Biennial Progress Report for Texas Economic Development Act

Economic Development and Analysis

Form 50-773-A

INTRODUCTION

- You have been assigned an application number. Please verify this number on the website prior to completing the form. This form will indicate the sections you need to complete based on application number.
- This form must be filled out by each applicant that is party to a limitation agreement.
- If the original application was made by a group of two or more companies, each company must complete this form.
- If the original applicant split into two or more applicants after the original agreement, all current agreement holders must complete this form.
- Applicants should only complete the information for their years as an agreement holder, noting what year they were formed after the original agreement was approved.
- Each agreement holder should respond as a current agreement holder in Section 2.
- Applicants should report their proportionate share of required employment and investment information.
- In addition to the Biennial Progress Report required from each applicant that is a party to an agreement, a separate Biennial Progress Report summarizing the combined applicants' data for the entire agreement must be completed.
- If one of the applicants cannot provide this information, a summarization report must be completed by the school district and signed by the superintendent.
- Projects spanning more than one school district must complete forms for each school district.
- Please return signed hard copy forms and electronic spreadsheets to the school district before May 15 of each even-numbered year.

Note:

- The school district that is a party to the Chapter 313 agreement is collecting the data required by Chapter 313.032 on this form for the Comptroller of Public Accounts (CPA).
- The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an *electronic version* **and** a *signed hard copy version* of the spreadsheet (with any attachments) to the district. Please contact CPA if you have questions about the form. The spreadsheet version of this form can be downloaded at: **www.texasahead.org/tax_programs/chapter313/forms.php**.
- After ensuring that all forms are complete, the school district will forward that data to the CPA for inclusion in a statutorily required report to the Texas Legislature.

SECTION 1: Applicant Information

1. Application number 196
2. Name of school district O'Donnell ISD
3. Name of central appraisal district (CAD) appraising the qualified property in this school district Lynn County CAD
4. Name of project on original application *(or short description of facility)* Wind Tex Energy-Stephens, LLC
5. Name of applicant on original application Wind Tex Energy-Stephens, LLC
6. Name of company entering into original agreement with district Wind Tex Energy-Stephens LLC
7. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. *(Use attachments if necessary.)*

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Cirrus Wind 1, LLC
2. Complete mailing address of current agreement holder 2208 Avenue P Tahoka, TX 79673
3. Company contact person for agreement holder:

Name	Title
Jin Yan	General Manager
Phone	**Email**
214-436-1654	jinyan@dt-ccwe.com

4. Texas franchise tax ID number of current agreement holder: 32045636357 (Cirrus)
5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

Name _____ Tax ID _____

6. NAICS Code of current agreement holder (6 Digit): 221119
7. If the authorized company representative is different from the contact person listed above:

Name _____ Title _____

Complete Mailing Address _____

Phone _____ Email _____

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

Wind Tex Energy-Stephens, LLC assigned ownership of its Chapter 313 Agreement to Cirrus Wind 1, LLC & Stephens Ranch Wind Energy, LLC

- See attached assignment documentation

Note: For Section 4, #2. This amount is for the entire project. Section 4, #3. This amount is for Cirrus Wind 1's portion of the total project.

SECTION 3: Project Timeline

1. Date original limitation agreement approved by school district 11/14/2011
2. First (complete) year of qualifying time period – after the date the application is approved. See Tax Code §313.021[4]. . . 2012
3. Date commercial operations began at the site of the project 12/20/2012
4. First year of property value limitation 2014

SECTION 4: Value Limitation Details

1 Minimum limitation amount per Agreement *(for entire agreement)*: 10,000,000.00

2 Amount of qualified investment during the qualifying time period the recipient committed to spend or allocate for this project on application *(not total investment)*: 219,407,232.00

3 Total qualified investment made from the beginning of the qualifying time period through the end of the qualifying time period or the last complete tax year, if still in the qualifying time period. 129,414,694.00

4 Has the size and/or scope of the project changed, resulting in a material change in qualified property from that in the application? ..... ☐ Yes ☑ No

4a. If yes, please describe on an attachment how the actual qualified property — for which you are providing actual and estimated market values on subsequent pages — differs from that property described in the agreement. Include only property located in this school district.

5 What was the number of permanent existing jobs at this facility prior to application? *(See guidelines for definition of existing job.)* 0

SECTION 5: Job Details

1 For agreements before Jan. 1, 2014, does the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), as the rule existed at the time of application? ..... ☐ Yes ☑ No

1a. If yes, please provide the definition of "new job" as used in the agreement. *(Use attachments if needed.)*

SECTION 6: Authorized Signature

After this report and charts are complete, they should be reviewed and certified to be complete by a company employee authorized to sign on behalf of the company listed in Section 2.

By signing below, I certify that I am an employee of Cirrus Wind 1, LLC, *a current agreement holder of a limitation on appraised value who is authorized to sign on behalf of the company. I attest that the contents of this form and attachments are true and correct to the best of my knowledge and belief and have determined that the electronic copy is identical to the hard copy of this report.*

print here ➧ Jin Yan — Print Name of Company Employee | General Manager — Title | 214-436-1654 — Phone

sign here ➧ [signature] — Signature of Company Employee | 09/07/2016 — Date

NOTE: If you amend your report, you will need to resign and resubmit this section with your forms, charts or attachments.

CHART A1: Job Data for Applications 1 through 999

App Number: 196

District Name: O'Donnell ISD

Company Name: Cirrus Wind 1, LLC

Date: 8/12/2016

1st Yr. of Qualifying Time Period: 2012

CHART A1 – Only complete this for applications 1 through 999.		Qualifying Time Period		Limitation Period								Viable Presence Period		
		Year 1 (First Complete Tax Year)	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
	Tax year (YYYY)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	Number of qualifying jobs[1] applicant committed to create on application (cumulative)	1	2	3	2	2	2	2	2	1	2	2	2	2
2	Number of qualifying jobs[1] applicant actually created (cumulative)	8	5	5	2	2	2	2	2	2	2	2	2	2
3	Number of new jobs[2] created (cumulative)	8	5	5	2	2	2	2	2	2	2	2	2	2
4	Median annual wage of new jobs applicant created	37,089.00	40,000.00	40,000.00	120,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
5	Total wages for new jobs applicant created	320,000.00	300,000.00	300,000.00	240,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

1. Jobs meeting all of the requirements of Tax Code §313.021(3) as the statute existed before Jan. 1, 2014. Do not include construction jobs in counts of qualifying jobs.
2. For new job definition see TAC §9.1051(14) as rules existed before Jan. 1, 2014.

The CPA requests companies complete the electronic spreadsheet version of the form and submit identical electronic and hard copy versions of the spreadsheet (with any attachments) to the district.

CHART A2: Investment and Market Values for Applications 1 through 999

Applicant Number: 196

Date: 8/12/2016

ISD Name: O'Donnell ISD

Current Agreement Holder Name: Cirrus Wind 1, LLC

CHART A2 – Only complete this for applications 1 through 999.	Year	School Year (YYYY-YYYY)	Tax Year (actual tax year) YYYY	Total Investment[1] (cumulative)	Market value of qualified property on Jan. 1 BEFORE any exemptions[2]	Market value less any exemptions (such as pollution control) and before limitation[3]	Taxable value of qualified property for purposes of M&O
Prior to start of value limitation period	1	2012-2013	2,012	129,414,694.00	0.00	0.00	0.00
	2	2013-2014	2,013	129,414,694.00	108,393,870.00	108,393,870.00	108,393,870.00
Value limitation period	3	2014-2015	2,014	129,414,694.00	92,974,740.00	92,974,740.00	10,000,000.00
	4	2015-2016	2,015	129,414,694.00	80,963,740.00	80,963,740.00	2,510,000.00
	5	2016-2017	2,016	129,414,694.00	50,000,000.00	50,000,000.00	2,510,000.00
	6	2017-2018	2,017	129,414,694.00	35,000,000.00	35,000,000.00	2,510,000.00
	7	2018-2019	2,018	129,414,694.00	35,000,000.00	35,000,000.00	2,510,000.00
	8	2019-2020	2,019	129,414,694.00	35,000,000.00	35,000,000.00	2,510,000.00
	9	2020-2021	2,020	129,414,694.00	35,000,000.00	35,000,000.00	2,510,000.00
	10	2021-2022	2,021	129,414,694.00	35,000,000.00	35,000,000.00	2,510,000.00
Viable presence period	11	2022-2023	2,022	129,414,694.00	35,000,000.00	35,000,000.00	35,000,000.00
	12	2023-2024	2,023	129,414,694.00	35,000,000.00	35,000,000.00	35,000,000.00
	13	2024-2025	2,024	129,414,694.00	35,000,000.00	35,000,000.00	35,000,000.00

Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

Notes:

1. Total investment is all investment at original cost, including land acquired after filing of application. Investments made in a year should be reflected in the subsequent year's market value.
2. Use appraisal values from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad volorem tax purposes in that year.
3. This amount is typically the taxable value for the purpose of I&S fund or debt service reserve fund.

The CPA requests companies complete the electronic spreadsheet version of the form and submit identical electronic and hard copy versions of the spreadsheet (with any attachments) to the district.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement ("Assignment") is entered into and effective December 8, 2011 by and between Wind Tex Energy-Stephens, LLC, a Texas limited liability company ("Wind Tex-Stephens") and Cirrus Wind 1, LLC, a Texas limited liability company ("CW1").

RECITALS

1. Wind Tex-Stephens and its affiliates are developing a wind energy conversion facility approximately 340 MW in size in Borden and Lynn Counties, Texas ("Wind Tex-Stephens Project").

2. Pursuant to an Asset Purchase Agreement dated December 8, 2011 ("APA"), CW1 is acquiring certain lease rights, interconnection rights, study results and other assets owned by Wind Tex-Stephens and its affiliates associated with a portion of the Wind Tex-Stephens Project approximately 61.2 MW in size (the "Cirrus Project").

3. Wind Tex-Stephens is party to an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes with O'Donnell Independent School District ("O'Donnell") dated November 14, 2011 ("O'Donnell Agreement").

4. To complete its obligations under the APA, Wind Tex-Stephens wishes to assign certain of its rights and obligations under the O'Donnell Agreement to CW1.

NOW, THEREFORE, in consideration of the above premises, the mutual promises set forth below, and other good and valuable consideration, the receipt of which is acknowledged, the Parties agree as follows:

AGREEMENT

ARTICLE I – DEFINITIONS

Capitalized terms used in this Assignment shall have the meanings given to them in the APA, unless otherwise specifically defined in this Assignment.

ARTICLE II – ASSIGNMENT

2.1 Assignment. Subject to the terms of this Assignment and the APA, Wind Tex-Stephens conveys, assigns, transfers, sells, and grants all its rights, title and interest in, under and to the O'Donnell Agreement associated with the Cirrus Project to CW1 effective December 8, 2011 (the "Effective Date").

2.2 Assumption. Subject to the execution and delivery of this Assignment and the APA and any required consent by O'Donnell, CW1 assumes and agrees to perform and pay all the terms, covenants, obligations, liabilities and conditions of Wind Tex-Stephens under the

O'Donnell Agreement associated with the Cirrus Project existing as of the Effective Date and accruing or arising thereafter, as more specifically set forth in Section 2.3. Except as otherwise provided in this Assignment or in the APA, Wind Tex-Stephens shall remain responsible for all liabilities, payments and obligations which arose or accrued under the O'Donnell Agreement prior to the Effective Date, and for all such liabilities, payments and obligations which are not associated with the Cirrus Project as more specifically set forth in Section 2.3.

2.3 Allocation of Rights. The O'Donnell Agreement contemplates that it will apply to a wind energy conversion facility larger than the Cirrus Project. To the extent the rights, liabilities, obligations, and interests held by WindTex under the O'Donnell Agreement are directly associated with the specific Qualified Property/Qualified Investment represented by the Cirrus Project or are otherwise proportionate to the facilities to be constructed and installed by CW1 and WindTex, CW1 and WindTex agree that the rights, liabilities, interests and obligations of the O'Donnell Agreement being assigned to CW1 include (i) those directly associated with the Cirrus Project as Qualified Property/Qualified Investment and related abatements and (ii) a proportionate share of other items subject to allocation. WindTex retains all such rights, liabilities, interests and obligations directly associated with any Qualified Property/Qualified Investment WindTex may construct or install which are subject to the O'Donnell Agreement and a proportionate share of other items subject to allocation. Both CW1 and WindTex shall comply with all obligations of the O'Donnell Agreement generally applicable to any Qualified Property/Qualified Investment to be built.

2.4 No Defaults. CW1 and WindTex each covenant that they will not cause a default under the O'Donnell Agreement and, to the extent either of them causes such a default, the other Party shall have the right to cure the applicable default and be reimbursed by the other Party for all its costs required to effect the cure.

ARTICLE III – WARRANTIES AND REPRESENTATIONS; CONSENT

3.1 APA. Wind Tex-Stephens and CW1 each restate and incorporate all their respective warranties and representations in Sections 3.1, 3.3-3.10, 3.13, 3.14 and 4.1-4.3 of the APA to the extent applicable to Wind Tex-Stephens and CW1 or the O'Donnell Agreement.

3.2 Wind Tex-Stephens. In addition to the representations and warranties of Wind Tex-Stephens in the APA, Wind Tex-Stephens represents that the copies of the O'Donnell Agreement provided by Wind Tex-Stephens to CW1 are complete and accurate, and there are no amendments, modifications, waivers or other changes to any of the terms of the agreement that have not been disclosed to CW1.

3.3 Consents. Section 8.4 of the O'Donnell Agreement provides that assignment by Wind Tex-Stephens is permitted to a new owner of all or a portion of Wind Tex-Stephens's Qualified Property or Qualified Investment, as defined in the O'Donnell Agreement, subject to Wind Tex-Stephens providing written notice of such assignment to O'Donnell and others with all the relevant information required by Section 8.4. Wind Tex-Stephens agrees to provide notice to O'Donnell and other parties listed in Section 8.4 of the O'Donnell Agreement as soon as possible after closing on the APA and execution of this Assignment. CW1 will provide any information to Wind Tex-Stephens needed to complete the required notice.

ARTICLE IV – INDEMNITY

4.1 Indemnity. CW1 hereby agrees to indemnify and hold Wind Tex-Stephens and its successors and assigns forever harmless from any loss, liability, damage, cost or expense (including reasonable attorneys' fees) resulting to Wind Tex-Stephens as a result of CW1's failure to perform, on or after the Effective Date, any term, covenant, obligation or condition of the O'Donnell Agreement required on the part of CW1. Wind Tex-Stephens hereby agrees to indemnify and hold CW1 and its successors and assigns forever harmless from any loss, liability, damage, cost or expense (including reasonable attorneys' fees) resulting to CW1 as a result of any breach by Wind Tex-Stephens of any representations, warranty, covenant or agreement provided herein, or Wind Tex-Stephens's failure to perform, prior to the Effective Date hereof, any term, covenant, or obligation or condition of the O'Donnell Agreement required on the part of Wind Tex-Stephens therein.

ARTICLE V – MISCELLANEOUS

5.1 No Assignment. The rights and obligations of this Assignment may not be assigned or transferred by a party without the prior written consent of the other party. All assignments of rights are prohibited, whether they are voluntary or involuntary, by merger, consolidation, dissolution, operation of law, or any other manner and, in the case of a merger, includes any merger in which a party participates, regardless of whether it is the surviving or disappearing entity. No party may delegate any performance under this Assignment. Any purported assignment of this Assignment in the absence of the required consent shall be void.

5.2 Notices. Any notice, demand, request or communication required or authorized by this Assignment shall be delivered either by hand, facsimile, overnight courier or mailed by certified mail, return receipt requested, with postage prepaid, to:

Wind Tex Energy-Stephens, LLC
Attn: Steven K. DeWolf
10,000 North Central Expressway
Suite 900
Dallas, TX 75231
(214) 954-9540

on behalf of Wind Tex-Stephens; and

Cirrus Wind 1, LLC
Attn: Paul Thompson
10912 Utica Avenue
Lubbock, TX 79424
(806) 787-5023

on behalf of CW1.

The designation and titles of the person to be notified or the address of such person may be changed at any time by written notice. Delivery of any such notice, demand, request, or

communication shall be deemed delivered on receipt if delivered by hand or facsimile and on deposit by the sending party if delivered by courier or US mail.

5.3 Captions. All titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Assignment.

5.4 No Third-Party Beneficiary. No provision of this Assignment is intended to nor shall it in any way inure to the benefit of any customer, property owner or any other third party, so as to constitute any such person a third-party beneficiary under this Assignment, or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

5.5 Integration; Amendment. With the exception of other instruments documenting the APA, this Assignment constitutes the entire agreement between the parties relating to the transaction described herein and supersedes any and all prior oral or written understandings. No amendment, addition to, or modification of any provision hereof shall be binding upon the parties, and neither party shall be deemed to have waived any provision or any remedy available to it unless such amendment, addition, modification or waiver is in writing and signed by a duly authorized officer or representative of the applicable party or parties.

5.6 Governing Law. This Assignment is made in the State of Texas and shall be interpreted and governed by the laws of the State of Texas without regard to its conflict of laws principles, and/or the laws of the United States, as applicable.

5.7 Severability. Should any provision of this Assignment be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Assignment shall not be affected and shall continue in force. The Parties will, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Assignment as a whole.

5.8 Cooperation. The parties agree to reasonably cooperate with each other in the implementation and performance of this Assignment. Such duty to cooperate shall not require any party to act in a manner inconsistent with its rights under this Assignment.

5.9 Counterparts. This Assignment may be signed in any number of counterparts, and by the Parties in separate counterparts, and each such counterpart shall represent a fully executed original as if signed by all parties, with all such counterparties together consisting one instrument. Signatures delivered by facsimile or electronically shall be considered to have been delivered upon receipt by each party and such delivery shall be effective as though originals were so delivered and received.

(SIGNATURE PAGES TO FOLLOW)

Dated: Dec 8, 2011

WIND TEX ENERGY-STEPHENS, LLC, a Texas limited liability company

By: _____

Its: President

Dated: DEC 8, 2011

CIRRUS WIND 1, LLC, a Texas limited liability company

By: _____

Its: PRESIDENT