



Application for Tax Credit on Qualified Property (Tax Code, Chapter 313, Subchapter D)

Form 50-300
(Revised May 2010)

Kenedy County-Wide Common School District
School district name
150 East La Parra Street, PO Box 100, Sarita, TX 78385
Address

2009
First complete year of qualifying time period
(361)294-5381
Phone (Area code and number)
September 2, 2008
Application filing date

This application is for credit for school district maintenance and operations taxes paid on the portion of value in excess of the value limit under Tax Code Chapter 313 Subchapter B or C, during the two complete tax years of the qualifying time period. File this completed application with the school district no earlier than the date the property taxes are paid for the last year of the qualifying time period. The school board must determine eligibility of this applicant.

STEP 1: APPLICANT NAME AND ADDRESS

Only entities that received an appraised value limitation under Tax Code Chapter 313 Subchapter B or C are eligible for this tax credit.

Penascal Wind Power, L.L.C.

Applicant's name

1125 NW Couch St., Suite 700

Mailing address

12818532621

Texas Taxpayer I.D. Number (11 digits)

Stephen Shaw - Tax Dept.

Name of person preparing this application

(281)379-7454

Phone (area code and number)

Portland, OR

City State

570907-89884-143061

Appraisal district account number

Property Tax Consultant

Title

97209

ZIP Code + 4

STEP 2: PROVIDE ATTACHMENTS AND SUPPLEMENTS

Attach the following items to this application:

1. A copy of report from the local county appraisal district (CAD) reflecting both the market value before any exemptions, and taxable value of the qualified property for each complete tax year of the qualifying time period.
2. A copy of receipts for M&O and I&S taxes paid on qualified property during the first two years of the qualifying time period.
3. Schedule A—updated for all years from amounts in application schedule.
4. Schedule B—updated for all years from amounts in application schedule.
5. Schedule C—Tax Credit.

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

STEP 3: SHOW TAX CREDIT AMOUNT

	Year 1	Year 2
1. Taxable Value of Property for the purpose of School M&O tax	\$0	\$24,780,800
2. Limitation Value of Property under Agreement	\$10,000,000	\$10,000,000
3. School District Maintenance and Operations Tax Rate	\$0	1.06
4. Total Maintenance and Operations Taxes Paid	\$0	\$262,874.36
5. M&O Tax Obligation under Limited Value ((Line 2 Amount/100) x Line 3)	\$0	\$108,000
6. Tax Credit for which you are applying (Line 4 - Line 5)	\$0	\$156,874.36
7. Total Tax Credit (Sum of Line 6 Year 1 and Year 2 amounts)		\$156,874.36

STEP 4: SIGN AND DATE APPLICATION

By signing this application, you certify that this information is true and correct and that you are in full compliance with the terms of the attached agreement to the best of your knowledge and belief.

print here

David M. DeGabriele

Name of authorized company officer

VP, Tax & Finance

Title

sign here

Signature of authorized company officer

10/8/2011

Date

On behalf of **Penascal Wind Power LLC**

Name of corporation company

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 Tax Credit on Qualified Property (Tax Code, Chapter 313, Subchapter D)

Schedule A: Investment

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Table with 8 columns: Year, School Year, Tax Year, Column A: Tangible Personal Property, Column B: Building or Permanent Nonremovable Component of Building, Column C: Sum of A and B, Column D: Other Investment, Column E: Total Investment. Rows include 'The year preceding the first complete tax year...' and 'Complete tax years of qualifying time period'.

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

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

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property.]

Include estimates of investment for "replacement" property property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value - for planning, construction and operation of the facility. The most significant examples for many projects would be land. Other examples may be items such as professional services, etc.

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

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

Signature of authorized company representative

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/6/2011

DATE



Schedule B: Estimated Market and Taxable Value

Penascal Wind Power, L.L.C.

Kenedy County-Wide Common School District

Applicant Name

ISD Name

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions From Market Value		Estimated Taxable Value	
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Fiscal taxable value for I&S - after all reductions	Fiscal taxable value for M&D - after all reductions	
pre year 1	2007-2008	2008			0		0	0	
Complete tax years of qualifying time period	1	2008-2009			0		0	0	
	2	2009-2010			24,780,800		24,780,800	24,780,600	
	3	2010-2011			171,471,400		171,471,400	10,000,000	
Tax Credit Period (with 50% cap on credit)	4	2011-2012			162,897,630		62,897,630	10,000,000	
	5	2012-2013			154,752,939		154,752,939	10,000,000	
	6	2013-2014			147,015,292		147,015,292	10,000,000	
	7	2014-2015			139,664,527		139,664,527	10,000,000	
	8	2015-2016			132,681,301		132,681,301	10,000,000	
	9	2016-2017			126,047,236		126,047,236	10,000,000	
	10	2017-2018			119,744,874		119,744,874	10,000,000	
Credit Settle-Up period	11	2018-2019			113,757,630		113,757,630	113,757,630	
	12	2019-2020			108,069,749		108,069,749	108,069,749	
	13	2020-2021			102,666,261		102,666,261	102,666,261	
Post-Settle Up Period	14	2021-2022			97,532,948		97,532,948	97,532,948	
Post-Settle Up Period	15	2022-2023			92,656,301		92,656,301	92,656,301	

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/6/2011

DATE



Schedule C - Tax Credit: Employment Information

Penascal Wind Power, L.L.C.

Applicant Name

Kenedy County-Wide Common School District

ISO Name

	Year pre- year 1	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year) YYYY	New Jobs	Qualifying Jobs	
				Column A: Number of new jobs created (cumulative)	Column B: Number of qualifying jobs applicant created meeting all criteria of Sec. 313.021(3) (cumulative)	Column C: Lowest wage of any qualifying job
Complete tax years of qualifying time period	1	2008-2009	2009	0*	0*	0*
	2	2009-2010	2010	0*	0*	0*

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

10/6/2011

DATE

*No jobs are being listed above since this is during the qualifying time period. There is no requirement under the Penascal II value limitation agreement that requires Penascal II to create jobs during this time. The required job count will be met by 2011, the first year of the limitation period.

TAX RECEIPT
**** DUPLICATE ****

10/08/2011 11:55AM

KENEDY COUNTY TAX OFFICE
P.O. BOX 129
120 S. MALLORY
SARITA, TX 78385

Receipt Number
197996

Date Posted 10/31/2010
Payment Type P
Payment Code Full
Total Paid **\$367,364.11**

PAID BY:

IBERDROLA RENEWABLES INC

Property ID	Geo	Legal Acres	Owner Name and Address								
379833	570907-69894-143061	0.0000	IBERDROLA/PPM ENERGY INC/PENASCA UTILITY 1125 N W COUCH ST. STE 700 AUSTIN, TX 78701								
Legal Description											
WIND FARM KENEDY ISD											
Situs											
Entity	Year	Rate	Taxable Value	Stmnt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Kenedy County Groundwater Cons. Dist	2010	0.01250	24,780,600	0	N	3,097.56	0.00	0.00	0.00	0.00	3,097.56
Kenedy County Fire & Emergency Services District	2010	0.05000	24,780,600	0	N	12,390.30	0.00	0.00	0.00	0.00	12,390.30
Kenedy County-Wade Common School District	2010	0.37882	24,780,600	0	N	93,882.48	2,818.88	0.00	0.00	0.00	91,072.80
	2010	1.08500	24,780,600	0	N	268,889.51	8,068.08	0.00	0.00	0.00	360,603.43
											367,364.11
											Amount
											367,364.11
											367,364.11
											Tender
											Check
											2570333
											Details
											2570333

Operator Batch
norma zavala 498 (11/02/2013)

Total Paid
367,364.11

TAX RECEIPT
 ** DUPLICATE **

10/08/2011 11:55AM

KENEDY COUNTY TAX OFFICE
 P. O. BOX 128
 120 S. MALLORY
 SARITA, TX 78385

Receipt Number
197996

Date Posted 10/31/2010
 Payment Type F
 Payment Code Full
 Total Paid \$367,384.11

PAID BY:

IBERDROLA RENEWABLES INC

Property ID	Geo	Legal Acres	Owner Name and Address								
379833	570907-69894-143061	0.0000	IBERDROLA/PPM ENERGY INC/PENASCA UTILITY 1125 N W COUCH ST. STE 700 AUSTIN, TX 78701								
WIND FARM KENEDY ISD			Legal Description								
Situs			DBA Name								
Entity	Year	Rate	Taxable Value	Strnt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd
Kenedy County Groundwater Cons Dist	2010	0.01250	24,780,600	0	N	3,297.58	0.00	0.00	0.00	0.00	3,097.58
Kenedy County Fire & Emergency Services District 1	2010	0.05000	24,780,600	0	N	12,390.30	0.00	0.00	0.00	0.00	12,390.30
Kenedy County-Wide Common School District	2010	0.37888	24,780,600	0	N	93,988.48	2,818.68	0.00	0.00	0.00	91,072.80
	2010	1.08500	24,780,600	0	N	260,889.51	8,066.08	0.00	0.00	0.00	260,883.43
Tender Details Check 2370333 Amount 367384.11 367384.11											

Operator Batch
 norma zavaala 498 (11/02/2013)

Total Paid
 367,384.11

3

TAX RECEIPT
** DUPLICATE **

10/08/2011 11:55AM

KENEDY COUNTY TAX OFFICE
P.O. BOX 128
120 S. MALLORY
SARITA, TX 78385

Receipt Number
197886

Date Posted 10/01/2011
Payment Type P
Payment Code FuS
Total Paid \$367,364.11

PAID BY:

BERDROLA RENEWABLES INC

Property ID	Geo	Legal Acres	Owner Name and Address										
379833	570907-89894-143061	0.0000	BERDROLA/PPM ENERGY INCIPENASCA UTILITY 1126 N W COUCH ST. STE 700 AUSTIN, TX 78701										
WIND FARM KENEDY 193			Legal Description										
Situs			DBA Name										
Entity	Year	Rate	Taxable Value	Stmnt #	Void	Original Tax	Discnts	P&I	Att Fees	Overage	Amount Pd		
Kensdy County Groundwater Cons. Dist	2010	0.01260	24,760,600	0	N	3,007.54	0.00	0.00	0.00	0.00	3,007.54		
Kensdy County Fire & Emergency Services District 1	2010	0.05000	24,760,600	0	N	12,390.30	0.00	0.00	0.00	0.00	12,390.30		
Kensdy County County-Wide Common School District	2010	0.37888	24,760,600	0	N	61,988.48	2,916.88	0.00	0.00	0.00	11,072.80		
	2010	1.08500	24,760,600	0	N	268,889.51	8,066.08	0.00	0.00	0.00	288,853.43		
											Tender	Details	Amount
											Check	2570333	367364.11
													367364.11

Operator Batch
norme z4valb 498 [11/02/2011]

Total Paid
367,364.11

RESOLUTION
of the
KENEDY COUNTY-WIDE COMMON SCHOOL DISTRICT
DETERMINING ELIGIBILITY FOR TAX CREDIT PURSUANT TO
TEXAS TAX CODE §313.104

STATE OF TEXAS §

COUNTY OF KENEDY §

WHEREAS, on September 2, 2008, the Superintendent of Schools (the "Superintendent") of the Kenedy County-Wide Common School District (the "District"), acting as agent of the Board of Trustees of the District (the "Board"), received from Heartland Wind LLC, reserving the right to assign the project to an affiliate, (the "Applicant") an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code §313.025(d); and

WHEREAS, the Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §313.025(d); and

WHEREAS, the Board caused to be conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code; and

WHEREAS, the Board reviewed the economic impact evaluation pursuant to Texas Tax Code §313.026 and has carefully considered such evaluation; and

WHEREAS, the Application was reviewed by the Kenedy County Appraisal District established in Kenedy, County, Texas (the "County Appraisal District"), pursuant to Texas Property Code §6.01; and

WHEREAS, the District received a positive recommendation from the Texas Comptroller's Office pursuant to Texas Tax Code §313.026, and

WHEREAS, on December 17, 2008 the Board conducted a meeting to consider the Application; and

WHEREAS, on December 17, 2008, the Board made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the

Applicant's Qualified Property; and (iv) each criterion listed in Texas Tax Code §313.025(e) has been met; and

WHEREAS, on December 17, 2008, the Board approved an Agreement for Limitation on Appraised Value of Property for Maintenance and Operations Taxes with Applicant; and

WHEREAS, after examining the tax rolls of the County Appraisal District: the most recent Annual Eligibility Report (Comptroller's Form #50-772); and the most recent Biennial Progress Report (Comptroller's Form #50-773) filed by Applicant, the Board has determined that during the Qualifying Time Period, running from January 1, 2009 through December 31, 2010, Applicant made a Qualifying Investment as defined by Texas Tax Code §313.021 in the amount of at least Ten Million Dollars for the purposes of renewable energy in accordance with the provisions of Texas Tax Code §313.024(b)(1); and

WHEREAS, after examining the December 17, 2008 Agreement; the most recent Annual Eligibility Report (Comptroller's Form #50-772); and the most recent Biennial Progress Report (Comptroller's Form #50-773) filed by Applicant, the Board has determined that Applicant is, in all other respects, in compliance with the terms of the aforesaid Agreement; and

WHEREAS, after examining Comptroller's State Franchise Tax records, the Board has determined that at the time of the adoption this Resolution, Applicant, is in good standing with respect to their franchise tax obligations; and

WHEREAS, the total amount of maintenance and operations ad valorem taxes that were imposed on the portion of the appraised value of the Qualified Property assigned to Applicant that exceeded the amount of the limitation agreed to by the Board under Texas Tax Code Section 313.027(a)(2) in the applicable Qualifying Time Period that Applicant paid to the District is ONE HUNDRED FIFTY-SIX THOUSAND SIX HUNDRED SEVENTY-FOUR AND 36/100 DOLLARS (\$156,674.36); and

WHEREAS, as of the date of the approval of this Resolution, Applicant has not relocated its business outside of the District; and

WHEREAS, Applicant filed an application for a tax credit in accordance with the provisions of Texas Tax Code §313.103; and,

WHEREAS, the applications for tax credit filed by Applicant was: (1) made on the form prescribed for that purpose by the Texas Comptroller of Public Accounts; (2) was verified by Applicant; and (3) was accompanied by tax receipts from the collector of taxes for the District showing full payment of all District ad valorem taxes on the Qualified Property for the applicable Qualifying Time Period.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Kenedy County-Wide Common School District as follows:

1. That the findings and recitals in the preamble of this Resolution are hereby found to be true and correct and are hereby approved and adopted.
2. The application made by Applicant for a tax credit pursuant to Texas Tax Code §313.103 in the total amount of ONE HUNDRED FIFTY-SIX THOUSAND SIX HUNDRED SEVENTY-FOUR AND 36/100 DOLLARS (\$156,674.36) is approved by the adoption of this Resolution.
3. Beginning with the Tax Year 2014, and in each of the subsequent six (6) tax years (ending in Tax Year 2020), the Superintendent is directed to issue a refund as a credit to Applicant against the *ad valorem* school taxes imposed on the Qualified Property by the District the lesser amount of either: (1) TWENTY-TWO THOUSAND THREE HUNDRED EIGHTY-TWO DOLLARS (\$22,382.00). (An amount equal to one-seventh of the total amount of tax credit to which Applicant is entitled under Section 313.102); or, (2) Fifty Percent (50%) of the total amount of *ad valorem* school taxes imposed on the Qualified Property by the school district in that tax year.
4. In addition to the foregoing, in the Tax Years 2020 through 2022, (The first three tax years after Applicant's eligibility for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, expires), the Superintendent is directed to issue a refund as a credit to Applicant against the *ad valorem* school taxes imposed on the Qualified Property by the District the lesser of either: (1) any remainder of the tax credit balance which was not paid under paragraph 3 above or, (2) the total amount of *ad valorem* school taxes imposed on the Qualified Property by the school district in that tax year.
5. Prior to making any tax credit payments under paragraphs 3 or 4 above, the District's Superintendent is directed to determine whether Applicant has relocated outside the District, and have otherwise met its obligations under the Agreement; under State law; and under applicable regulations promulgated either by the Texas Comptroller's Office, or by the Texas Commissioner of Education. In the event that Applicant has not met their obligation or has relocated outside the District, no tax credit will be paid for such tax year or the tax years thereafter.
6. If the Texas Comptroller of Public Accounts or the District's tax collector, after providing notice and the opportunity for a response, determine that Applicant was either not eligible for the credit or received more credit than it was entitled, then the District shall impose an additional tax on the Qualified Property that is equal to the amount of tax credit that was erroneously taken, plus interest at an annual rate of 7.0% calculated from the date on which the credit was issued. A tax lien attaches to the Qualified Property in favor of the school district to secure payment by the person of the additional tax and interest that are imposed and any penalties incurred. A taxpayer which is delinquent in the payment of an additional tax may not submit a subsequent application or receive a tax credit under this subsection in a subsequent year

7 That it is hereby found, determined and declared that a sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees of the Kenedy County-Wide Common School District at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

APPROVED, ADOPTED, AND ORDERED on the 21st day of May, 2014.

KENEDY COUNTY-WIDE COMMON SCHOOL DISTRICT

By: 
Felix Serna, President
Board of Trustees

ATTEST:

By: 
Gerardo Medellin, Secretary
Board of Trustees