

\$17,359,620

 is less than

 \$18,115,400

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?	No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levv directly related to this project.
 Source: CPA, Stella Wind Farm, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	100	99	199	\$5,940,896	\$7,609,104	\$13,550,000	679000	-359000	\$1,038,000
2019	5	16	21.484	\$297,045	\$1,777,955	\$2,075,000	137000	145000	-\$8,000
2020	5	13	18	\$297,045	\$1,777,955	\$2,075,000	130000	168000	-\$38,000
2021	5	13	18	\$297,045	\$1,655,955	\$1,953,000	130000	145000	-\$15,000
2022	5	11	16	\$297,045	\$1,655,955	\$1,953,000	99000	145000	-\$46,000
2023	5	13	18	\$297,045	\$1,533,955	\$1,831,000	107000	137000	-\$30,000
2024	5	9	14	\$297,045	\$1,411,955	\$1,709,000	145000	145000	\$0
2025	5	15	20	\$297,045	\$1,411,955	\$1,709,000	130000	137000	-\$7,000
2026	5	11	16	\$297,045	\$1,289,955	\$1,587,000	122000	122000	\$0
2027	5	11	16	\$297,045	\$1,655,955	\$1,953,000	137000	92000	\$45,000
2028	5	15	20	\$297,045	\$1,411,955	\$1,709,000	137000	76000	\$61,000
2029	5	9	14	\$297,045	\$1,411,955	\$1,709,000	130000	107000	\$23,000
2030	5	7	12	\$297,045	\$923,955	\$1,221,000	107000	76000	\$31,000
2031	5	3	8	\$297,045	\$679,955	\$977,000	84000	53000	\$31,000
2032	5	5	10	\$297,045	\$434,955	\$732,000	76000	46000	\$30,000
2033	5	5	10	\$297,045	\$434,955	\$732,000	76000	15000	\$61,000
2034	5	5	10	\$297,045	\$434,955	\$732,000	76000	23000	\$53,000
2035	5	3	8	\$297,045	\$434,955	\$732,000	23000	0	\$23,000
2036	5	3	8	\$297,045	\$190,955	\$488,000	-31000	-46000	\$15,000
2037	5	3	8	\$297,045	-\$53,045	\$244,000	-61000	-69000	\$8,000
2038	5	(1)	4	\$297,045	-\$53,045	\$244,000	-61000	-84000	\$23,000
2039	5	(1)	4	\$297,045	-\$53,045	\$244,000	-61000	-92000	\$31,000
2040	5	(3)	2	\$297,045	-\$785,045	-\$488,000	-107000	-153000	\$46,000
2041	5	3	8	\$297,045	-\$541,045	-\$244,000	-122000	-183000	\$61,000
2042	5	(1)	4	\$297,045	-\$297,045	\$0	-122000	-191000	\$69,000
2043	5	(5)	0	\$297,045	-\$297,045	\$0	-137000	-198000	\$61,000
2044	5	(5)	0	\$297,045	-\$1,274,045	-\$977,000	-183000	-237000	\$54,000
2045	5	(9)	-4	\$297,045	-\$1,762,045	-\$1,465,000	-244000	-290000	\$46,000
Total							\$1,396,000	-\$270,000	\$1,666,000
							\$19,025,620	is greater than	\$18,115,400

Analysis Summary

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

Yes

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Stella Wind Farm, 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:

- This project was originally submitted to the Comptroller on November 22, 2013 and assigned application number 388.
- March 17, 2014, the Comptroller’s office issued a favorable recommendation letter.
- After one approved extension of a deadline to June 30, 2014 and another request by the applicant for a second extension the District inadvertently failed to include action on the extension on their board meeting agenda. The no action to the additional extension deadline before the expiration of the first left the application void.
- January 13, 2015, Kenedy County Wide Common School District submitted an application seeking appraised value limitation on qualified property on behalf of Stella Wind Farm, LLC to the Comptroller’s office (application #1053).
- September 23, 2015, the Comptroller’s office issued a certificate for a limitation on appraised value.
- December 21, 2015, the Comptroller’s office received a letter of Kenedy County Wide Common School District Board of Trustee’s meeting minutes for November 18, 2015. Approving extension of the deadline for action on the application and agreement to May 31, 2016.

- March 28, 2017, the Comptroller's office received a termination letter request from Stella Wind Farm, LLC to Kenedy County Wide Common School District stating, "Stella Wind Farm, LLC will not the minimum qualifying investment for this application."
- February 15, 2017, Kenedy County Wide Common School District submitted a new application for the property described in application #1053 and seeking appraised value limitation on qualified property on behalf of Stella Wind Farm, LLC to the Comptroller's office (application #1176).
- Per Stella Wind Farm, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "Stella Wind Farm, LLC has entered into contracts for work preliminary land work."
 - B. "Stella Wind Farm, LLC is located entirely in Kenedy County. Most of the project is in a Reinvestment zone previously created by Kenedy County. The project may ask Kenedy County to create an additional Reinvestment Zone. The project has received a property tax abatement for 10 years from Kenedy County."
 - C. "The Company is currently considering several projects in Texas, Oklahoma, Indiana, and Illinois. The Company has received tax incentives on several projects which are considered favorably in the analysis of the investment."
- According to Notice of Regular Meeting of the Board of Trustees held Wednesday, January 25, 2017, "discussion and/or action to consider initial review of the Application for Appraised Value Limitation of Qualified Property submitted pursuant to Texas Code Chapter 313 by Stella Wind Farm, LLC."

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

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

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

Tab 5

Section 8 — Limitation as Determining Factor

- 1) N/A

- 2) Stella Wind Farm, LLC has entered into contracts for work for preliminary land work.

- 3) N/A

- 4) N/A

- 5) N/A

- 6) Stella Wind Farm, LLC is located entirely in Kenedy County. Most of the project is in a Reinvestment Zone previously created by Kenedy County. The project may ask Kenedy County to create an additional Reinvestment Zone. The project has received a property tax abatement for 10 years from Kenedy County.

- 7) The Company is currently considering several projects in Texas, Oklahoma, Indiana, and Illinois. The Company has received tax incentives on several projects which are considered favorably in the analysis of the investment.

- 8) N/A

- 9) N/A

- 10) N/A

TAX ABATEMENT AGREEMENT

between

KENEDY COUNTY and STELLA WIND FARM, LLC

(Phase II Wind Farm)

State of Texas)*(*

County of Kenedy)*(*

This Tax Abatement Agreement (the "Agreement") is made and entered into by and between Kenedy County, Texas ("County"), acting through its duly elected officers and Stella Wind Farm, LLC, and its owners and assigns, ("Owner"), as owner of Eligible Property (as hereinafter defined) to be located on the tract of land comprising the Kenedy County Reinvestment Zone Number Two, more specifically described in ATTACHMENT A to this Agreement. This Agreement becomes effective upon final signature by both parties. The Agreement remains in effect until fulfillment of the obligations described in Section IV(d) herein, unless terminated earlier as provided herein.

**I.
Authorization**

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as in effect on the date hereof, and by the Kenedy County Guidelines and Criteria for Granting Tax Abatements.

**II.
Definitions**

As used in this Agreement, the following terms shall have the meaning set forth below:

- a. *"Abatement"* means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein.
- b. *"Calendar Year"* means each year beginning January 1 and ending on December 31.
- c. *"Certificate"* means a letter, provided by the Owner to the County, certifying that Owner has completed construction of the wind power project described herein, outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the project. Upon receipt of the Certificate, the County, with seventy-

two (72) hours' notice, may inspect the property in accordance with this Agreement to determine that the Improvements are in place as certified.

- d. "*Certified Appraised Value*" means the appraised value, for property tax purposes, of the property within Kenedy County Reinvestment Zone Number Two, as certified by the Kenedy County Appraisal District for each taxable year.
- e. "*Eligible Property*" means property eligible for Abatement under the Kenedy County Guidelines and Criteria for Granting Tax Abatements.
 - 1. Eligible Property includes: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed 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 and the Kenedy County Guidelines and Criteria for Granting Tax Abatements. 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.
 - 2. Eligible Property shall not include: property (or a portion thereof if applicable) of Owner which was in place prior to the approval of this agreement and/or real property identified by the Kenedy County Appraisal District as being contained within the descriptions of property identified in Kenedy County Reinvestment Zone Number Two.
- f. "*Improvements*" means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure or fixture erected on or affixed to the land. Improvements specifically include the Owner's wind turbines and towers, foundations, roads, pad mount transformers, collection system, operations and maintenance buildings, meteorological towers, substations, generator transmission tie line, communications equipment and switching station that will be located in Kenedy County.
- g. "*Owner*" means Stella Wind Farm, LLC, the entity that owns or leases the Real Property for which Abatement is being granted, and any assignee or successor in interest of Stella Wind Farm, LLC. The term "Stella Wind Farm, LLC" means and includes the Owner.
- h. "*Real Property*" means Eligible Property meeting the description for real property provided by Chapter 1 of the Texas Tax Code.

- i. "*Reinvestment Zone*" means Kenedy County Reinvestment Zone Number Two, the reinvestment zone (as that term is defined in Chapter 312 of the Texas Tax Code) created by Kenedy County and described in Attachment A to this Agreement.
- j. "*Site*" means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.
- k. "*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).
- l. "*Turbine Nameplate Capacity*" means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall generating capacity.

III.

Improvements in Reinvestment Zone

Owner contemplates making the following Improvements in consideration for the Abatement set forth in Section IV of the Agreement:

- a. Owner agrees to use commercially reasonable efforts to construct Improvements on the Site consisting of a wind power electric generation facility of approximately 25-100 wind turbine generators with an approximate capacity of 50-200 megawatts (MW) of overall Turbine Nameplate Capacity located in the Reinvestment Zone. The Certified Appraised Value will depend upon annual appraisals by the Kenedy County Appraisal District. The number of turbines and total MW will vary depending on the types of turbines used and the size of the wind power facility.
- b. Improvements also shall only include property in the Reinvestment Zone meeting the definition of "Eligible Property" that is used to produce wind power and perform other functions related to, or in support of, the production or transmission of wind generated electrical power within *Kenedy County Reinvestment Zone Number Two*.
- c. Owner shall commence construction of the Improvements by no later than July 1, 2017, and shall use commercially reasonable efforts to complete construction by no later than December 31, 2017.

IV.

Term and Portion of Tax Abatement; Taxability of Property

- a. The County and Owner specifically agree and acknowledge that the property in the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:
 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 2. The Certified Appraised Value of property existing in the Reinvestment Zone prior to execution of this Agreement shall be fully taxable at all times;
 3. Prior to commencement of the abatement period designated in Section IV (B), 100% of property taxes levied on the Certified Appraised Value of Owner's real and personal property located in the Reinvestment Zone will be owed and payable by Owner;
 4. 100% of County property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts as provided for by Section IV(B) below; and
 5. 100% of the Certified Appraised Value of Eligible Property existing in the Reinvestment Zone shall be fully taxable after expiration of the abatement period designated in Section IV (b).
- b. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of ad valorem property taxes levied by Kenedy County, Texas (not including school district taxes) as follows:
 1. Beginning on the January 1st of the Tax Year immediately following the Calendar Year during which the Owner provides the Certificate to the County and ending upon the conclusion of ten (10) full Tax Years, an Abatement equal to One Hundred Percent (100%) of taxable value of the Improvements.
 2. 100% of property taxes on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place in the Reinvestment Zone) are abated in the respective period designated above.
 3. 100% of property taxes on the Certified Appraised Value of any and all otherwise taxable personal property owned by Owner and located in the Reinvestment Zone are abated in the respective period designated above.
- c. A portion of all the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation.

This Agreement is not to be construed as evidence that such exemptions shall not apply to the Improvements.

- d. As additional consideration for this Abatement, Owner agrees to make an annual payment to the County of in an amount equal to Two Thousand Dollars per megawatt per year (\$2,000.00/MW/YR) of Turbine Nameplate Capacity included in the Certificate (and actually in place in the Reinvestment Zone) for each of the first five (5) Tax Years for which this abatement is in effect. Beginning with the sixth Tax Year for which this abatement is in effect, and continuing thereafter through the end of the tenth Tax Year for which this abatement is in effect, Owner agrees to make an annual payment to the County of in an amount equal to Two Thousand Five Hundred Dollars per megawatt per year (\$2,500.00/MW/YR) of Turbine Nameplate Capacity included in the Certificate (and actually in place in the Reinvestment Zone). The first payment due under this Section IV (d) shall be due October 1st of the Calendar Year immediately following the Calendar Year in which Owner provides the Certificate, with the remaining nine payments due annually (on October 1) thereafter.
- e. In no Tax Year for which payments calculated in accordance with the foregoing Section IV(d) shall payments due to the County under such Section exceed the full amount of taxes that would have been paid by Owner to the County in the absence of this agreement. For each Tax Year of this agreement the calculation required under this Section shall be made by multiplying the full taxable value which the Kenedy County Appraisal District would have placed upon the property subject to this agreement in the absence of this agreement times the tax rate for such year adopted by the Kenedy County Commissioners Court. In the event that the amount determined under this Section IV(e) is lower than the amount determined under the foregoing Section IV(d), Owner shall pay the lower amount to the County for that applicable Tax Year.

V. Representations

The County and Owner make the following respective representations:

- a. Owner represents and agrees that if constructed, (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the property; (ii) construction of the proposed Improvements described in Section III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns' use of the property in the Reinvestment Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner

with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.

- b. The County represents that (i) the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Kenedy County Guidelines and Criteria for Granting Tax Abatements as both exist on the effective date of this Agreement; (ii) no member of the County Commissioners Court owns or leases any land which Improvements will be placed on as of the effective date of this Agreement, (iii) that the property on which the Improvements will be located within the Reinvestment Zone is located within the legal boundaries of the County and (iv) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VI.

Access to and Inspection of Property by County and Appraisal District Employees

- a. Owner shall allow the County's and County Appraisal District employees access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner seventy two (72) hour notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- b. Owner shall, within ninety (90) days after the beginning of each Calendar Year, certify annually to the County its compliance with this Agreement by providing a written statement to the same to the County Judge.

VII.

Default, Remedies and Limitations of Liability

- a. The County may declare a default if Owner breaches any material term or condition of this Agreement, including the obligation to commence construction of the Improvements on the Site before July 1, 2017. If the County declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure, to the extent provided for below; or the County may modify the Agreement upon mutual agreement with Owner. In the event of default, the County may pursue the remedies provided for in Section VII(b) and VII(c) below, as applicable. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration

are the result of "Force Majeure". "Force Majeure" means any contingency or cause beyond the reasonable control of Owner, including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or defacto governmental action (unless caused by acts or omissions of Owner), fires, explosions, floods, tornadoes and strikes.

- b. The County shall notify (i) Owner and (ii) any lender of record in the Real Property Records of Kenedy County of any default in writing in the manner prescribed herein. All contact information for purposes of a notice default shall be provided to the County Judge. The Notice shall specify the basis for the declaration of default, and Owner shall have ninety (90) days from the date of such notice to cure any default, except that where the default is incapable of being cured within ninety (90) days using reasonable business efforts, Owner shall commence performance of the cure within thirty (30) days after receipt of notice and diligently pursue those efforts until the default is cured. Owner and any lender of which the County has notice shall maintain the right to cure any defect, including any defect caused by an assignee or contractor of Owner during the same cure period identified in the foregoing sentence.
- c. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement, the County shall be entitled to cancel the Agreement and recapture property tax revenue actually lost as a result of the Agreement (i.e. recapture for prior tax years only – no anticipatory / prospective recapture on future taxes), subject to the above provisions regarding notice and right to cure.
- d. **LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN SECTION VII(C) OF THIS AGREEMENT, ALONG WITH ANY REASONABLY INCURRED COSTS AND FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO MAKE THE SPECIFIED IMPROVEMENTS OR TAKE OTHER ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.**

- e. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN NINETY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND PAYMENT OF LIQUIDATED DAMAGES AS PROVIDED IN THE AGREEMENT.

VIII.

Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the County, the State of Texas or the United States.

IX.

Assignment of Agreement

This agreement may be transferred and assigned in whole or in part by the holder to a new owner or lessee of the same or part of the same facility upon the specific approval of the Kenedy County Commissioners Court which shall base its review upon to the financial capacity of the assignee and the ability to ensure that all conditions and obligations in this agreement will continue to be met. Approval by the Commissioners Court shall not be unreasonably withheld so long as the conditions set forth in this Section are met.

No assignment or transfer shall be approved if either Owner or the prospective assignee are then liable to Kenedy County or any eligible taxing jurisdiction within Kenedy County, Texas for delinquent taxes or other delinquent obligations.

In the event that Owner seeks to assign this Agreement in whole or in part, Owner must provide the County with thirty (30) days written notice prior to any such assignment, and provides the County with a draft copy of the assignment. After the Kenedy County Commissioners Court's approval of such an assignment, the assignor shall no longer have any interest or liability with respect to the assigned rights and obligations that accrue after the date of approval by the Commissioners Court, and a new abatement agreement with the same terms and conditions as this Agreement but with respect only to such assigned rights and obligations shall be deemed to exist between the assignee and the County.

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

**XII.
Applicable Law**

This Agreement shall be construed under the laws of the State of Texas.

**XIII.
Amendment**

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

**XIV.
Guidelines and Criteria**

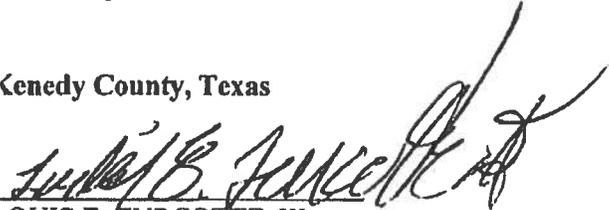
The Parties to this agreement acknowledge that this Agreement is entered into based upon Kenedy County Guidelines and Criteria for Granting Tax Abatements which were in effect as of the date of approval of this agreement. The Parties intend this agreement to be consistent with the Kenedy County Guidelines and Criteria for Granting Tax Abatements which were in effect as of the date of approval of this agreement. In the event of an irreconcilable conflict, the applicable adopted Guidelines and Criteria will prevail.

**XV.
Entire Agreement**

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County as authorized by the Kenedy County Commissioners Court and executed by the Owner on the respective dates shown below.

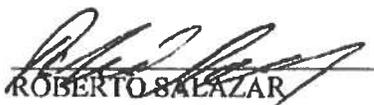
Kenedy County, Texas



LOUIS E. TURCOTTE, III
County Judge



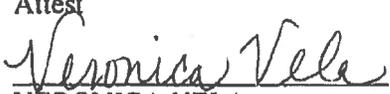
JOE RECIO
Commissioner, Precinct 1



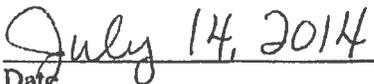
ROBERTO SALAZAR
Commissioner, Precinct 2

SARITA ARMSTRONG HIXON
Commissioner, Precinct 3

CINDY GONZALES
Commissioner, Precinct 4

Attest


VERONICA VELA
Kenedy County Clerk



Date

Attachment A

Attached is the Resolution creating *Kenedy County Reinvestment Zone Number Two*, For Commercial/Industrial Tax Abatement in Kenedy County, Texas, establishing the boundaries thereof, and designating the Reinvestment Zone dated July 14, 2014, duly passed on that date by action at a posted public meeting of the Kenedy County Commissioners Court.

ATTACHMENT B

Project Specification Summary

1. The Owner of the project is Stella Wind Farm, LLC.
2. The initial project value to be abated is estimated to be between Fifty Million Dollars (\$50,000,000) and Two Hundred Million Dollars (\$200,000,000)
3. The abatement commencement date is January 1st of the Tax Year immediately following the Calendar Year during which the Owner provides the Certificate to the County
4. The abatement termination date is December 31st of the tenth Tax Year after but including the commencement date.
5. The percentage of value to be abated each year is one hundred percent (100%) each year for ten (10) years after commencement date.
6. The proposed use of the facilities for which the abatement is being granted is for a wind farm of between fifty (50) and two hundred (200) megawatt nameplate generating capacity.
7. The total investment in the project is estimated to be between Fifty-Two and One-Half Million Dollars (\$62,500,000) and Two Hundred Fifty Million Dollars (\$250,000,000.)
8. The number of new permanent jobs to be created in the site for the period of abatement is five (5).
9. The map and legal description of the site is within *Kenedy County Reinvestment Zone Number Two* which is attached as **EXHIBIT 1** and **EXHIBIT 2**.

**RESOLUTION OF THE COMMISSIONERS COURT
OF KENEDY COUNTY, TEXAS**

**CREATING KENEDY COUNTY REINVESTMENT ZONE NUMBER TWO, FOR
COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN KENEDY COUNTY, TEXAS,
ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN
EFFECTIVE DATE**

PREAMBLE

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

WHEREAS, Section 312.401 of the Texas Tax Code permits a County Commissioners Court to designate a reinvestment zone if that designation is reasonably likely to contribute to the retention or expansion of primary employment, or attract major investment in the reinvestment zone that would contribute to the economic development of the County; and,

WHEREAS, none of the area, described below in **EXHIBIT 1** and **EXHIBIT 2**, for which application for the creation of a reinvestment zone has been made, is within the taxing jurisdiction of any municipality; and,

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

WHEREAS, the Commissioners Court of Kenedy County, Texas at such public hearing, held in accordance with the procedural requirements of Chapter 312, of the Texas Tax Code, and Chapter 551 of the Texas Government Code, invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and,

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

WHEREAS, the improvements set forth in the application by Stella Wind Farm, LLC for a tax abatement agreement are feasible and of benefit to the county after expiration of the tax abatement; and,

WHEREAS, the Kenedy County Commissioners Court wishes to create a reinvestment zone within the boundaries of Kenedy County as shown on the map attached as **EXHIBIT 1** and further described by the legal description set forth in **EXHIBIT 2** of this Resolution;

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF KENEDY COUNTY, TEXAS:

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

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

- (a) That the public hearing on adoption of the *Kenedy County Reinvestment Zone Number Two* has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and
- (b) That the boundaries of *Kenedy County Reinvestment Zone Number Two* should be the area depicted in the plat map indicating the boundaries thereof, attached hereto as **EXHIBIT 1**, and further described in the legal description of the boundaries described in **EXHIBIT 2**, both of which are incorporated herein by reference for all intents and purposes; and,
- (c) That creation of *Kenedy County Reinvestment Zone Number Two* with boundaries as described in **EXHIBIT 1** and **EXHIBIT 2** will result in benefits to the Kenedy County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
- (d) The *Kenedy County Reinvestment Zone Number Two*, as described in **EXHIBIT 1** and **EXHIBIT 2** meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Kenedy County, Texas, and that the entire tract of land is located

entirely within an unincorporated area of Kenedy County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines and Criteria adopted by the Kenedy County Commissioners Court, the Kenedy County Commissioners Court hereby creates *Kenedy County Reinvestment Zone Number Two*, as a reinvestment zone for commercial-industrial tax abatement encompassing only the area within the boundaries described in EXHIBIT 1 and EXHIBIT 2, and such reinvestment zone is hereby designated and shall hereafter be referred to as *Kenedy County Reinvestment Zone Number Two*.

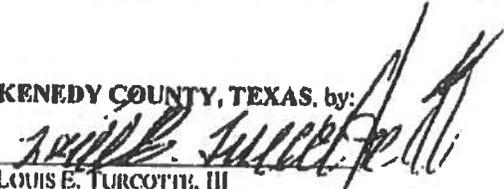
SECTION 4. *Kenedy County Reinvestment Zone Number Two* shall take effect on July 14, 2014 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Kenedy County Commissioners Court at which this Order was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

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

KENEDY COUNTY, TEXAS, by:


LOUIS E. TURCOTT, III
County Judge

Attest:

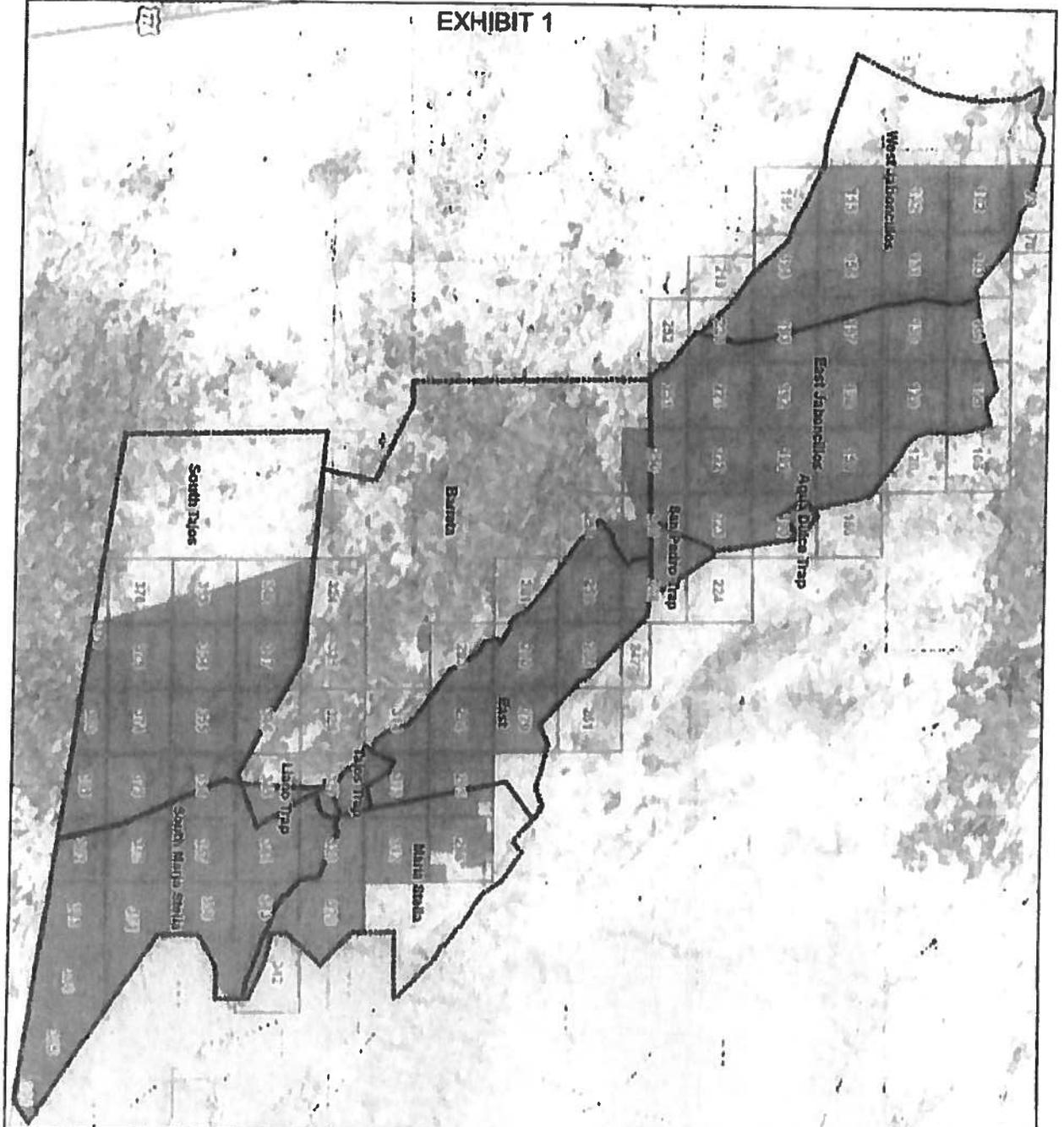
KENEDY COUNTY COMMISSIONERS COURT
Resolution creating *Kenedy County Reinvestment Zone Number Two*
July 14, 2014
Page 3

Veronica Vela
VERONICA VELA
Kenedy County Clerk

July 14, 2014
Date

[COUNTY SEAL]

EXHIBIT 1



Zone

**Kennedy County,
Texas**



Date: November 06, 2013
 Map Scale: 1:126,600
 Projection: UTM 14
 Datum: North American 1983

Master Pastures
 Project Boundary



e-011

EXHIBIT 2

Kenedy County Reinvestment Zone Two

Stella Reinvestment Zone No. 2 to include the following real property in Kenedy County, Texas:

SECTION	PASTURE	LAND GRANT
78	West Jaboncillos	Los Finados
78	West Jaboncillos	Los Finados
104	West Jaboncillos	El Palmito
103	West Jaboncillos	El Palmito
103	West Jaboncillos	Los Finados
102	West Jaboncillos	Los Finados
130	West Jaboncillos	El Palmito
131	West Jaboncillos	El Palmito
131	West Jaboncillos	Los Finados
132	West Jaboncillos	Los Finados
130	West Jaboncillos	Little Barreta
131	West Jaboncillos	Little Barreta
157	West Jaboncillos	Little Barreta
156	West Jaboncillos	Little Barreta
156	West Jaboncillos	Los Finados
155	West Jaboncillos	Los Finados
193	West Jaboncillos	Little Barreta
194	West Jaboncillos	Little Barreta
194	West Jaboncillos	Los Finados
195	West Jaboncillos	Los Finados
220	West Jaboncillos	Little Barreta
219	West Jaboncillos	Little Barreta
108	East Jaboncillos	El Palmito
105	East Jaboncillos	El Palmito
104	East Jaboncillos	El Palmito
128	East Jaboncillos	El Palmito
129	East Jaboncillos	El Palmito
130	East Jaboncillos	El Palmito
128	East Jaboncillos	Little Barreta
129	East Jaboncillos	Little Barreta
130	East Jaboncillos	Little Barreta
180	East Jaboncillos	Little Barreta
159	East Jaboncillos	Little Barreta
158	East Jaboncillos	Little Barreta
157	East Jaboncillos	Little Barreta
190	East Jaboncillos	Little Barreta
191	East Jaboncillos	Little Barreta
192	East Jaboncillos	Little Barreta
193	East Jaboncillos	Little Barreta
223	East Jaboncillos	Little Barreta
222	East Jaboncillos	Little Barreta
221	East Jaboncillos	Little Barreta
220	East Jaboncillos	Little Barreta

249	East Jaboncillos	Little Barreta
250	East Jaboncillos	Little Barreta
251	East Jaboncillos	Little Barreta
252	East Jaboncillos	Little Barreta
160	Agua Dulce Trap	Little Barreta
190	Agua Dulce Trap	Little Barreta
224	San Pedro Trap	Little Barreta
223	San Pedro Trap	Little Barreta
248	San Pedro Trap	Little Barreta
249	San Pedro Trap	Little Barreta
248	Barreta	Little Barreta
249	Barreta	Little Barreta
250	Barreta	Little Barreta
248	Barreta	Big (La)
249	Barreta	Barreta
250	Barreta	Big (La)
258	Barreta	Barreta
325	South Tajos	Big (La)
324	South Tajos	Barreta
345	South Tajos	Big (La)
346	South Tajos	Barreta
347	South Tajos	Big (La)
348	South Tajos	Barreta
356	South Tajos	Big (La)
355	South Tajos	Barreta
354	South Tajos	Big (La)
353	South Tajos	Barreta
372	South Tajos	Big (La)
373	South Tajos	Barreta
374	South Tajos	Big (La)
375	South Tajos	Barreta
376	South Tajos	Big (La)
382	South Tajos	Barreta
381	South Tajos	Big (La)

380	South Tajos	Barreta Big (La) Barreta
379	South Tajos	Big (La) Barreta
246	East	Little Barreta
247	East	Big (La) Barreta
248	East	Big (La) Barreta
249	East	Big (La) Barreta
261	East	Big (La) Barreta
260	East	Big (La) Barreta
259	East	Big (La) Barreta
258	East	Big (La) Barreta
279	East	Big (La) Barreta
280	East	Big (La) Barreta
281	East	Big (La) Barreta
295	East	Big (La) Barreta
294	East	Big (La) Barreta
293	East	Big (La) Barreta
313	East	Big (La) Barreta
314	East	Big (La) Barreta
313	Tajos Trap	Big (La) Barreta
314	Tajos Trap	Big (La) Barreta
327	Tajos Trap	Big (La) Barreta
326	Tajos Trap	Big (La) Barreta
327	Liano Trap	Big (La) Barreta
344	Liano Trap	Big (La) Barreta
345	Liano Trap	Big (La) Barreta
296	María Stella	Big (La) Barreta
295	María Stella	Big (La) Barreta
312	María Stella	Big (La) Barreta

313	Maria Stella	Big (La) Barreta
329	Maria Stella	Big (La) Barreta
328	Maria Stella	Big (La) Barreta
327	Maria Stella	Big (La) Barreta
342	Maria Stella	Big (La) Barreta
343	Maria Stella	Big (La) Barreta
344	Maria Stella	Big (La) Barreta
328	South Maria Stella	Big (La) Barreta
327	South Maria Stella	Big (La) Barreta
342	South Maria Stella	Big (La) Barreta
343	South Maria Stella	Big (La) Barreta
344	South Maria Stella	Big (La) Barreta
345	South Maria Stella	Big (La) Barreta
358	South Maria Stella	Big (La) Barreta
357	South Maria Stella	Big (La) Barreta
356	South Maria Stella	Big (La) Barreta
371	South Maria Stella	Big (La) Barreta
372	South Maria Stella	Big (La) Barreta
373	South Maria Stella	Big (La) Barreta
384	South Maria Stella	Big (La) Barreta
383	South Maria Stella	Big (La) Barreta
382	South Maria Stella	Big (La) Barreta
385	South Maria Stella	Big (La) Barreta
386	South Maria Stella	Big (La) Barreta

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Notice of Regular Meeting
Board of Trustees, Kenedy County-Wide Common School District

Notice is hereby given that a meeting of the Board of Trustees will be held on Wednesday, January 25, 2017 at 7:00 P.M. in the Sarita Elementary School Conference Room, 150 East La Parra, Sarita, Texas 78385.

Order of Business

1. Call the Meeting to order and establish a quorum.
2. Comments from the Public in Open Forum
3. **Discussion and/or action** to approve the Minutes of the December 13, 2016 regular meeting.
4. Review the reports:
 - a. Financial Statement
 - b. Bank Reconciliation
 - c. Monthly Investment Report
 - d. Board Training Opportunities
5. **Presentation** by Chief Appraiser of Kenedy County Central Appraisal District on the topic of Real Property Exemptions available to Property Owners, i.e., Homestead Exemptions, Over 65 Exemptions, Agricultural Productivity Valuations, Wildlife Exemptions etc.
6. **Discussion and/or action** to approve the revised policy CCG(LOCAL).
7. **Discussion and/or action** to approve the audited Annual Financial Report for the Year Ended August 31, 2016 as presented by Mr. Cameron Gulley, CPA.
8. **Discussion and/or action** to consider initial review of the Application for Appraised Value Limitation on Qualified Property submitted pursuant to Texas Tax Code Chapter 313 by Stella Wind Farm, LLC.
9. **Public Hearing** conducted on the 2015-2016 Texas Academic Performance Report (TAPR) for the district.