

FINDINGS
of the
FLOYDADA INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR A
LIMITED APPRAISED VALUE ON
QUALIFIED PROPERTY

SUBMITTED BY

LONGHORN WIND
WIND ENERGY, LLC

Comptroller Application Number 294

RESOLUTION AND FINDINGS OF FACT
of the
FLOYDADA INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR A
LIMITED APPRAISED VALUE ON QUALIFIED PROPERTY SUBMITTED
BY LONGHORN WIND PROJECT, LLC

STATE OF TEXAS §
 §
COUNTY OF FLOYD §

PREAMBLE

On the 15th day of October, 2013, a public meeting of the Board of Trustees of the Floydada Independent School District (the “Board”) was held to solicit input from interested parties on the application by LONGHORN WIND PROJECT, LLC (“Longhorn Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Longhorn Wind for a Limited Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Floydada Independent School District makes the following Findings regarding the Application:

On or about the 29th day of May, 2013, the Superintendent of Schools for the Floydada Independent School District, acting as agent for the Board, received an Application for Appraised Value Limitation on Qualified Property from Longhorn Wind, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the creation of a wind power electric generation facility. *See* Comptroller’s Recommendation Letter, dated September 17, 2013, attached hereto as Attachment C. The Board agreed to consider such Application, and the Superintendent formally acknowledged receipt of the completed and final Application for consideration on behalf of the District. The Texas Comptroller of Public Accounts received the completed Application on or about June 3, 2013, and issued its notice of completeness by letter dated June 19, 2013, the Application review start date. A copy of the Application and Comptroller letter of June 19, 2013 are attached as Attachment A.

The Texas Taxpayer Identification number for Longhorn Wind is 32050906182. Longhorn Wind is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments B and D.

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

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an economic impact evaluation to be conducted pursuant to §313.026 of the Texas Tax Code. The Comptroller determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.025(h) for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.024(b), issued a recommendation on September 17, 2013 that the Application be approved. *See Attachment C.* The Board of Trustees has carefully considered such evaluation. A copy of the Economic Impact Evaluation is attached to these Findings as Attachment D.

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

The Board has confirmed that the taxable value of industrial property in the Floydada Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within a rural school district, Category III of §313.054 of the Texas Tax Code. *See* Comptroller's "2012 ISD Summary Worksheet," attached hereto as Attachment F, and Attachment C.

After receipt of the completed Application, the District entered into negotiations with Longhorn Wind regarding the specific language to be included in the Limitation on Appraised Value Agreement ("LAVA") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed LAVA is attached to these Findings as Attachment G, and the LAVA was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* *See* copy of October 14, 2013 Agreement approval letter from the Comptroller, attached to these Findings as Attachment H.

After review of the Comptroller's recommendation, and in consideration of its own analysis of Longhorn Wind's Application and all other substantive documentation related thereto, the Board, in addition to the above Findings, further finds as follows:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic

development (the ED Plan) submitted by the Texas Strategic Economic Development Commission under § 481.033 of the Texas Government Code.

In support of Finding Number 1, the Economic Impact Evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Longhorn Wind Project, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

Board Finding Number 2.

Applicant's renewable energy generation facility will improve the economic condition of Floyd County and the region.

In support of this Finding, the information provided by the Comptroller's Office indicates the population growth of Floyd County lagged behind that for the state in recent years. The state population grew by 1.8 percent between 2009 and 2010, while the population of Floyd County decreased 1.4 percent over the same period. Floyd County was the 243rd fastest growing county from 2009-2010.

September 2011 employment for Floyd County was down 1.3 percent from September 2010. The total employment in September 2011 was 2,804. The unemployment rate in Floyd County was 9.2 percent in September 2011, which is an increase from 8.8 percent in September 2010. This was higher than the state average of 8.5 percent for September 2011.

Floyd County has lower per-capita personal income than the state as a whole. The average per-capita income for Floyd County residents for 2009 was \$32,738, which ranked 125th among the 254 counties in Texas and was down 1.3 percent from 2008. The Texas average was \$38,609 for the same period.

Taxable sales in Floyd County through the fourth quarter of 2010 were \$14.18 million, down 0.8 percent from the same quarter in 2009. Taxable sales in the City of Floydada through the fourth quarter of 2010 were \$9.79 million, which was up 1.8 percent from the same period in 2009.

Given recent income levels and sales tax activity, Floyd County will likely benefit from economic activity like that associated with the Longhorn Wind project. Major capital investments like this project are beneficial to the community on a number of fronts, including employment, expanded opportunities for existing businesses, and an increased local tax base.

Board Finding Number 3.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$96.8 million, based on two (2) qualifying positions to be allocated for that portion of the Longhorn Wind project located within Floydada ISD.

In support of Finding Number 3, the Economic Impact Evaluation states:

The project's total investment is \$193.5 million, resulting in a relative level of investment per qualifying job of \$96.8 million.

The investment amount per job may vary, depending on the total number of turbines actually installed by Applicant.

Board Finding Number 4.

The average salary level of qualifying jobs is expected to be at least \$40,000 per year, which meets the qualification that the wage-level be 110% of the average county wage, and that each qualifying job will receive benefits such as a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act, 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. Longhorn Wind indicates that total permanent employment will be two (2) new jobs within the District, both of which will meet the criteria of a qualifying job.

In support of Finding Number 4, the Economic Impact Evaluation states:

After construction, the project will create three (3) new jobs when fully operational. Two (2) jobs will meet the criteria for qualifying jobs as specified in Tax Code §313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Government Region, where Floyd County is located, was \$34,210 in 2012. The annual average manufacturing wage for 2012 for Floyd County is \$42,068. That same year, the [Floyd] [C]ounty annual average wage for all industries was \$34,210. In addition to a salary of \$40,000, each qualifying position [to be created by Longhorn Wind] will receive the following benefits: At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each

qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

Board Finding Number 5.

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

In support of this Finding, Applicant, as Attachment 13 to its Application, submitted information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Attachment 13 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. The industry standard requires approximately one (1) full time position for every 15 turbines, depending on the size and type of turbines selected, which is less than the requirements of §313.051(b). A copy of Attachment and check list item 13 submitted with the Application is attached hereto as Attachment I. Applicant reports that it will create at least three (3) new jobs, two (2) of which are qualifying jobs, to service and support approximately 23 turbines, which will be fewer jobs than what is required under Texas Tax Code § 313.051(b), but in line with industry standards. Applicant reports that this Project will have approximately one hundred (100) turbines and seven (7) permanent qualifying jobs, an amount of jobs that exceeds the industry standard. See Schedule 2.3 of Attachment G, and Attachment I.

Board Finding Number 6.

The ability of the Applicant to locate the proposed wind energy facility in another state or another region of this state is significant because of the highly competitive marketplace for economic development.

In support of Finding Number 6, the Economic Impact Evaluation states:

According to Longhorn Wind Project, LLC's application and the Economic Impact Evaluation, "RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited ('RES Ltd.')., one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents." "RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries."

Board Finding Number 7.

Subsequent positive economic effects on the local and regional tax bases will be significant. The District will receive revenue gains due to the increase in its tax base. Likewise, the Board finds that the local and regional tax base will increase, and that the Applicant's renewable energy project will improve the economic condition of the region and the state.

In support of Finding Number 7, the Economic Impact Evaluation states:

Table 1 depicts Longhorn Wind Project's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc., (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Longhorn Wind Project, LLC.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	2	2	4	\$83,200	\$38,800	\$122,000
2014	43	42	85	\$1,788,800	\$3,094,200	\$4,883,000
2015	3	4	7	\$114,000	\$740,000	\$854,000
2016	3	6	9	\$114,000	\$740,000	\$854,000
2017	3	12	15	\$114,000	\$1,351,000	\$1,465,000
2018	3	11	14	\$114,000	\$1,229,000	\$1,343,000
2019	3	13	16	\$114,000	\$1,107,000	\$1,221,000
2020	3	13	16	\$114,000	\$1,473,000	\$1,587,000
2021	3	17	20	\$114,000	\$1,351,000	\$1,465,000
2022	3	13	16	\$114,000	\$1,351,000	\$1,465,000
2023	3	15	18	\$114,000	\$1,351,000	\$1,465,000
2024	3	13	16	\$114,000	\$1,595,000	\$1,709,000
2025	3	17	20	\$114,000	\$1,229,000	\$1,343,000
2026	3	9	12	\$114,000	\$1,229,000	\$1,343,000
2027	3	11	14	\$114,000	\$1,351,000	\$1,465,000
2028	3	9	12	\$114,000	\$1,107,000	\$1,221,000

Source: CPA, REMI, Longhorn Wind Project, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Floydada ISD's ad valorem tax base in 2011 was \$210.7 million. The statewide average wealth per WADA was estimated at \$374,943 for fiscal 2011-2012. During that same year, Floydada ISD's estimated wealth per WADA was \$167,215. The impact on the facilities and finances of the district are presented in Attachment 2 [of the Comptroller's Economic Impact Evaluation].

See also the District's Financial Impact Report, attached hereto as Attachment E].

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Floyd County, and Caprock Hospital District, with all property tax incentives sought being granted using estimated market value from Longhorn Wind Project, LLC's application. Longhorn Wind Project, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and the hospital district. Table 3 illustrates the estimated tax impact of the Longhorn Wind Project, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate¹	Floydada ISD I&S Levy	Floydada ISD M&O Levy	Floydada ISD M&O and I&S Tax Levies (Before Credit Credited)	Floydada ISD M&O and I&S Tax Levies (After Credit Credited)	Floyd County Tax Levy	Caprock Hospital District Tax Levy	Estimated Total Property Taxes
				0.1379	1.1700			0.6388	0.1406	
2014	\$4,837,500	\$4,837,500		\$6,669	\$56,599	\$63,268	\$63,268	\$30,902	\$6,802	\$100,972
2015	\$185,760,000	\$185,760,000		\$256,107	\$2,173,392	\$2,429,499	\$2,429,499	\$237,331	\$52,236	\$2,719,066
2016	\$170,899,000	\$10,000,000		\$235,618	\$117,000	\$352,618	\$352,618	\$218,344	\$48,057	\$619,019
2017	\$157,227,000	\$10,000,000		\$216,769	\$117,000	\$333,769	\$200,586	\$251,095	\$55,265	\$506,947
2018	\$144,649,000	\$10,000,000		\$199,428	\$117,000	\$316,428	\$186,326	\$231,008	\$50,844	\$468,179
2019	\$133,077,000	\$10,000,000		\$183,473	\$117,000	\$300,473	\$173,439	\$212,527	\$46,777	\$432,742
2020	\$122,431,000	\$10,000,000		\$168,796	\$117,000	\$285,796	\$162,407	\$351,946	\$77,462	\$591,815
2021	\$112,637,000	\$10,000,000		\$155,293	\$117,000	\$272,293	\$151,842	\$323,791	\$71,265	\$546,899
2022	\$103,626,000	\$10,000,000		\$142,869	\$117,000	\$259,869	\$142,820	\$297,888	\$65,564	\$506,273
2023	\$95,336,000	\$10,000,000		\$131,440	\$117,000	\$248,440	\$134,645	\$274,057	\$60,319	\$469,021
2024	\$87,709,000	\$87,709,000		\$120,924	\$1,026,195	\$1,147,120	\$166,641	\$252,132	\$55,493	\$474,267
2025	\$80,692,000	\$80,692,000		\$111,250	\$944,096	\$1,055,346	\$1,055,346	\$515,469	\$113,453	\$1,684,268
2026	\$74,237,000	\$74,237,000		\$102,351	\$868,573	\$970,923	\$970,923	\$474,233	\$104,377	\$1,549,534
2027	\$68,298,000	\$68,298,000		\$94,162	\$799,087	\$893,249	\$893,249	\$436,294	\$96,027	\$1,425,570
2028	\$62,834,000	\$62,834,000		\$86,629	\$735,158	\$821,787	\$821,787	\$401,390	\$88,345	\$1,311,522
						Total	\$7,905,399	\$4,508,409	\$992,286	\$13,406,093

Assumes School Value Limitation and Tax Abatements from the County and Hospital District.

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Floydada ISD I&S Levy	Floydada ISD M&O Levy		Floydada ISD M&O and I&S Tax Levies	Floyd County Tax Levy	Caprock Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1379	1.1700			0.6388	0.1406	
2014	\$4,837,500	\$4,837,500		\$6.669	\$56,599		\$63,268	\$30,902	\$6,802	\$100,972
2015	\$185,760,000	\$185,760,000		\$256,107	\$2,173,392		\$2,429,499	\$1,186,653	\$261,179	\$3,877,331
2016	\$170,899,000	\$170,899,000		\$235,618	\$1,999,518		\$2,235,137	\$1,091,720	\$240,284	\$3,567,141
2017	\$157,227,000	\$157,227,000		\$216,769	\$1,839,556		\$2,056,325	\$1,004,382	\$221,061	\$3,281,768
2018	\$144,649,000	\$144,649,000		\$199,428	\$1,692,393		\$1,891,821	\$924,032	\$203,376	\$3,019,230
2019	\$133,077,000	\$133,077,000		\$183,473	\$1,557,001		\$1,740,474	\$850,109	\$187,106	\$2,777,690
2020	\$122,431,000	\$122,431,000		\$168,796	\$1,432,443		\$1,601,238	\$782,101	\$172,138	\$2,555,478
2021	\$112,637,000	\$112,637,000		\$155,293	\$1,317,853		\$1,473,146	\$719,536	\$158,368	\$2,351,050
2022	\$103,626,000	\$103,626,000		\$142,869	\$1,212,424		\$1,355,293	\$661,973	\$145,698	\$2,162,965
2023	\$95,336,000	\$95,336,000		\$131,440	\$1,115,431		\$1,246,871	\$609,016	\$134,042	\$1,989,929
2024	\$87,709,000	\$87,709,000		\$120,924	\$1,026,195		\$1,147,120	\$560,294	\$123,319	\$1,830,732
2025	\$80,692,000	\$80,692,000		\$111,250	\$944,096		\$1,055,346	\$515,469	\$113,453	\$1,684,268
2026	\$74,237,000	\$74,237,000		\$102,351	\$868,573		\$970,923	\$474,233	\$104,377	\$1,549,534
2027	\$68,298,000	\$68,298,000		\$94,162	\$799,087		\$893,249	\$436,294	\$96,027	\$1,425,570
2028	\$62,834,000	\$62,834,000		\$86,629	\$735,158		\$821,787	\$401,390	\$88,345	\$1,311,522
						Total	\$20,981,498	#####	\$2,255,575	\$33,485,179

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 8.

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

In support of this Finding, Randy McDowell and Neal Brown estimate in the District's Financial Impact Report that the project would add \$185,760,000 to the tax base at the peak investment level for the 2015 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. In addition, the projected revenue gains from the proposed Agreement would be approximately \$870,302, based on \$100 per student per year in average daily attendance.

Board Finding Number 9.

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

The Application indicates that Longhorn Wind project expects to three (3) new jobs in the District. It is not known whether these would be new employees to the District, or if current residents would fill these positions. But, it is assumed in the Financial Impact Report that these employees would be new residents to the District, and provides two (2) new students to the District. It is believed that Floydada ISD will easily be able to accommodate new students, if any, which may result from these new jobs. The District must plan to educate all students who reside within its boundaries, and the number of new students can vary widely depending on the number of construction jobs and workers present during the construction phase of Longhorn Wind' renewable energy project. Therefore, the District may need to hire additional temporary teachers and staff to educate the additional students that could enroll in the District. The proposed Limitation on Appraised Value Agreement pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, provides that Applicant shall reimburse the District for extraordinary educational related expenses paid by the District that are directly attributable to Applicant's project.

Board Finding Number 10.

During the past two years, three projects in the South Plains Association of Governments Region applied for value limitation agreements under Tax Code Chapter 313.

Board Finding Number 11.

The Board finds that the projected market value of the qualified property of the Applicant, as determined by the Comptroller, is \$193,500,000.

Board Finding Number 12.

The proposed limitation on appraised value for the qualified property is \$10,000,000.

Board Finding Number 13.

The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E, and is based on the assumption that the projected total maintenance and operations and interest and sinking fund tax rates will be \$1.05 per \$100 in valuation in the second year of the Agreement, \$1.08 per \$100 in valuation in the eleventh year of the Agreement, and \$1.17 per \$100 in valuation for every other year of the Agreement. The Comptroller's estimated dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not

receive a limitation on appraised value with the projected depreciations of investment, is depicted in Table 3 of the Economic Impact Evaluation. See Finding No. 7, page 8, infra.

Board Finding Number 14.

The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E, and is based on the assumption that the projected total maintenance and operations and interest and sinking fund tax rates will be \$1.17 per \$100 in valuation in the first year of the Agreement, \$1.05 per \$100 in valuation in the second year of the Agreement, \$1.08 per \$100 in valuation in the eleventh year of the Agreement, and \$1.17 per \$100 in valuation for every other year of the Agreement. The Comptroller's estimated dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is depicted in Table 2 of the Economic Impact Evaluation. See Finding No. 7, page 7, infra.

Board Finding Number 15.

The projected effect on the Foundation School Program and impact on the District's finances resulting from payments to the District for each year of the Agreement is shown on Tables III, IV and V of Attachment E, and in Tables 1, 2 and 3 of the Economic Impact Evaluation. See Finding No. 7, pages 6, 7 and 8, infra.

Board Finding Number 16.

The projected future tax credits for each year of the Agreement are shown in Table II of Attachment E.

Board Finding Number 17.

Assuming that Applicant would still construct is renewal energy project in the District, without a limitation on appraised value for the qualified property, the total amount of taxes to be lost over the life of the Agreement by subtracting the projected taxes stated in Finding Number 13 from the projected taxes stated in Finding Number 14 is shown in Table II of Attachment E.

Board Finding Number 18.

The Board of Trustees hired consultants to review and verify the information in the Application from Longhorn Wind. Based upon the consultants' review, the Comptroller's Economic Impact Evaluation, and the Comptroller's Recommendation letter, the Board has determined that the information provided by the Applicant in its Application was true and correct when it was submitted (see Attachments B, C and D).

Board Finding Number 19.

The Applicant (Taxpayer Id. 32050906182) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity (Attachment B; see also Attachment D).

Board Finding Number 20.

The Limited Appraised Valuation Agreement on Qualified Property (LAVA), pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this Finding, the Financial Impact Report demonstrates that the District will incur a revenue loss during year 3 of the proposed LAVA. However, the negative consequences of granting the value limitation are offset through the "hold harmless" provision of the LAVA and other revenue protection provisions agreed to by the Applicant and the District.

Board Finding Number 21.

The general nature of Applicant's qualified investment is renewable energy electricity generation (wind), which is eligible for the limitation on the appraised value of Applicant's Property.

Board Finding Number 22.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Longhorn Wind' Application and enter into the attached Limited Appraised Valuation Agreement of Property for School District Maintenance and Operations Taxes.

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

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

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

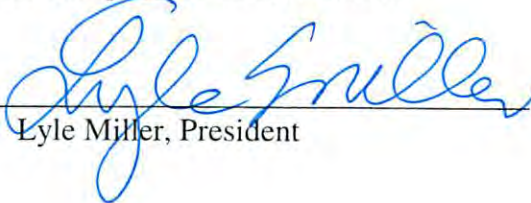
IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment G is APPROVED and is hereby authorized to be executed and delivered by the Floydada Independent School District Board President on behalf of the Floydada Independent School District, along with a copy of the these Findings, which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

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

Dated this 15th day of October, 2013.

Floydada Independent School District

By


Lyle Miller, President

Attest:

By


Rachel Castillo, Secretary

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Longhorn Wind Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status for Longhorn Wind
C	Comptroller's Recommendation Letter
D	Comptroller Economic Impact Evaluation
E	District's Financial Impact Report
F	Comptroller's 2012 ISD Summary Worksheet
G	Proposed Limited Assessed Valuation Agreement
H	October 14, 2013 Agreement approval letter from Comptroller
I	Longhorn Wind job waiver request

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



June 19, 2013

Gilbert Trevino
Superintendent
Floydada Independent School District
226 W. California St.
Floydada, Texas 79235

Dear Superintendent Trevino:

On June 3, 2013, the Comptroller's office received from Floydada Independent School District (Floydada ISD) an application from Longhorn Wind Project, LLC for a limitation on appraised value. The purpose of this letter is to inform you that the Comptroller's office has received all required documents for the application review and economic impact evaluation.

The Comptroller's office will move forward with our economic impact evaluation and recommendation to the school district. Tax Code §313.025(d) allows the Comptroller's office to complete the economic impact evaluation and recommendation on or before the 91 days from the date of this letter. The Comptroller's office will send a letter of recommendation to the ISD and the applicant.

Should you have any questions, please contact Jenny Hicks with our office. She can be reached by email at jenny.hicks@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-4794, or direct in Austin at 512-463-4794.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wood", is positioned above the printed name of Robert Wood.

Robert Wood
Director
Economic Development & Analysis

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Shalini Ramanathan, RES America Development Inc.

LONGHORN WIND PROJECT, LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO FLOYDADA ISD**

May 29, 2013



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

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

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

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative

Date application received by district

May 27, 2013

First Name

Gilbert

Last Name

Trevino

Title

Superintendent

School District Name

Floydada ISD

Street Address

226 W. California St.

Mailing Address

same

City

Floydada

State

TX

ZIP

79235

Phone Number

(806) 983-3498

Fax Number

(806) 983-

Mobile Number (optional)

E-mail Address

GTrevino@region16.net

I authorize the consultant to provide and obtain information related to this application. ☒ Yes ☐ No

Will consultant be primary contact? ☒ Yes ☐ No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Audie		Last Name Sciumbato	
Title Attorney			
Firm Name Underwood Law Firm, P.C.			
Street Address 500 S. Taylor, Suite 1200			
Mailing Address PO Box 9158			
City Amarillo		State TX	ZIP 79105
Phone Number (806) 379-0326		Fax Number (806) 379-0316	
Mobile Number (Optional)		E-mail Address audie.sciumbato@ulaw.com	

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

Signature (Authorized School District Representative)

Date

Has the district determined this application complete? ☒ Yes ☒ No

If yes, date determined complete. 5-29-13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? ☐ Yes ☒ No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	will submit

**APPLICANT INFORMATION - CERTIFICATION OF APPLICATION****Authorized Business Representative (Applicant)**

First Name	Last Name	
Title		
Organization		
Street Address		
Mailing Address		
City	State	ZIP
Phone Number	Fax Number	
Mobile Number (optional)	Business e-mail Address	

Will a company official other than the authorized business representative be responsible for responding to future information requests? ☐ Yes ☐ No

If yes, please fill out contact information for that person.

First Name	Last Name	
Title		
Organization		
Street Address		
Mailing Address		
City	State	ZIP
Phone Number	Fax Number	
Mobile Number (optional)	E-mail Address	

I authorize the consultant to provide and obtain information related to this application.. ☐ Yes ☐ No

Will consultant be primary contact? ☐ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Wes

Last Name

Jackson

Title

Partner

Firm Name

Cummings Westlake LLC

Street Address

12837 Louetta Road, Suite 201

Mailing Address

same

City

Cypress

State

TX

ZIP

77429-5611

Phone Number

713-266-4456 X-2

Fax Number

713-266-2333

Business email Address

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

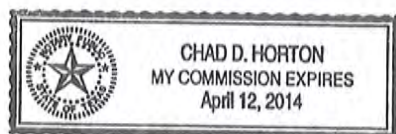
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

Date

May 24, 2013

GIVEN under my hand and seal of office this 24 day of May, 2013



(Notary Seal)

Notary Public, State of Texas

My commission expires 4/12/2014

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 § 37.10.

**FEES AND PAYMENTS**

☐ Enclosed is proof of application fee paid to the school district.

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, §313.027(i)? ☐ Yes ☐ No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

NAICS code

Is the applicant a party to any other Chapter 313 agreements? ☐ Yes ☐ No

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? ☐ Yes ☐ No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? ☐ Yes ☐ No
If so, please attach documentation of the combined group membership and contact information.

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

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ NA ☐ Yes ☐ No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**

Are you an entity to which Tax Code, Chapter 171 applies? ☐ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in 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

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☐ No

Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☐ No

Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☐ No

Are you including property that is owned by a person other than the applicant? ☐ Yes ☐ No

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

PROJECT DESCRIPTION

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

Describe the ability of your company to locate or relocate in another state or another region of the state.

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> New Jobs | <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up | <input type="checkbox"/> Expand Existing Facility |
| <input type="checkbox"/> Relocation from Out-of-State | <input type="checkbox"/> Expansion | <input type="checkbox"/> Purchase Machinery & Equipment | |
| <input type="checkbox"/> Consolidation | <input type="checkbox"/> Relocation within Texas | | |

PROJECTED TIMELINE

Begin Construction _____ Begin Hiring New Employees _____

Construction Complete _____ Fully Operational _____

Purchase Machinery & Equipment _____

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☐ Yes ☐ No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? _____

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source

Amount

_____	_____
_____	_____
_____	_____
Total	_____

Will other incentives be offered by local units of government? ☐ Yes ☐ No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

THE PROPERTY

Identify county or counties in which the proposed project will be located _____

Central Appraisal District (CAD) that will be responsible for appraising the property _____

Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☐ No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: _____ (Name and percent of project) City: _____ (Name and percent of project)

Hospital District: _____ (Name and percent of project) Water District: _____ (Name and percent of project)

Other (describe): _____ (Name and percent of project) Other (describe): _____ (Name and percent of project)

Is the project located entirely within this ISD? ☐ Yes ☐ No

If not, please provide additional information on the project scope and size to assist in the economic analysis.

**INVESTMENT**

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? _____

What is the amount of appraised value limitation for which you are applying? _____

What is your total estimated *qualified* investment? _____

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? _____

What is the anticipated date of the beginning of the qualifying time period? _____

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? _____

Describe the qualified investment. [See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
- (3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? ☐ Yes ☐ No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? ☐ Yes ☐ No
- (2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? ☐ Yes ☐ No
- (3) on the same parcel of land as the building for which you are applying for an appraised value limitation? ☐ Yes ☐ No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? ☐ Yes ☐ No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? ☐ Yes ☐ No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? ☐ Yes ☐ No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
- (3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☐ No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? _____

Will the applicant own the land by the date of agreement execution? ☐ Yes ☐ No

Will the project be on leased land? ☐ Yes ☐ No

QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ☐ Yes ☐ No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. _____
(Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ☐ Yes ☐ No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ☐ Yes ☐ No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? _____

The last complete calendar quarter before application review start date is the:

☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____
(year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? _____

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. _____

Total number of new jobs that will have been created when fully operational _____

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ☐ Yes ☐ No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☐ No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? _____

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html>)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is _____

110% of the county average weekly wage for manufacturing jobs in the county is _____

110% of the county average weekly wage for manufacturing jobs in the region is _____

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii), or ☐ §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? _____

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? _____

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☐ Yes ☐ No

Will each qualifying job require at least 1,600 of work a year? ☐ Yes ☐ No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☐ No

Will any of the qualifying jobs be retained jobs? ☐ Yes ☐ No

Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☐ No

Will any required qualifying jobs be filled by employees of contractors? ☐ Yes ☐ No

If yes, what percent? _____

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? ☐ Yes ☐ No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? ☐ Yes ☐ No

Is Schedule A completed and signed for all years and attached? ☐ Yes ☐ No

Is Schedule B completed and signed for all years and attached? ☐ Yes ☐ No

Is Schedule C (Application) completed and signed for all years and attached? ☐ Yes ☐ No

Is Schedule D completed and signed for all years and attached? ☐ Yes ☐ No

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

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

CONFIDENTIALITY NOTICE

**Property Tax Limitation Agreement Applications
Texas Government Code Chapter 313
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	
2	Proof of Payment of Application Fee (Attachment)	5 of 16	
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	
4	Detailed description of the project	6 of 16	
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	
6	Description of Qualified Investment (Attachment)	8 of 16	
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	
8	Description of Qualified Property (Attachment)	8 of 16	
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	
10	Description of Land (Attachment)	9 of 16	
11	A detailed map showing location of the land with vicinity map.	9 of 16	
12	A description of all existing (if any) improvements (Attachment)	9 of 16	
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	
15	Description of Benefits	10 of 16	
16	Economic Impact (if applicable)	10 of 16	
17	Schedule A completed and signed	13 of 16	
18	Schedule B completed and signed	14 of 16	
19	Schedule C (Application) completed and signed	15 of 16	
20	Schedule D completed and signed	16 of 16	
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	

*To be submitted with application or before date of final application approval by school board.

ATTACHMENT 1

See executed application attached.

ATTACHMENT 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$65,000 application fee to Floydada Independent School District.

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

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

ATTACHMENT 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7) is attached.

OW5284 2.000

TX2011

Ver. 2.0

05-165

(9-09/2)

Tcode 13298

TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

19546837303

2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. RESA AMERICA CONSTRUCTION INC.	32002899410	<input type="checkbox"/>
2. RES AMERICA DEVELOPMENTS INC.	17429692852	<input type="checkbox"/>
3. RES WIND POWER (GP) INC.	770535301	<input checked="" type="checkbox"/>
4. RES WIND POWER (LP) INC.	742981517	<input checked="" type="checkbox"/>
5. RES AMERICA WIND OPERATIONS INC.	12080244457	<input type="checkbox"/>
6. RES AMERICA INVESTMENTS INC.	13202044551	<input type="checkbox"/>
7. RES AMERICA ENGINEERING INC.	263643624	<input type="checkbox"/>
8. BLUE SKY WIND LLC	753061040	<input checked="" type="checkbox"/>
9. CEDAR ELM WIND LLC	13837599573	<input type="checkbox"/>
10. CENTRAL PLAINS POWER LLC	753061023	<input checked="" type="checkbox"/>
11. WHEAT GROWERS WIND LLC	260706273	<input checked="" type="checkbox"/>
12. COTTONWOOD WIND LLC	13837599557	<input type="checkbox"/>
13. CROSS TIMBERS EDUCATION CENTER LLC	12607085094	<input type="checkbox"/>
14. GRANITE WIND LLC	320207528	<input checked="" type="checkbox"/>
15. RES EARTH AND CABLE LLC	12721352719	<input type="checkbox"/>
16. HIGH PLAINS POWER LLC	753061019	<input checked="" type="checkbox"/>
17. KEECHI WIND LLC	12608650268	<input type="checkbox"/>
18. LITTLE GOOSE WIND LLC	260706175	<input checked="" type="checkbox"/>
19. LOWER SNAKE WIND LLC	260706216	<input checked="" type="checkbox"/>
20. TEXAS LAND PARTNERS LP	14319729969	<input type="checkbox"/>
21. TEXAS LP HOLDINGS LLC	542070767	<input checked="" type="checkbox"/>

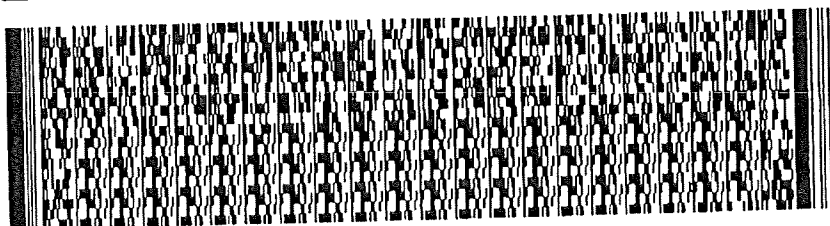
Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Texas Comptroller Official Use Only

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TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

19546837303

2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. RATTLESNAKE POWER LLC	12608649864	<input type="checkbox"/>
2. RES CONSTRUCTION (GP) LLC	17429931482	<input type="checkbox"/>
3. RES (CONSTRUCTION) LP	17429931466	<input type="checkbox"/>
4. RES (CONSTRUCTION) LP LLC	742993152	<input checked="" type="checkbox"/>
5. RES GP-1 LLC	17429815214	<input type="checkbox"/>
6. ROCK CREEK WIND POWER LLC	273331782	<input checked="" type="checkbox"/>
7. RES NORTH AMERICA LEASING LLC	753062064	<input checked="" type="checkbox"/>
8. RES PORTFOLIO HOLDINGS LLC	16115307866	<input type="checkbox"/>
9. ROADRUNNER WIND LLC	14122505754	<input type="checkbox"/>
10. TEXAS GP HOLDINGS LLC	17430599427	<input type="checkbox"/>
11. CEDAR POINT WIND LLC	371527352	<input checked="" type="checkbox"/>
12. OKLAHOMA LAND PARTNERS LLC	262159163	<input checked="" type="checkbox"/>
13. WESTERN OK WIND LEASING LLC	262159352	<input checked="" type="checkbox"/>
14. ANTELOPE HILLS WIND ENERGY LLC	262601245	<input checked="" type="checkbox"/>
15. CHEROKEE WIND ENERGY LLC	262601333	<input checked="" type="checkbox"/>
16. CROSSROADS WIND ENERGY LLC	262601430	<input checked="" type="checkbox"/>
17. GREAT WESTERN WIND ENERGY LLC	262601971	<input checked="" type="checkbox"/>
18. ORIGIN WIND ENERGY LLC	262602125	<input checked="" type="checkbox"/>
19. NORTH RIM WIND ENERGY LLC	262588593	<input checked="" type="checkbox"/>
20. ROLL DIVIDE WIND ENERGY LLC	262704471	<input checked="" type="checkbox"/>
21. BLUE STEM WIND ENERGY LLC	262704423	<input checked="" type="checkbox"/>

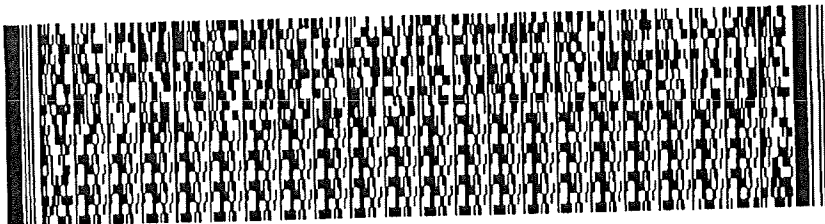
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TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

19546837303

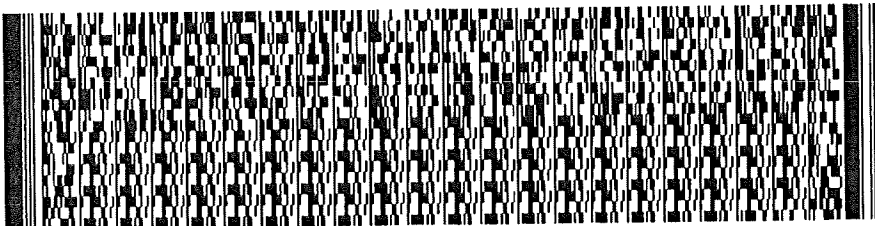
2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. QUAIL RUN SOLAR LLC	273477515	<input checked="" type="checkbox"/>
2. WEBBERVILLE SOLAR LLC	32038323450	<input type="checkbox"/>
3. SOUTHWEST LAND PARTNERS LLC	262601019	<input checked="" type="checkbox"/>
4. CHINA MOUNTAIN WIND LLC	830505066	<input checked="" type="checkbox"/>
5. IRON HORSE LAND PARTNERS LLC	010954762	<input checked="" type="checkbox"/>
6. RES MEXICO HOLDINGS I LLC	264743514	<input checked="" type="checkbox"/>
7. RES MEXICO HOLDINGS II LLC	264743525	<input checked="" type="checkbox"/>
8. BLACKHAWK WIND LLC	264261474	<input checked="" type="checkbox"/>
9. CORNHUSKER WIND LLC	264261586	<input checked="" type="checkbox"/>
10. PRITCHETT WIND LLC	264743479	<input checked="" type="checkbox"/>
11. BORDER WINDS ENERGY, LLC	454126872	<input checked="" type="checkbox"/>
12. PLEASANT VALLEY WIND LLC	270378724	<input checked="" type="checkbox"/>
13. GLACIER RIDGE WIND FARM LLC	270329971	<input checked="" type="checkbox"/>
14. MOAPA SOLAR LLC	271006934	<input checked="" type="checkbox"/>
15. USRA SOLUTIONS LLC	270728964	<input checked="" type="checkbox"/>
16. LITTLE LAKE NORTH WIND LLC	262603319	<input checked="" type="checkbox"/>
17. LITTLE LAKE SOUTH RENEWABLES LLC	263639813	<input checked="" type="checkbox"/>
18. IMPERIAL WIND LLC	263563119	<input checked="" type="checkbox"/>
19. PIONEER SOLAR LLC	263976977	<input checked="" type="checkbox"/>
20. SANTA FE LAND PARTNERS LLC	010954760	<input checked="" type="checkbox"/>
21. RES UNDERGROUND SERVICES, LLC	452435880	<input type="checkbox"/>

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

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TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

954683730

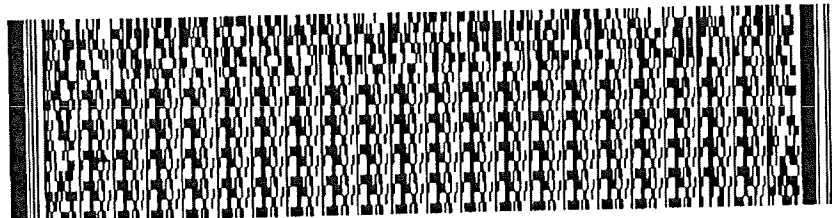
2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. KEECHI WIND PARTNER, LLC	32045097246	■ <input type="checkbox"/>
2. RES STORAGE, LLC	32044265901	■ <input type="checkbox"/>
3.		■ <input type="checkbox"/>
4.		■ <input type="checkbox"/>
5.		■ <input type="checkbox"/>
6.		■ <input type="checkbox"/>
7.		■ <input type="checkbox"/>
8.		■ <input type="checkbox"/>
9.		■ <input type="checkbox"/>
10.		■ <input type="checkbox"/>
11.		■ <input type="checkbox"/>
12.		■ <input type="checkbox"/>
13.		■ <input type="checkbox"/>
14.		■ <input type="checkbox"/>
15.		■ <input type="checkbox"/>
16.		■ <input type="checkbox"/>
17.		■ <input type="checkbox"/>
18.		■ <input type="checkbox"/>
19.		■ <input type="checkbox"/>
20.		■ <input type="checkbox"/>
21.		■ <input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-184 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

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ATTACHMENT 4

Detailed Description of the Project

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

Longhorn Wind Project, LLC (Longhorn) is requesting an appraised value limitation from Floydada Independent School District (ISD) for the Longhorn Wind Project (the "Project"), a proposed wind powered electric generating facility in Briscoe and Floyd Counties. The proposed Floydada ISD portion of the Project (this application) will be constructed within the Floyd County Wind Reinvestment Zone #1 that was established by Floyd County on March 11, 2013. A map showing the location of the project is included as Attachment 7.

The proposed Project is anticipated to have a total capacity of 300 MW, with approximately 129 MW located in Floydada ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 3.0 MW Siemens turbines with an estimated 43 turbines located in Floydada ISD. The remaining turbines will be located in Lockney ISD and Silverton ISD. A separate Chapter 313 application is being submitted to those districts for their respective portion of the project. Should Longhorn Wind successfully negotiate a larger power purchase agreement or go with smaller wind turbines, the number of turbines could increase somewhat in Floydada ISD. The Applicant request a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, transmission line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the fourth quarter of 2013 with completion by December 31, 2014.

ATTACHMENT 4A

Describe the ability of your company to locate or relocate in another state or another region of the state.

RES America Developments Inc. (RES-A) is the development subsidiary of Renewable Energy Systems Americas Inc. (RES Americas), which also has subsidiaries which oversee the construction, ownership, and operations of its renewable energy projects.

RES-A is headquartered at 11101 West 120th Avenue, Suite 400 Broomfield, Colorado 80021 with a regional office located at 9050 Capital of Texas Highway, Suite 390, Austin, TX 78759. RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited (RES Ltd.), one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents. Established in 1982, RES Ltd. is an affiliate of the Sir Robert McAlpine Group, the second largest commercial construction company in the United Kingdom. RES Americas and its subsidiaries are the entities through which North American activities are conducted.

RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries.

RES Americas has been constructing renewable energy projects in the U.S. since 1997 and is part of the much larger engineering and construction company, Sir Robert McAlpine. RES Americas has negotiated 2,574MW of Power Purchase Agreements, sold over \$4.5B of renewable generation assets and RES Americas finance team has placed over \$3B in project financing and tax equity. RES Americas also owns and operates two projects in Texas, the Whirlwind Energy Center and the Hackberry Wind Farm, totaling 226 MW of generation.

ATTACHMENT 5

List of districts and percentages where the project is located

The Floydada ISD portion of the project is wholly located in Floyd County. The jurisdiction percentages of the total project are as follows:

Briscoe County	25%
Silverton Independent School District	25%
Floyd County	75%
Floydada Independent School District	43%
Lockney Independent School District	32%
Caprock Hospital District	75%

ATTACHMENT 6

Description of Qualified Investment

- 1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021*
- 2) a description of any new buildings, proposed improvement or personal property which you intend to include as part of your minimum qualified investment and*
- 3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map (Please see Attachment 7)*

Longhorn Wind Project, LLC plans to construct a 300 MW wind farm in Briscoe and Floyd Counties. Approximately seventy five (75) wind turbines will be located in Floyd County, of which forty three (43) will be located in Floydada ISD and the remaining thirty two (32) will be located in Lockney ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 3.0 MW turbines manufactured by Siemens, although final turbine selection may change. Should Longhorn Wind successfully negotiate a larger power purchase agreement or go with smaller wind turbines, the number of turbines could increase somewhat in Floydada ISD.

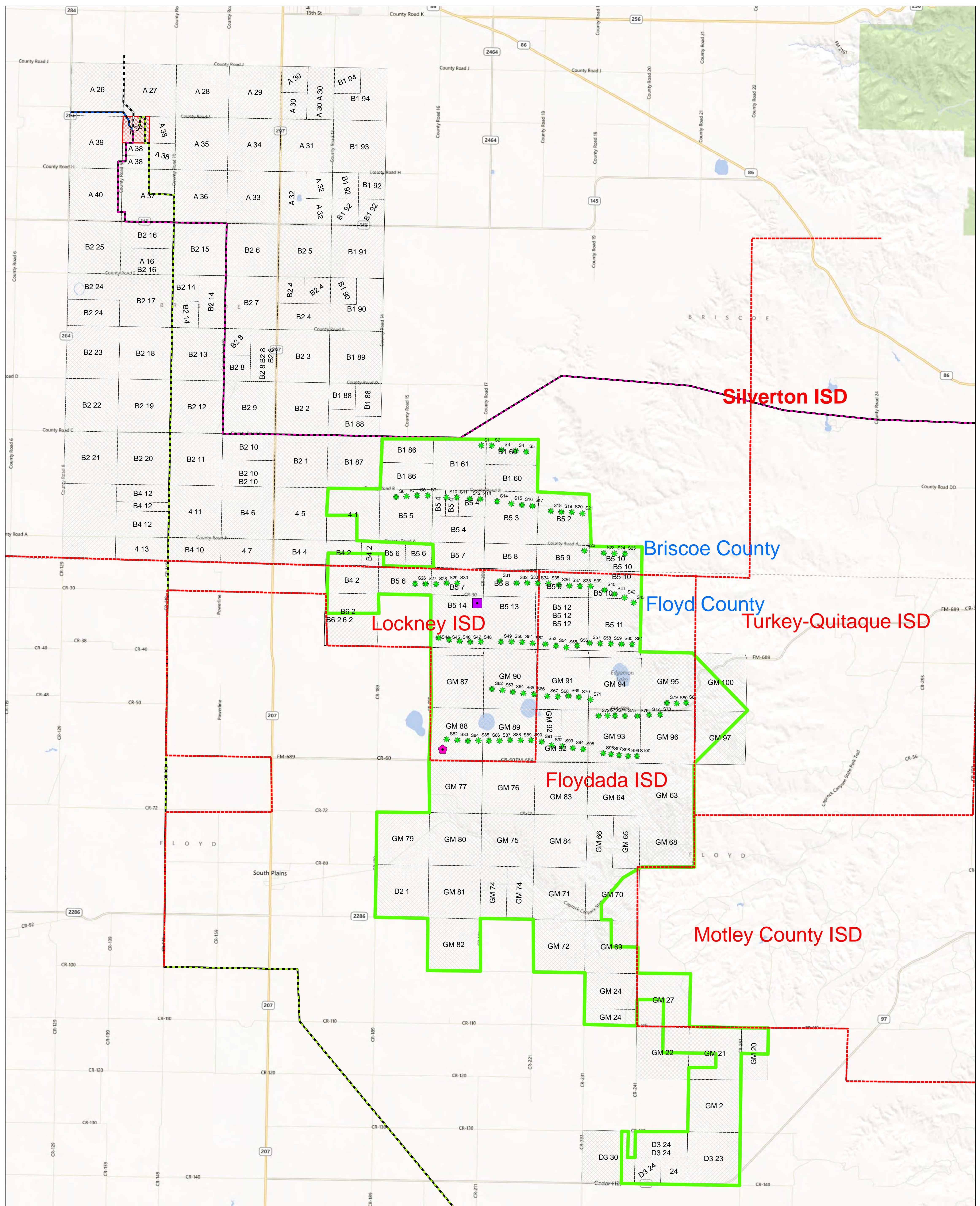
This application covers all qualified property within Floydada ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.












ATTACHMENT 7

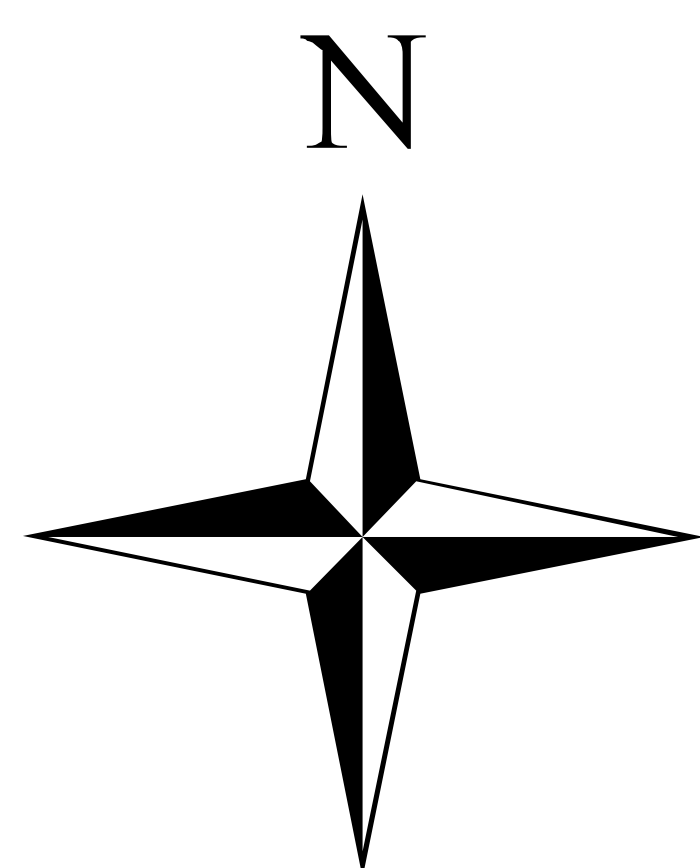
Map of qualified investment showing location of improvements with vicinity map

Longhorn Wind Project Reinvestment Zone
Briscoe and Floyd Counties
Confidential, Preliminary and Subject to Change



Legend

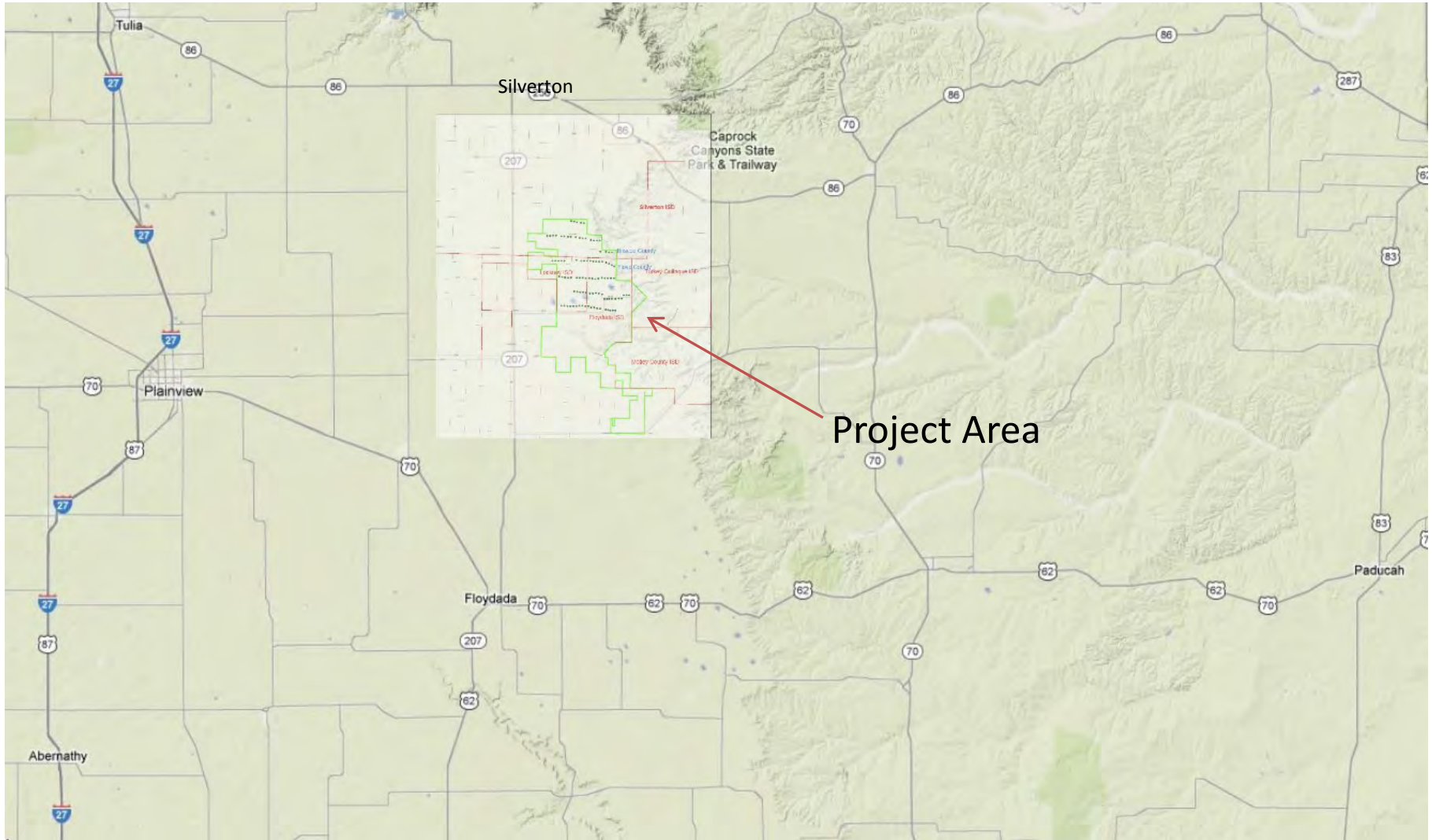
- | | |
|---|------------------------------------|
|  | Longhorn Reinvestment Zone |
|  | Longhorn ISD Boundaries |
|  | Longhorn Wind Energy Project Area |
|  | Longhorn_200MW_Layout |
|  | Longhorn Operations Building |
|  | Longhorn Substation |
|  | Sharyland's_CREZ_sub |
|  | Sharylands Silverton to Nazareth |
|  | Sharylands Silverton to White Deer |
|  | Sharyland Silverton-Cottonwood |
|  | Cross Texas Silverton-Tesla |



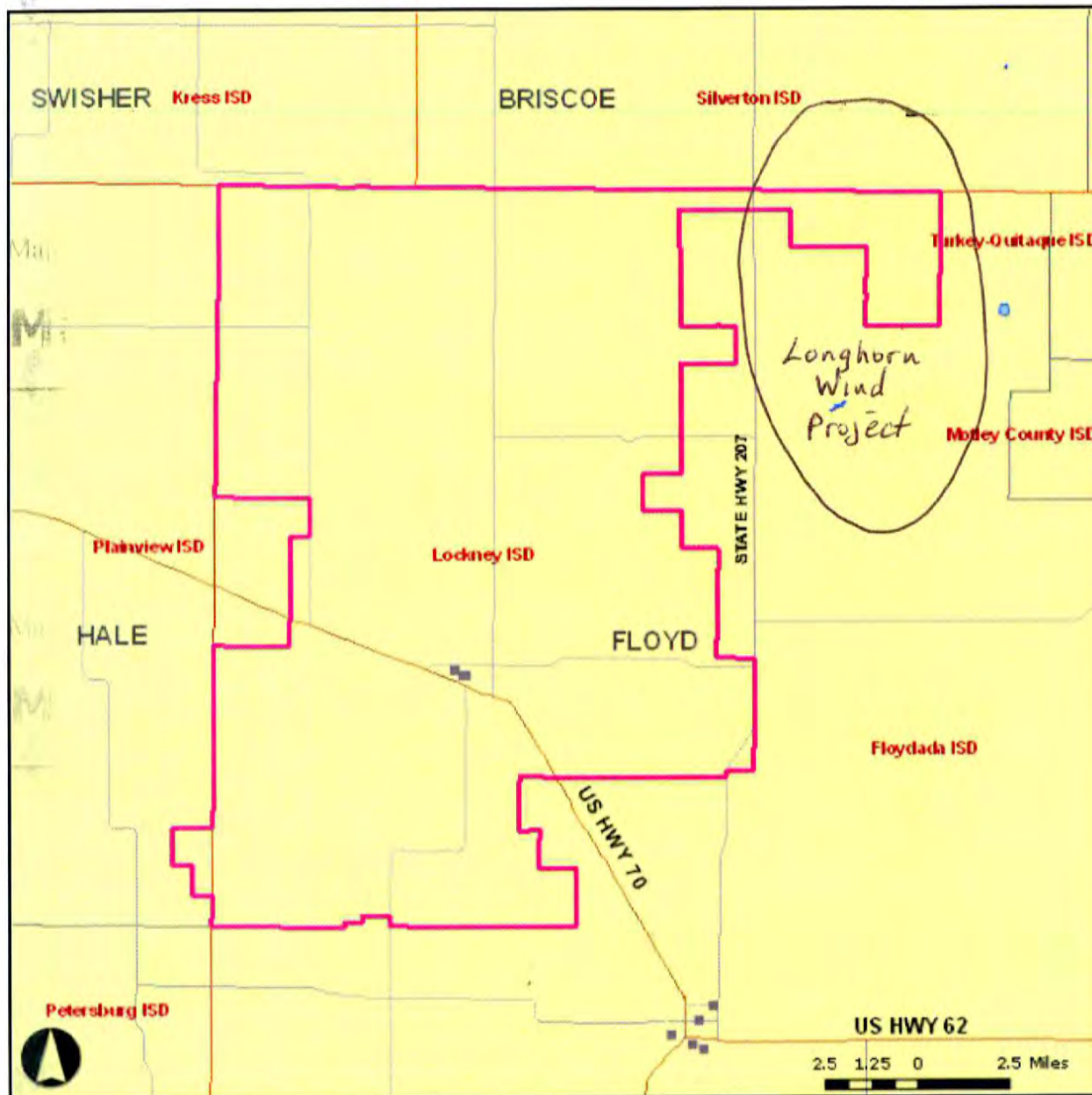
0 0.5 1 2 3 4 5 Miles



Vicinity Map



Map



Schools4

Schools

HigherEd

Universities

Hwys2

Other

A11

A15

A17

A21

A22

A23

Hwys2 (continued)

A25

A27

A60

Gulf

Counties1

Counties

Counties3

Hydrology

Counties

Counties

Counties

Districts2

School Districts

School Districts

School Districts

Districts

Texas

Gulf

Texas

Texas

Texas

Texas

ATTACHMENT 8

Description of Qualified Property

- 1. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code 313.021*
- 2. a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and*
- 3. a map of the qualified property showing location of new buildings or new improvements – with vicinity map (Please see Attachment 7)*

Longhorn Wind Project, LLC plans to construct a 300 MW wind farm in Briscoe and Floyd Counties. Approximately seventy five (75) wind turbines will be located in Floyd County, of which forty three (43) will be located in Floydada ISD and the remaining thirty two (32) will be located in Lockney ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application the project anticipates using 3.0 MW turbines manufactured by Siemens, although final turbine selection may change. Should Longhorn Wind successfully negotiate a larger power purchase agreement or go with smaller wind turbines, the number of turbines could increase somewhat in Floydada ISD.

This application covers all qualified property within Floydada ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

ATTACHMENT 9

See Attachment 7

The maps of the qualified property, showing location of improvements, and a separate vicinity map are in Attachment 7

ATTACHMENT 10

Legal Description of Land	Acreage	County	ISD
TR: N 3/8, BLK: GM, SURV: 81 GCSF RR	240	Floyd	Floydada
BLK: GM, SURV: 81 GCSF RR	400	Floyd	Floydada
TR: E/2, BLK: D-2, SURV: 1 GCSF RR	318	Floyd	Floydada
BLK: GM, SURV:82 J A T PEARSON	640	Floyd	Floydada
BLK: GM, SURV:79 GCSF RR	131	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: SW/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
TR: BLK: GM, SURV: 71 GCSF RR	221	Floyd	Floydada
TR: S/PT BLK: GM, SURV:24 SOLON S BRANDT	200	Floyd	Floydada
TR: N/E, BLK: GM, SURV:72 J B JENKINS	160	Floyd	Floydada
BLK: GM SURV: 24 R L HENRY	440	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	480	Floyd	Floydada
BLK: GM SURV: 70 JNO N FARRIS	26	Floyd	Floydada
TR: N/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: NW/4, BLK: GM SURV: 20 T J KELL	160	Floyd	Floydada
TR: W/PT OF S/PT BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: SW/PT OF NE/4 BLK: SURV: 22 JNO N FARRIS	63	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	149	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	129	Floyd	Floydada
BLK: GM, SURV: 65 GCSF RR	320	Floyd	Floydada
BLK: GM, SURV: 93 GCSF RR	629	Floyd	Floydada
BLK: GM, SURV: 64 R L HENRY	440	Floyd	Floydada
BLK: GM, SURV: 66 J N FARRIS	320	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 83 GCSF RR	318	Floyd	Floydada
TR:, BLK: GM, SURV: 63 GCSF RR	640	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: W/2 LESS RR, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: NWW/4 BLK: D-3 SURV: 24 JC FORTENBERRY	160	Floyd	Floydada
TR: E/2 OF E/2 OF SE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
TR: W/2 OF W/2 OF NE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
BLK: D-3 SURV: 23 EL&RR	640	Floyd	Floydada
TR: NE/4 BLK: D-3 SURV: 24 J C LACKEY	160	Floyd	Floydada
TR: SE/4 BLK: D-3 SURV: 24 J C FOX	160	Floyd	Floydada
TR: NE/4 BLK; GM SURV: 21 GCSF RR	160	Floyd	Floydada
TR: SE/PT BLK: GM SURV: 21 GCSF RR	32	Floyd	Floydada
TR: N/E OF SE/PT BLK: GM SURV: 21 GCSF	16	Floyd	Floydada

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO FLOYDADA ISD*

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

TR: NE/PT S/2 BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: NE/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 80 W D LONG	297	Floyd	Floydada
TR: SW/PT, BLK: GM, SURV: 77 GCSF RR	243	Floyd	Floydada
TR: NE/PT, BLK: GM, SURV: 88 W D LONG	97	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 80 W D LONG	320	Floyd	Floydada
TR: E/2, NW/PT, BLK: GM, SURV: 77 GCSF	391	Floyd	Floydada
TR: S/2 BLK: D-2 SURV: 6 J J ROGERS	320	Floyd	Floydada
TR: E/2 SE/4 BLK: D-2 SURV: 8 J J ROGERS	80	Floyd	Floydada
TR: N/2 & SW/4 BLK: GM SURVEY: 2 J B JENKENS	480	Floyd	Floydada
TR: SE/4 BLK: GM SURV: 2 J B JENKENS	160	Floyd	Floydada
TR: OUT NE/PT BLK: SM SURV: 22 JNO N FARRIS	96	Floyd	Floydada
TR: NW/4 BLK: GM SURV: 21 GCSF RR	159	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 94 R N HAVERTY	92	Floyd	Floydada
BLK: GM, SURV: 94 M C POTTER	633	Floyd	Floydada
TR: W/2 E/2 NE/4 & W/2 E/2 SE/4 BLK: D-3 SURV: 30 J C FORTENBERRY	80	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 92 HENRIETTA HEWITT	160	Floyd	Floydada
TR: S/2 & NE/4, BLK: GM, SURV: 92 W B WILEY	468	Floyd	Floydada
TR: E/2 SW/4 BLK: D-3 SURV: 24 JC	80	Floyd	Floydada
BLK: GM, SURV: 75 GCSF RR	619	Floyd	Floydada
BLK: GM, SURV: 71 GCSF RR	391	Floyd	Floydada
TR: S/2 & NW/4 BLK: GM SURV: 72 JB JENKINS	480	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 74 J B JENKINS	310	Floyd	Floydada
TR: W/2, BLK: GM, SURV: 74 W S MCNEIL	319	Floyd	Floydada
TR: W/2 SW/4 BLK: D-3 SURV: 24 J C FORTENBERRY	77	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	40	Floyd	Floydada
BLK: GM NW/PT SURV: 64 R L HENRY	200	Floyd	Floydada
TR: SE/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
BLK: D-2 SURV: 1 W/2 LESS NW/CR GCSF RR	311	Floyd	Floydada
BLK: GM SURV: 79 SE/CR OF SW/4 OF RR TRACK GCSF RR	18	Floyd	Floydada
BLK: GM SURV: 79 N OF RR TRACK GCSF RR	475	Floyd	Floydada
BLK: D-2 SURV: 1 NW/CR OF W/2 GCSF RR	6	Floyd	Floydada
BLK: B-5 SURV: 12 JNO D RHEA	320	Floyd	Floydada
TR: E/PT BLK: BGM SURV: 2 J A TAYLOR	35	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
BLK: B-5 SURV: 9 BS&F	347	Floyd	Floydada
TR: NE/4 BLK: B-5 SURV: 12 S E PRUDEN	140	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	240	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	280	Floyd	Floydada

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO FLOYDADA ISD*

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

BLK: B-5 SURV: 11 BS&F	120	Floyd	Floydada
BLK: GM SURV: 96 W D LONG	637	Floyd	Floydada
TR: S NE/PT BLK: B-5 SURV: 10 J W COWART	163	Floyd	Floydada
TR: SW/PT BLK: B-5 SURV: 10 A J ASKEY	163	Floyd	Floydada
TR: S/2 BLK: B-5 SURV: 6 I P VERNON	320	Floyd	Floydada
S/PT; BLK: B-5; SURV: 8; SAM WHITLEY	30	Floyd	Floydada
BLK: GM SURV: 91 GCSF RR	640	Floyd	Floydada
TR: W/PT BLK: BGM SURV: 2 J A TAYLOR	49	Floyd	Floydada
TR: W/2 BLK: GM SURV: 83 GCSF RR	316	Floyd	Floydada
BLK: GM SURV: 95 GCSF RR	709	Floyd	Floydada

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO FLOYDADA ISD*

ATTACHMENT 11

See Attachment 7

A detailed map showing location of the land and separate vicinity map are in Attachment 7

ATTACHMENT 12

Description of all existing (if any) improvements

There are no existing wind farm related improvements at this site.

ATTACHMENT 13

Request of waiver of job creation requirement

CUMMINGS WESTLAKE LLC

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

May 24, 2013

Mr. Gilbert Trevino, Superintendent
Floydada Independent School District
226 W. California St.
Floydada, TX 79235

Re: Chapter 313 Job Waiver Request

Dear Mr. Trevino,

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

Longhorn Wind Project, LLC requests that the Floydada Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Longhorn Wind Project, LLC has committed to create 7 total jobs for the project, of which 3 will be in Floydada ISD.

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

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

Sincerely,



J. Weston Jackson
Partner

ATTACHMENT 14

Calculation of three possible wage requirements with TWC documentation

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

LONGHORN WIND PROJECT, LLC
ATTACHMENT 14

FLOYDADA ISD - FLOYD COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
FIRST	2012	\$	591	\$	30,732
SECOND	2012	\$	605	\$	31,460
THIRD	2012	\$	617	\$	32,084
FOURTH	2012	\$	733	\$	38,116
AVERAGE		\$	637	\$	33,098
X			110%		110%
		\$	700	\$	36,408

FLOYDADA ISD - FLOYD COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
FIRST	2012	\$	830	\$	43,160
SECOND	2012	\$	801	\$	41,652
THIRD	2012	\$	706	\$	36,712
FOURTH	2012	\$	900	\$	46,800
AVERAGE		\$	809	\$	42,081
X			110%		110%
		\$	890	\$	46,289

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE










REGION	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
South Plains	2011	\$	657.88	\$	34,210
X			110%		110%
		\$	723.67	\$	37,631

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	1st Qtr	Floyd County	Private	00	0	10	Total, All Industries	\$591
2012	2nd Qtr	Floyd County	Private	00	0	10	Total, All Industries	\$605
2012	3rd Qtr	Floyd County	Private	00	0	10	Total, All Industries	\$617
2012	4th Qtr	Floyd County	Private	00	0	10	Total, All Industries	\$733

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	1st Qtr	Floyd County	Private	31	2	31-33	Manufacturing	\$830
2012	2nd Qtr	Floyd County	Private	31	2	31-33	Manufacturing	\$801
2012	3rd Qtr	Floyd County	Private	31	2	31-33	Manufacturing	\$706
2012	4th Qtr	Floyd County	Private	31	2	31-33	Manufacturing	\$900

2011 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$22.89	\$47,610
1. Panhandle Regional Planning Commission	\$19.32	\$40,196
2. South Plains Association of Governments	\$16.45	\$34,210
3. NORTEX Regional Planning Commission	\$18.14	\$37,733
4. North Central Texas Council of Governments	\$24.03	\$49,986
5. Ark-Tex Council of Governments	\$16.52	\$34,366
6. East Texas Council of Governments	\$18.27	\$37,995
7. West Central Texas Council of Governments	\$17.76	\$36,949
8. Rio Grande Council of Governments	\$15.69	\$32,635
9. Permian Basin Regional Planning Commission	\$21.32	\$44,349
10. Concho Valley Council of Governments	\$15.92	\$33,123
11. Heart of Texas Council of Governments	\$18.82	\$39,150
12. Capital Area Council of Governments	\$26.46	\$55,047
13. Brazos Valley Council of Governments	\$15.71	\$33,718
14. Deep East Texas Council of Governments	\$15.48	\$32,207
15. South East Texas Regional Planning Commission	\$28.23	\$58,724
16. Houston-Galveston Area Council	\$25.82	\$53,711
17. Golden Crescent Regional Planning Commission	\$20.38	\$42,391
18. Alamo Area Council of Governments	\$18.00	\$37,439
19. South Texas Development Council	\$13.85	\$28,806
20. Coastal Bend Council of Governments	\$22.35	\$46,489
21. Lower Rio Grande Valley Development Council	\$15.08	\$31,365
22. Texoma Council of Governments	\$20.76	\$43,190
23. Central Texas Council of Governments	\$16.17	\$33,642
24. Middle Rio Grande Development Council	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

ATTACHMENT 15

Description of Benefits

At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

ATTACHMENT 16

The Economic Impact Study will be performed by the Comptroller at a future date.

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENTS 17

See attached Schedule A

Applicant Name
ISD Name

LONGHORN WIND PROJECT, LLC
FLOYDADA ISD

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service of during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2013-2014	2013	0	0			0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)							
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)							
	Complete tax years of qualifying time period			9,675,000	-			9,675,000
				183,825,000	-			183,825,000
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	1	2014-2015	2014				
		2	2015-2016	2015	0			0
		3	2016-2017	2016	0			0
		4	2017-2018	2017	0			0
		5	2018-2019	2018	0			0
		6	2019-2020	2019	0			0
		7	2020-2021	2020	0			0
		8	2021-2022	2021	0			0
		9	2022-2023	2022	0			0
		10	2023-2024	2023	0			0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	0			0
		12	2025-2026	2025	0			0
		13	2026-2027	2026	0			0
		14	2027-2028	2027	0			0
		15	2028-2029	2028	0			0
Post-Settle-Up Period	Post-Settle-Up 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.

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).

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

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 example 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

those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE
May 24, 2013
10-May-13

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENT 18

See attached Schedule B

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
LONGHORN WIND PROJECT, LLC

Form 50-296

Applicant Name
 ISD Name

FLOYDADA ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
	pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ 4,837,500	\$ 4,837,500
	2	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ 185,760,000	\$ 185,760,000
	3	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ 170,899,000	\$ 10,000,000
	4	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ 157,227,000	\$ 10,000,000
	5	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ 144,649,000	\$ 10,000,000
Value Limitation Period	6	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ 133,077,000	\$ 10,000,000
	7	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ 122,431,000	\$ 10,000,000
	8	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ 112,637,000	\$ 10,000,000
	9	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ 103,626,000	\$ 10,000,000
	10	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ 95,336,000	\$ 10,000,000
	11	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ 87,709,000	\$ 87,709,000
	12	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ 80,692,000	\$ 80,692,000
	13	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ 74,237,000	\$ 74,237,000
	14	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ 68,298,000	\$ 68,298,000
	15	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ 62,834,000	\$ 62,834,000
Credit Settle-Up Period									
Post-Settle-Up Period									
Post-Settle-Up Period									

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

DATE

May 24, 2013 10-May-13

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENT 19

See attached Schedule C

Schedule C- Application: Employment Information

Form 50-296

Applicant Name
ISD Name

LONGHORN WIND PROJECT, LLC
FLOYDADA ISD

Construction			New Jobs		Qualifying Jobs	
Tax Credit Period (with 50% cap on credit)	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.
Tax Credit Period (with 50% cap on credit)	Year pre-year 1	2013	2 FTEs	\$41,600.00	0	\$38,000.00
	1	2014-2015	43 FTEs	\$41,600.00	0	\$38,000.00
	2	2015-2016			3	\$38,000.00
	3	2016-2017			3	\$38,000.00
	4	2017-2018			3	\$38,000.00
	5	2018-2019			3	\$38,000.00
	6	2019-2020			3	\$38,000.00
	7	2020-2021			3	\$38,000.00
	8	2021-2022			3	\$38,000.00
	9	2022-2023			3	\$38,000.00
	10	2023-2024			3	\$38,000.00
	11	2024-2025			3	\$38,000.00
	12	2025-2026			3	\$38,000.00
	13	2026-2027			3	\$38,000.00
	14	2027-2028			3	\$38,000.00
	15	2028-2029			3	\$38,000.00
Credit Settle-Up Period	Continue to Maintain Viable Presence					
	Post- Settle-Up Period					
	Post- Settle-Up Period					

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

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]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 24, 2013

10-May-13
DATE

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENT 20

See attached Schedule D

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name				LONGHORN WIND PROJECT, LLC		ISD Name		FLOYDADA ISD				Form 50-296							
				Sales Tax Information		Franchise Tax		Other Property Tax Abatements Sought											
				Sales Taxable Expenditures		Franchise Tax													
				Column F: Estimate of total annual expenditures* subject to state sales tax		Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax		Column H: Estimate of Franchise tax due from (or attributable to) the applicant		Fill in percentage exemption requested or granted in each year of the Agreement		Fill in percentage exemption requested or granted in each year of the Agreement							
				Column F: Estimate of total annual expenditures* subject to state sales tax		Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax		Column H: Estimate of Franchise tax due from (or attributable to) the applicant		Fill in percentage exemption requested or granted in each year of the Agreement		Fill in percentage exemption requested or granted in each year of the Agreement							
				School Year (YYYY-YYYY)		Tax/Calendar Year YYYY				County		City		Hospital		Other			
				Year		Tax/Calendar Year YYYY				County		City		Hospital		Other			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)				2013-2014		2013				541,703		9,133,297							
				2014-2015		2014				10,292,362		173,532,638		18,000		0%		n/a	
				2015-2016		2015								18,000		80%		n/a	
				2016-2017		2016								18,000		80%		n/a	
				2017-2018		2017								18,000		75%		n/a	
				2018-2019		2018								18,000		75%		n/a	
				2019-2020		2019								18,000		75%		n/a	
				2020-2021		2020								18,000		55%		n/a	
				2021-2022		2021								18,000		55%		n/a	
				2022-2023		2022								18,000		55%		n/a	
				2023-2024		2023								18,000		55%		n/a	
				2024-2025		2024								18,000		55%		-	
				2025-2026		2025								18,000		0%		-	
				2026-2027		2026								18,000		0%		-	
				2027-2028		2027								18,000		0%		-	
				2028-2029		2028								18,000		0%		-	
Tax Credit Period (with 50% cap on credit)				Value Limitation Period															
Credit Settle-Up Period				Continue to Maintain Viable Presence															
Post-Settle-Up Period																			
Post-Settle-Up Period																			

*For planning, construction and operation of the facility.

10-May-13
DATE

May 24, 2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENT 21

See attached map of the reinvestment zone



-

0 0.5 1 2 3 4 5 Miles



**Designation of Floyd
County Longhorn
Reinvestment Zone**

§
§
§

**The Commissioners' Court
of
Floyd County, Texas**

ORDER

Approving Motion for Designation of Floyd County Longhorn Reinvestment Zone

The Commissioners' Court of Floyd County, Texas, meeting in regular session on the 26th day of July, 2013, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF FLOYD COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Morris, seconded by Johnson, that the following action be taken by the court:

1. THAT the County designate the property located in Floyd County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this **Order**, as a Reinvestment Zone under the Floyd County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the County declare eligible for property tax abatement all eligible property for commercial-industrial development, now or thereafter located in that Reinvestment Zone as authorized by the Floyd County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.
3. THAT the zone shall be called the "Floyd County Longhorn Reinvestment Zone."

This ORDER shall become effective as of 7-26, 2013. PASSED AND APPROVED at this public hearing of the Floyd County Commissioners Court, at which a quorum was present, on the 26th day of July, 2013.

Penny Golightly Penny Golightly, Floyd County Judge

Mike Anderson Date: 7-26-13, Commissioner Precinct 1

London Morris Date: 7-26-13, Commissioner Precinct 2

William J. Brown Date: 7-26-13, Commissioner Precinct 3

Amada Z. Morales Date: 7-26-13, Commissioner Precinct 4

ATTESTED: Dinger Morgan Date: 7-26-13, County Clerk

Exhibit A

To July 26, 2013 Order Approving Floyd County Longhorn Reinvestment Zone

Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: N 3/8, BLK: GM, SURV: 81 GCSF RR	240	Floyd	Floydada
BLK: GM, SURV: 81 GCSF RR	400	Floyd	Floydada
TR: E/2, BLK: D-2, SURV: 1 GCSF RR	318	Floyd	Floydada
BLK: GM, SURV:82 J A T PEARSON	640	Floyd	Floydada
BLK: GM, SURV:79 GCSF RR	131	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: SW/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
TR: BLK: GM, SURV: 71 GCSF RR	221	Floyd	Floydada
TR: S/PT BLK: GM, SURV:24 SOLON S BRANDT	200	Floyd	Floydada
TR: N/E, BLK: GM, SURV:72 J B JENKINS	160	Floyd	Floydada
BLK: GM SURV: 24 R L HENRY	440	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	480	Floyd	Floydada
BLK: GM SURV: 70 JNO N FARRIS	26	Floyd	Floydada
TR: N/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: NW/4, BLK: GM SURV: 20 T J KELL	160	Floyd	Floydada
TR: W/PT OF S/PT BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: SW/PT OF NE/4 BLK: SURV: 22 JNO N FARRIS	63	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	149	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	129	Floyd	Floydada
BLK: GM, SURV: 65 GCSF RR	320	Floyd	Floydada
BLK: GM, SURV: 93 GCSF RR	629	Floyd	Floydada
BLK: GM, SURV: 64 R L HENRY	440	Floyd	Floydada
BLK: GM, SURV: 66 J N FARRIS	320	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 83 GCSF RR	318	Floyd	Floydada
TR:, BLK: GM, SURV: 63 GCSF RR	640	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: W/2 LESS RR, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: NWW/4 BLK: D-3 SURV: 24 JC FORTENBERRY	160	Floyd	Floydada
TR: E/2 OF E/2 OF SE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
TR: W/2 OF W/2 OF NE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
BLK: D-3 SURV: 23 EL&RR	640	Floyd	Floydada
TR: NE/4 BLK: D-3 SURV: 24 J C LACKEY	160	Floyd	Floydada
TR: SE/4 BLK: D-3 SURV: 24 J C FOX	160	Floyd	Floydada
TR: NE/4 BLK; GM SURV: 21 GCSF RR	160	Floyd	Floydada
TR: SE/PT BLK: GM SURV: 21 GCSF RR	32	Floyd	Floydada
TR: N/E OF SE/PT BLK: GM SURV: 21 GCSF	16	Floyd	Floydada
TR: NE/PT S/2 BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: NE/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 80 W D LONG	297	Floyd	Floydada
TR: SW/PT, BLK: GM, SURV: 77 GCSF RR	243	Floyd	Floydada
TR: NE/PT, BLK: GM, SURV: 88 W D LONG	97	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 80 W D LONG	320	Floyd	Floydada
TR: E/2, NW/PT, BLK: GM, SURV: 77 GCSF	391	Floyd	Floydada
TR: S/2 BLK: D-2 SURV: 6 J J ROGERS	320	Floyd	Floydada
TR: E/2 SE/4 BLK: D-2 SURV: 8 J J ROGERS	80	Floyd	Floydada

Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: N/2 & SW/4 BLK: GM SURVEY: 2 J B JENKENS	480	Floyd	Floydada
TR: SE/4 BLK: GM SURV: 2 J B JENKENS	160	Floyd	Floydada
TR: OUT NE/PT BLK: SM SURV: 22 JNO N FARRIS	96	Floyd	Floydada
TR: NW/4 BLK: GM SURV: 21 GCSF RR	159	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 94 R N HAVERTY	92	Floyd	Floydada
BLK: GM, SURV: 94 M C POTTER	633	Floyd	Floydada
TR: W/2 E/2 NE/4 & W/2 E/2 SE/4 BLK: D-3 SURV: 30 J C FORTENBERRY	80	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 92 HENRIETTA HEWITT	160	Floyd	Floydada
TR: S/2 & NE/4, BLK: GM, SURV: 92 W B WILEY	468	Floyd	Floydada
TR: E/2 SW/4 BLK: D-3 SURV: 24 JC	80	Floyd	Floydada
BLK: GM, SURV: 75 GCSF RR	619	Floyd	Floydada
BLK: GM, SURV: 71 GCSF RR	391	Floyd	Floydada
TR: S/2 & NW/4 BLK: GM SURV: 72 JB JENKINS	480	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 74 J B JENKINS	310	Floyd	Floydada
TR: W/2, BLK: GM, SURV: 74 W S MCNEIL	319	Floyd	Floydada
TR: W/2 SW/4 BLK: D-3 SURV: 24 J C FORTENBERRY	77	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	40	Floyd	Floydada
BLK: GM NW/PT SURV: 64 R L HENRY	200	Floyd	Floydada
TR: SE/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
BLK: D-2 SURV: 1 W/2 LESS NW/CR GCSF RR	311	Floyd	Floydada
BLK: GM SURV: 79 SE/CR OF SW/4 OF RR TRACK GCSF RR	18	Floyd	Floydada
BLK: GM SURV: 79 N OF RR TRACK GCSF RR	475	Floyd	Floydada
BLK: D-2 SURV: 1 NW/CR OF W/2 GCSF RR	6	Floyd	Floydada
BLK: B-5 SURV: 12 JNO D RHEA	320	Floyd	Floydada
TR: E/PT BLK: BGM SURV: 2 J A TAYLOR	35	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
BLK: B-5 SURV: 9 BS&RF	347	Floyd	Floydada
TR: NE/4 BLK: B-5 SURV: 12 S E PRUDEN	140	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	240	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	280	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	120	Floyd	Floydada
BLK: GM SURV: 96 W D LONG	637	Floyd	Floydada
TR: S NE/PT BLK: B-5 SURV: 10 J W COWART	163	Floyd	Floydada
TR: SW/PT BLK: B-5 SURV: 10 A J ASKEY	163	Floyd	Floydada
TR: S/2 BLK: B-5 SURV: 6 I P VERNON	320	Floyd	Floydada
S/PT; BLK: B-5; SURV: 8; SAM WHITLEY	30	Floyd	Floydada
BLK: GM SURV: 91 GCSF RR	640	Floyd	Floydada
TR: W/PT BLK: BGM SURV: 2 J A TAYLOR	49	Floyd	Floydada
TR: W/2 BLK: GM SURV: 83 GCSF RR	316	Floyd	Floydada
BLK: GM SURV: 95 GCSF RR	709	Floyd	Floydada
BLK: GM, SURV: 90 W D LONG	736	Floyd	Lockney
TR: E/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney
BLK: GM, SURV: 88 W D LONG	533	Floyd	Lockney
TR: W/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney

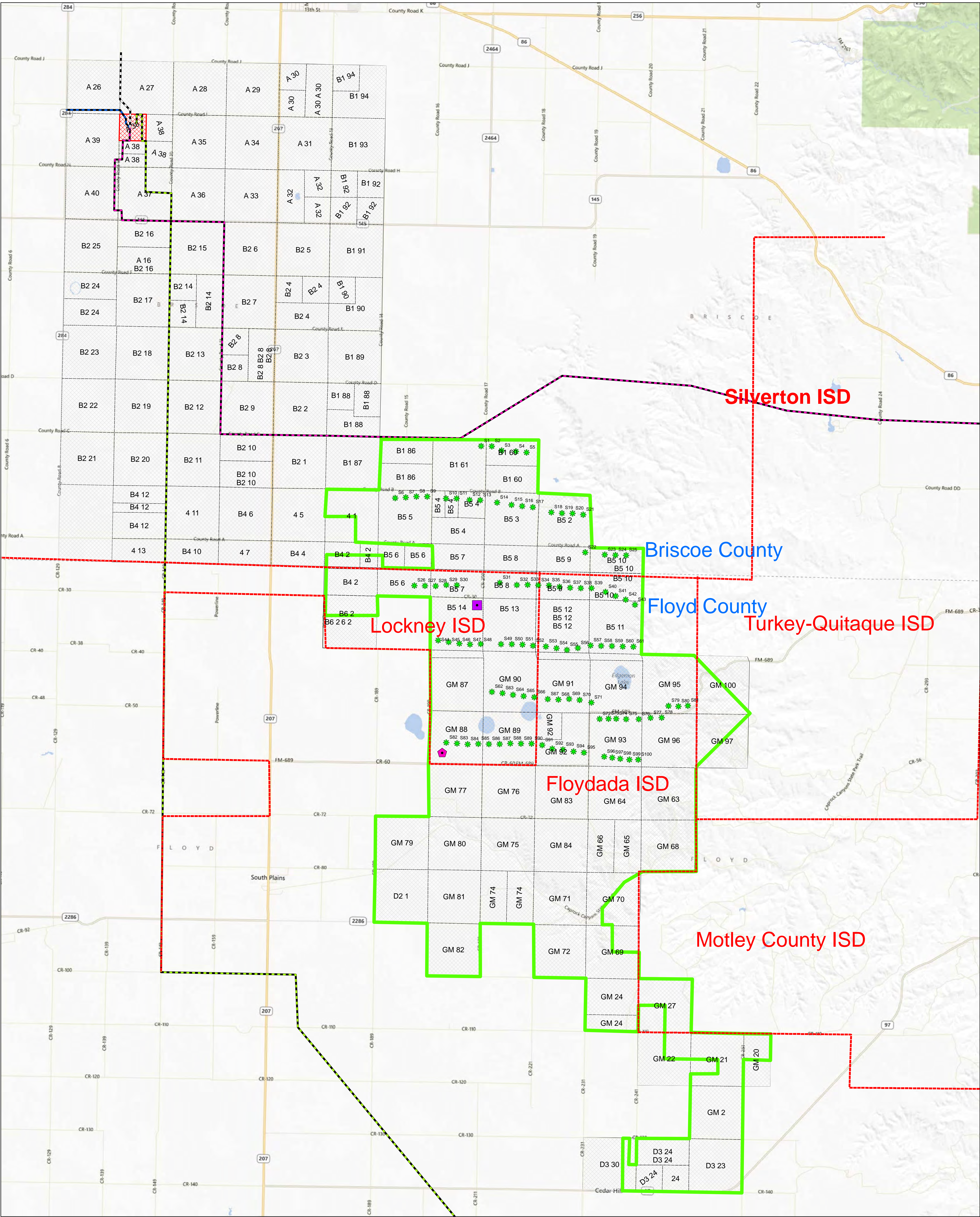
Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: E/50AC OF S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: W/50AC S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: E/2 BLK: B-5 SURV: 14 MAUDIE A MARSHALL	320	Floyd	Lockney
BLK: GM SURV: 1 J A DEAVENPORT	90	Floyd	Lockney
TR: NE/PT BLK: B-4 SURV: 2 J W DEAVENPORT	105	Floyd	Lockney
TR: S/2 BLK: B-4 SURV: 2 J W DEAVENPORT	215	Floyd	Lockney
TR: PT NW/4 BLK: B-6 SURV: 2 I P VERNON	50	Floyd	Lockney
TR: N & SE/PTS NE/4 BLK: B-6 SURV: 2 I P VERNON	135	Floyd	Lockney
TR: BLK: B-5 SURV: 13 BS&F	640	Floyd	Lockney
TR: W/PT S/2 BLK SURV: 8 E L AYERS	180	Floyd	Lockney
TR: BLK: B-5 SURV: 14 I P VERNON	320	Floyd	Lockney
AB 2376, BLK: B02 SURV: 2	100	Floyd	Lockney
BLK: B-5 SURV: 7 BS&F	353	Floyd	Lockney
E/40 AC S/2 BLK: B-5 SURV: 8 E L AYERS	40	Floyd	Lockney
TR: N/E, BLK: GM, SURV:27 GCSF RR	160	Floyd	Motley County
TR: NW/4 BLK: GM SURV: 27 GCSF RR	160	Floyd	Motley County
TR: SE/4, BLK: GM, SURV: 27 GCSF RR	160	Floyd	Motley County

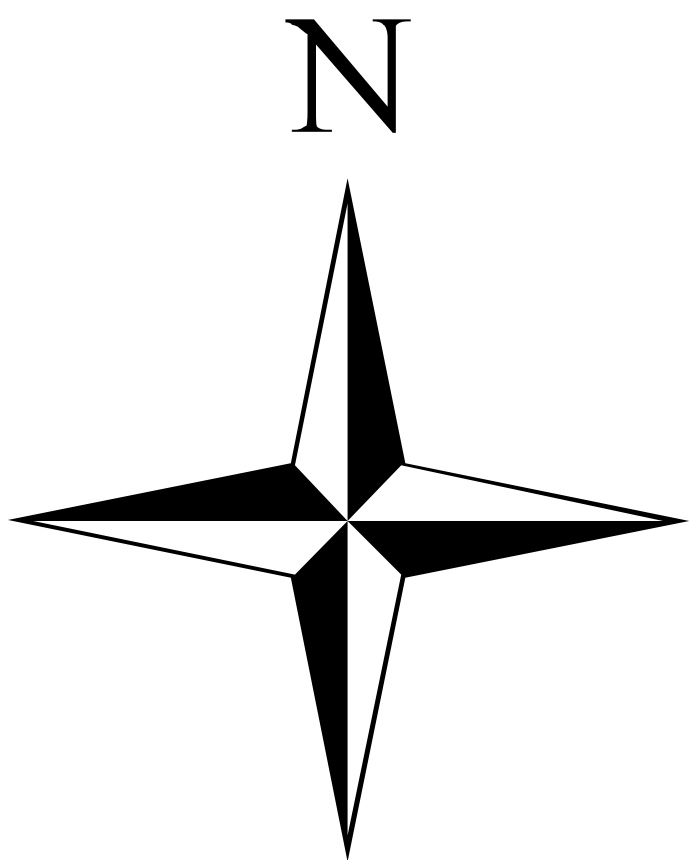
Exhibit B

Map of Property to be included in Floyd County Longhorn Reinvestment Zone

Longhorn Wind Project Reinvestment Zone
Briscoe and Floyd Counties
Confidential, Preliminary and Subject to Chage



- Legend**
- Longhorn Reinvestment Zone
 - Longhorn ISD Boundaries
 - Longhorn Wind Energy Project Area
 - Longhorn_200MW_Layout
 - Longhorn Operations Building
 - Longhorn Substation
 - Sharyland's_CREZ_sub
 - Sharylands Silverton to Nazareth
 - Sharylands Silverton to White Deer
 - Sharyland Silverton-Cottonwood
 - Cross Texas Silverton-Tesla



00.51 2 3 4 5 Miles

LONGHORN WIND PROJECT, LLC

Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: N 3/8, BLK: GM, SURV: 81 GCSF RR	240	Floyd	Floydada
BLK: GM, SURV: 81 GCSF RR	400	Floyd	Floydada
TR: E/2, BLK: D-2, SURV: 1 GCSF RR	318	Floyd	Floydada
BLK: GM, SURV: 82 J A T PEARSON	640	Floyd	Floydada
BLK: GM, SURV: 79 GCSF RR	131	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: SW/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
TR: BLK: GM, SURV: 71 GCSF RR	221	Floyd	Floydada
TR: S/PT BLK: GM, SURV: 24 SOLON S BRANDT	200	Floyd	Floydada
TR: N/E, BLK: GM, SURV: 72 J B JENKINS	160	Floyd	Floydada
BLK: GM SURV: 24 R L HENRY	440	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	480	Floyd	Floydada
BLK: GM SURV: 70 JNO N FARRIS	26	Floyd	Floydada
TR: N/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: NW/4, BLK: GM SURV: 20 T J KELL	160	Floyd	Floydada
TR: W/PT OF S/PT BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: SW/PT OF NE/4 BLK: SURV: 22 JNO N FARRIS	63	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	149	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	129	Floyd	Floydada
BLK: GM, SURV: 65 GCSF RR	320	Floyd	Floydada
BLK: GM, SURV: 93 GCSF RR	629	Floyd	Floydada
BLK: GM, SURV: 64 R L HENRY	440	Floyd	Floydada
BLK: GM, SURV: 66 J N FARRIS	320	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 83 GCSF RR	318	Floyd	Floydada
TR:, BLK: GM, SURV: 63 GCSF RR	640	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: W/2 LESS RR, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: NWW/4 BLK: D-3 SURV: 24 JC FORTENBERRY	160	Floyd	Floydada
TR: E/2 OF E/2 OF SE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
TR: W/2 OF W/2 OF NE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
BLK: D-3 SURV: 23 EL&RR	640	Floyd	Floydada
TR: NE/4 BLK: D-3 SURV: 24 J C LACKEY	160	Floyd	Floydada
TR: SE/4 BLK: D-3 SURV: 24 J C FOX	160	Floyd	Floydada
TR: NE/4 BLK; GM SURV: 21 GCSF RR	160	Floyd	Floydada
TR: SE/PT BLK: GM SURV: 21 GCSF RR	32	Floyd	Floydada
TR: N/E OF SE/PT BLK: GM SURV: 21 GCSF	16	Floyd	Floydada
TR: NE/PT S/2 BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: NE/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 80 W D LONG	297	Floyd	Floydada
TR: SW/PT, BLK: GM, SURV: 77 GCSF RR	243	Floyd	Floydada
TR: NE/PT, BLK: GM, SURV: 88 W D LONG	97	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 80 W D LONG	320	Floyd	Floydada
TR: E/2, NW/PT, BLK: GM, SURV: 77 GCSF	391	Floyd	Floydada
TR: S/2 BLK: D-2 SURV: 6 J J ROGERS	320	Floyd	Floydada
TR: E/2 SE/4 BLK: D-2 SURV: 8 J J ROGERS	80	Floyd	Floydada

Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: N/2 & SW/4 BLK: GM SURVEY: 2 J B JENKENS	480	Floyd	Floydada
TR: SE/4 BLK: GM SURV: 2 J B JENKENS	160	Floyd	Floydada
TR: OUT NE/PT BLK: SM SURV: 22 JNO N FARRIS	96	Floyd	Floydada
TR: NW/4 BLK: GM SURV: 21 GCSF RR	159	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 94 R N HAVERTY	92	Floyd	Floydada
BLK: GM, SURV: 94 M C POTTER	633	Floyd	Floydada
TR: W/2 E/2 NE/4 & W/2 E/2 SE/4 BLK: D-3 SURV: 30 J C FORTENBERRY	80	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 92 HENRIETTA HEWITT	160	Floyd	Floydada
TR: S/2 & NE/4, BLK: GM, SURV: 92 W B WILEY	468	Floyd	Floydada
TR: E/2 SW/4 BLK: D-3 SURV: 24 JC	80	Floyd	Floydada
BLK: GM, SURV: 75 GCSF RR	619	Floyd	Floydada
BLK: GM, SURV: 71 GCSF RR	391	Floyd	Floydada
TR: S/2 & NW/4 BLK: GM SURV: 72 JB JENKINS	480	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 74 J B JENKINS	310	Floyd	Floydada
TR: W/2, BLK: GM, SURV: 74 W S MCNEIL	319	Floyd	Floydada
TR: W/2 SW/4 BLK: D-3 SURV: 24 J C FORTENBERRY	77	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	40	Floyd	Floydada
BLK: GM NW/PT SURV: 64 R L HENRY	200	Floyd	Floydada
TR: SE/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
BLK: D-2 SURV: 1 W/2 LESS NW/CR GCSF RR	311	Floyd	Floydada
BLK: GM SURV: 79 SE/CR OF SW/4 OF RR TRACK GCSF RR	18	Floyd	Floydada
BLK: GM SURV: 79 N OF RR TRACK GCSF RR	475	Floyd	Floydada
BLK: D-2 SURV: 1 NW/CR OF W/2 GCSF RR	6	Floyd	Floydada
BLK: B-5 SURV: 12 JNO D RHEA	320	Floyd	Floydada
TR: E/PT BLK: BGM SURV: 2 J A TAYLOR	35	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
BLK: B-5 SURV: 9 BS&RF	347	Floyd	Floydada
TR: NE/4 BLK: B-5 SURV: 12 S E PRUDEN	140	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	240	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	280	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	120	Floyd	Floydada
BLK: GM SURV: 96 W D LONG	637	Floyd	Floydada
TR: S NE/PT BLK: B-5 SURV: 10 J W COWART	163	Floyd	Floydada
TR: SW/PT BLK: B-5 SURV: 10 A J ASKEY	163	Floyd	Floydada
TR: S/2 BLK: B-5 SURV: 6 I P VERNON	320	Floyd	Floydada
S/PT; BLK: B-5; SURV: 8; SAM WHITLEY	30	Floyd	Floydada
BLK: GM SURV: 91 GCSF RR	640	Floyd	Floydada
TR: W/PT BLK: BGM SURV: 2 J A TAYLOR	49	Floyd	Floydada
TR: W/2 BLK: GM SURV: 83 GCSF RR	316	Floyd	Floydada
BLK: GM SURV: 95 GCSF RR	709	Floyd	Floydada
BLK: GM, SURV: 90 W D LONG	736	Floyd	Lockney
TR: E/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney
BLK: GM, SURV: 88 W D LONG	533	Floyd	Lockney
TR: W/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney

Exhibit -A- to Floyd County Resolution dated 7/26/13

Legal Description	Acreage	County	ISD
TR: E/50AC OF S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: W/50AC S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: E/2 BLK: B-5 SURV: 14 MAUDIE A MARSHALL	320	Floyd	Lockney
BLK: GM SURV: 1 J A DEAVENPORT	90	Floyd	Lockney
TR: NE/PT BLK: B-4 SURV: 2 J W DEAVENPORT	105	Floyd	Lockney
TR: S/2 BLK: B-4 SURV: 2 J W DEAVENPORT	215	Floyd	Lockney
TR: PT NW/4 BLK: B-6 SURV: 2 I P VERNON	50	Floyd	Lockney
TR: N & SE/PTS NE/4 BLK: B-6 SURV: 2 I P VERNON	135	Floyd	Lockney
TR: BLK: B-5 SURV: 13 BS&F	640	Floyd	Lockney
TR: W/PT S/2 BLK SURV: 8 E L AYERS	180	Floyd	Lockney
TR: BLK: B-5 SURV: 14 I P VERNON	320	Floyd	Lockney
AB 2376, BLK: B02 SURV: 2	100	Floyd	Lockney
BLK: B-5 SURV: 7 BS&F	353	Floyd	Lockney
E/40 AC S/2 BLK: B-5 SURV: 8 E L AYERS	40	Floyd	Lockney
TR: N/E, BLK: GM, SURV:27 GCSF RR	160	Floyd	Motley County
TR: NW/4 BLK: GM SURV: 27 GCSF RR	160	Floyd	Motley County
TR: SE/4, BLK: GM, SURV: 27 GCSF RR	160	Floyd	Motley County

Longhorn Wind Project, LLC

Chapter 313 Application to Floydada ISD

Cummings Westlake, LLC

ATTACHMENT 24

See attached Guidelines and Criteria for Floyd County

Exhibit A

RESOLUTION NO. 2012-11-19

RESOLUTION OF THE COMMISSIONERS' COURT OF FLOYD
COUNTY, TEXAS, ADOPTING GUIDELINES AND CRITERIA GOVERNING TAX
ABATEMENT FOR SELECTED TAXING UNITS CONTAINED WITHIN FLOYD
COUNTY (INDUSTRIAL ABATEMENT)

WHEREAS, Floyd County, Texas, is committed to the promotion of high quality economic development in all parts of Floyd County, Texas and the ongoing improvement in quality of life for the citizens residing in Floyd County;

WHEREAS, Floyd County, Texas recognizes that these objectives are generally served by the enhancement and expansion of the local economy;

WHEREAS, Floyd County, Texas has elected, in Resolution No. 2012-11-19 to be eligible to participate in tax abatement;

WHEREAS, Section 312.002(a) of the Texas Tax Code requires that the County establish guidelines and criteria governing tax abatement agreements by the County;

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

THAT, Floyd County adopts the attached GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT FOR SELECTED TAXING UNITS CONTAINED WITHIN FLOYD COUNTY, a copy of which is attached hereto as Exhibit "A" and incorporated by reference the same as if copied in its entirety.

PASSED AND APPROVED this 19 day of November 2012

EXHIBIT A

GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT FOR SELECTED TAXING UNITS CONTAINED WITHIN FLOYD COUNTY, TEXAS

SECTION I. General Purpose:

The Affected Jurisdictions located wholly within or partially within the County of Floyd, Texas, are committed to the promotion of high quality development in all parts of Floyd County, Texas; and to an ongoing improvement in the quality of life for the citizens residing within the Affected Jurisdictions. The Affected Jurisdictions recognize that these objectives are generally served by enhancement and expansion of the local economy. The Affected Jurisdictions will, on a case by case basis, give consideration to providing tax abatement, as authorized by V.T.C.A., Tax Code, Chapter 312, as stimulation for economic development within the Affected Jurisdictions. It is the policy of the Affected Jurisdictions that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Tax Code.

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

SECTION II. Definitions:

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

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain improvements placed on land located in a reinvestment zone designated for economic development purposes as of the date of execution of the Tax Abatement Agreement for a period of time not to exceed ten (10) years.
2. **Affected Jurisdiction:** The County of Floyd and any other governmental taxing unit located totally within or partially within the County of Floyd that has adopted these guidelines and criteria.
3. **Abatement Agreement:** (1) A contract between a property owner and an Affected Jurisdiction for the abatement of taxes on qualified property located within the reinvestment zone; or, (2) a contract for the abatement of taxes between an Affected Jurisdiction and a certified air carrier who owns or leases Real Property located within the reinvestment zone or Personal Property or both as authorized by V.T.C.A., Tax Code, Section 312.204(e)
4. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.

EXHIBIT A

5. **Distribution Center Facility:** A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.
6. **Expansion of Existing Facilities or Structures:** The addition of buildings, structures, machinery or equipment to a Facility after the date of execution of an Abatement Agreement.
7. **Existing Facility or Structure:** A facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
8. **Facility:** The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
9. **Improvements to Real Property or Improvements:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
10. **Manufacturing Facility:** A Facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
11. **Modernization of Existing Facilities:** The replacement or upgrading or existing facilities.
12. **New Facility:** The construction of a Facility on previously undeveloped real property eligible for tax abatement.
13. **New Permanent Job:** A new employment position created by a business that has provided employment to an employee of at least 1,820 hours annually and intended to be an employment position that exists during the life of the abatement. In the case of a seasonal industry, a new permanent job shall mean a apposition which provides employment to an employee of at least 36 hours per week during the season or seasons of business activity and intended to be an employment position that exists during each season of business activity during the life of the abatement.

EXHIBIT A

14. **Other Basic Industry:** A Facility other than a distribution center facility, a research facility, a regional service facility or a manufacturing facility which produces goods or services or which creates new or expanded job opportunities.
15. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land leased from an Affected Jurisdiction the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon.
16. **Productive Life:** The number of years a Facility is expected to be in service.
17. **Real Property:** Land on which Improvements are to be made or fixtures placed.
18. **Regional Services Facility:** A Facility, the primary purpose of which is to service or repair goods or materials and which creates job opportunities within the Affected Jurisdictions.
19. **Reinvestment Zone:** Real Property designated as a Reinvestment Zone under the provisions of V.T.C.A., Tax Code, Section 312.202.
20. **Research Facility:** A Facility used or to be used primarily for research or experimentation to improve or develop new goods and/or services or to improve or develop the production process for such goods and/or services.
21. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility.

SECTION III. Intent of Criteria and Guidelines:

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

SECTION IV. Criteria and Guidelines for Tax Abatement:

1. Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:
2. To qualify for Tax Abatement, the company must modernize or expand an existing facility or construct a new facility.

EXHIBIT A

3. In addition to the aforementioned, the taxing jurisdiction will consider abatement if the company meets one of the following criteria:
 - a) The facility will conduct its primary business in one of the following target industries:
 - i) Value-added Agricultural Production including Food Processing and Machinery
 - ii) Warehouse Distribution
 - iii) Dairy Production
 - iv) Confined Cattle Feeding Operations
 - v) Tourism
 - vi) Hospitality
 - b) The project is not included as a target industry, but is expected to create a substantial economic impact on an Affected Jurisdiction or has the potential of generating additional significant economic development opportunities to Floyd County.
4. The project will significantly increase assessed valuation of real property and/or personal property, or will create new permanent jobs of substantial value to an Affected Jurisdiction.
5. New or existing facilities, of any type herein defined, located in a reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.
6. Improvements to Real Property are eligible for tax abatement status.
7. The following types of Property shall be ineligible for tax abatement status and shall be fully taxed
 - a) Real Property;
 - b) inventories or supplies;
 - c) dwelling units intended for lease passive income to the landlord; provided, however, that nursing homes, hotels and the like which include the provision of services as a substantial component of the enterprise are not hereby excluded from eligibility for tax abatement;
 - d) vehicles;
 - e) aircraft;
 - f) boats;
 - g) property owned by the State of Texas or any State agency; and,
 - h) property owned or leased by a member of the Affected Jurisdiction.
8. In order for a Facility to qualify for abatement, the following conditions must apply:

EXHIBIT A

- a) The owner or leaseholder must make eligible improvements to the property; and,
 - b) In the case of lessees the leaseholder must have a commitment at least equal to the term of the abatement agreement plus one year.
9. In reinvestment zones, the amount and term of abatement shall be determined on a case by case basis, however, in no event shall taxes be abated for a term in excess of ten (10) years. The amount of the taxable value of Improvements to be abated and the term of the abatement shall be determined by the municipality in all cases where the property for which tax abatement is applied for is within the City limits of a City or by the County of Floyd in all cases where the property for which tax abatement is applied for is outside of the City limits of a municipality, but within the County of Floyd, except that a reinvestment zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303, Government Code. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax Code, Section 312.206.

In enterprise zones, the governing body of each taxing jurisdiction may execute a written agreement with the owner of the property not later than the 90th day after the date the municipal or county agreement, whichever is later. The agreement may, but is not required to, contain terms that are identical to those contained in the agreement with the municipality, county, or both, whichever applies, and the only terms for the agreement that may vary are the portion of the property that is to be exempt from taxation under the agreement and the duration of the agreement.

10. No property shall be eligible for tax abatement unless such property is located in a reinvestment zone in accordance with V.T. C. A., Tax Code, Section 312.202.
11. Notwithstanding any of the requirements set forth in Section 10, the governing body of an Affected Jurisdiction upon the affirmative vote of three-fourths (3/4) of its members may vary any of the above requirements when it is demonstrated by the applicant for Tax Abatement that variation is in the best interest of the Affected Jurisdiction and will enhance the economic development of the Affected Jurisdiction. By way of example only and not by imitation the governing body of an Affected Jurisdiction may consider the following or similar terms in determining whether a variance shall be granted:
 - a) That the increase in productivity of the Facility will be substantial and hence directly benefit the economy.
 - b) That the increase of goods or services produced by the Facility will be substantial and directly benefit the economy.
 - c) That the employment maintained at the Facility will be increased.
 - d) That the waiver of the requirement will contribute and provide for the retention of existing jobs within the Affected Jurisdiction.
 - e) That the applicant for tax abatement has demonstrated that if tax abatement is granted to his Facility even though his Facility will not employ additional personnel, nevertheless due to the existence of said Facility new jobs will be created as a direct result of his Facility in other facilities located within the Affected Jurisdiction.

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- f) Any other evidence tending to show a direct economic benefit to the Affected Jurisdiction.

12. Taxability:

- a) The portion of the value of Improvements to be abated shall be abated in accordance with the terms and provisions of a Tax Abatement Agreement executed between the Affected Jurisdiction and the owner of the Real Property and/or Tangible Personal Property, (which agreement shall be) in accord with the provisions of V.T. C. A., Tax Code, Section 312.205.
- b) All ineligible property, if otherwise taxable as herein described, shall be fully taxed.

13. The governing body of each Affected Jurisdiction shall have total discretion as to whether tax abatement is to be granted. Such discretion, as herein retained, shall be exercised on a case by case basis. The adoption of these guidelines and criteria by the governing body of an Affected Jurisdiction does not:

- a) Limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;
- b) Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or,
- c) Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

14. The burden to demonstrate that an application for tax abatement should be granted shall be upon the applicant. Each Affected Jurisdiction to which the application has been directed shall have full authority to request any additional information from the applicant that the governing body of such Affected Jurisdiction deems necessary to assist it in considering such application.

SECTION V. Criteria and Guidelines for Creation of Reinvestment Zone:

- 1. No property shall be eligible for tax abatement unless such property is located in a reinvestment zone designated as such as in accordance with V.T.C.A., Tax Code, Section 312.202. To be designated as a reinvestment zone an area must:
 - a) Substantially arrest or impair the sound growth of the municipality or county creating the zone, retard the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 - 1. a substantial number of substandard, slum, deteriorated, or deteriorating structures;
 - 2. the predominance of defective or inadequate sidewalks or streets;
 - 3. faulty size, adequacy, accessibility or usefulness of lots;
 - 4. unsanitary or unsafe conditions;

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5. the deterioration of site or other improvements;
 6. tax or special assessment delinquency exceeding the fair value of the land;
 7. defective or unusual conditions of title;
 8. conditions that endanger life or property by fire or other cause; or
 9. any combination of these factors;
- b) Be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality;
- c) Be in a federally assisted new community located in a home rule municipality or in an area immediately adjacent to a federally assisted new community located in a home rule municipality;
- d) Be located entirely in an area that meets the requirements for federal assistance under Section 119 of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5318);
- e) Encompass signs, billboards, or other outdoor advertising structures designated by the governing body of the municipality for relocation, reconstruction, or removal for the purpose of enhancing the physical environment of the municipality, which the legislature declares to be a public purpose; or,
- f) Be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality.
2. For purposes of this Section, federally assisted new community is a federally assisted area:
- a) That has received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act (12 U.S.C., Section 1749aa et seq); and,
 - b) A portion of which has received grants under Section 107 (a) (1) of the Housing and Community Development Act of 1974, as amended.
3. The governing body of a municipality, as required by Section 312.201, or a county as required by V.T.C.A., Tax Code, Section 312.401, shall hold a public hearing on the designation of an area within its jurisdiction as a reinvestment zone. The burden shall be on the owner of the property sought to be included in the zone or applicant for the creation of the reinvestment zone to establish the following:
- a) That the requirements of Subsection 1 of this Section have been met; and
 - b) That the improvements sought are feasible and practical.

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4. No later than the seventh day before the date set for the above public hearing notice of such hearing shall be:
 - a) Published in a newspaper having general circulation in the Affected Jurisdiction; and
 - b) Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries Real Property that is to be included in the reinvestment zone.
5. At the public hearing above described in Subsection 3 above, any interested person is entitled to speak and present evidence for or against the designation of such reinvestment zone.
6. At the conclusion of the hearing described in Subparagraph 3 above, the governing body shall enter its findings as follows:
 - a) That the applicant or owner has or has not met his burden as hereinabove set forth, and/or,
 - b) That the improvements sought are or are not feasible and practical.
 - c) That the proposed improvements sought will or will not be a benefit to the land to be included in the reinvestment zone and to the Affected Jurisdiction after the expiration of an agreement entered into under V.T.C.A., Tax Code, Section 312.204.
7. An application for the creation of a reinvestment zone shall not be granted unless the Affected Jurisdiction considering such application enters affirmative findings to Subparagraphs a, b, and c of Subsection 6 above set forth.
8. At the conclusion of the public hearing herein required and upon the affirmative finding of the governing body as required by Subsection 7 above set forth, the governing body may designate a reinvestment zone in accordance with the provisions of V.T.C.A., Tax Code, Sections 312.201 or 312.401, whichever Section shall be applicable to the premises.
9. The designation of a reinvestment zone expires five years after the date of the designation and may be renewed for periods not to exceed five years, except that a reinvestment zone that is a state enterprise zone as provided by Chapter 2303, Government Code. The expiration of the designation does not affect an existing tax abatement agreement made in accordance with V.T.C.A., Tax Code, Section 312.201 through Section 312.209.
10. Designation of an area as an enterprise zone under the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government code, constitutes designation of the area as a reinvestment zone under Subchapter B of the Property Redevelopment and Tax Abatement Act without further hearing or other procedural requirements other than those

EXHIBIT A

provided by the Texas Enterprise Zone Act, Chapter 2303 Subchapter C, Texas Government Code.

SECTION VI. Tax Abatement Agreement:

1. After the creation of a reinvestment zone as hereinabove authorized a Tax Abatement Agreement may be executed between the owner and any Affected Jurisdiction. A Tax Abatement Agreement shall:
 - a) Establish and set forth the Base Year assessed value of the property for which tax abatement is sought.
 - b) Provide that the taxes paid on the base year assessed value shall not be abated as a result of the execution of said Tax Abatement Agreement.
 - c) Provide that ineligible property as subscribed in Section IV, Subsection 6, hereinabove shall be fully taxed.
 - d) Provide for the exemption of Improvements in each year covered by the agreement only to the extent the value of such improvements for each such year exceeds the value for the year in which the agreement is executed.
 - e) Fully describe and list the kind, number and location of all of the improvements to be made in or on the Real Property.
 - f) Set forth the estimated value of all improvements to be made in or on the Real Property.
 - g) Clearly provide that tax abatement shall be granted only to the extent:
 1. The Improvements to Real Property increase the value of the Real Property for the year in which the Tax Abatement Agreement is executed; and
 2. That the Tangible Personal Property improvements to Real Property were not located on the Real Property prior to the execution of the Tax Abatement Agreement.
 - h) Provide for the portion of the value of the improvements to Real Property or improvements to be abated. This determination is to be made consistent with the provisions of Section IV, Subsection 6, of these guidelines and criteria as hereinabove set forth.

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- i) Provide for the commencement date and the termination date. In no event shall said dates exceed a period of ten years.
- j) Describe the type and proposed use of the improvements to Real Property or improvements including:
 - 1. The type of facility.
 - 2. Whether the improvements are for a new facility, modernization of a facility, or expansion of a facility.
 - 3. The nature of the construction, proposed time table of completion, a map or drawings of the improvements above mentioned.
 - 4. The amount of investment and the commitment for the creation of new jobs.
 - 5. A list containing the kind, number and location of all proposed Improvements.
 - 6. Any other information required by the Affected Jurisdiction.
- k) Provide a legal description of the Real Property upon which improvements are to be made.
- l) Provide access to and authorize inspection of the Real Property or improvements by employees of the Affected Jurisdiction, who have executed a Tax Abatement Agreement with owner to insure improvements are made according to the specifications and conditions of the Tax Abatement Agreement.
- m) Provide for the limitation of the uses of the Real Property or improvements consistent with the general purpose of encouraging development or redevelopment of the zone during the period covered by the Tax Abatement Agreement.
- n) Provide the contractual obligations in the event of default by owner, violation of the terms or conditions by owner, recapturing property tax revenue in the event owner defaults or otherwise fails to make improvements as provided in said Tax Abatement Agreement, and any other provision as may be required or authorized by State Law.

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- o) Contain each term agreed to by the owner of the property.
 - p) Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement.
 - q) Provide that the governing body of the municipality may cancel or modify the agreement if the property owner fails to comply with agreement.
- 2. Not later than the seventh day before a municipality or the County of Floyd (as required by V.T.C.A., Tax Code 312.2041 or Section 312.402) enters into an agreement for tax abatement under V.T.C.A., Tax Code, Section 312.204, the governing body of a municipality or a designated officer or employee thereof or the governing body of the County of Floyd or a designated officer or employee thereof shall deliver to the presiding officer of the governing body of each of the taxing units in which the property to be subject to the agreement is located, a written notice that the municipality or the County of Floyd as the case may be, intends to enter into the agreement. The notice must include a copy of the proposed Tax Abatement Agreement.
- 3. A notice, as above described in Subparagraph 2, is presumed delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
- 4. Failure to deliver the notice does not affect the validity of the agreement.

SECTION VII. Application:

- 1. Any present owner or lessee of taxable property located within an Affected Jurisdiction may apply for tax abatement by filing an application with the County of Floyd, when the Real Property or Tangible Personal Property for which abatement is sought is located within the County of Floyd but outside of the City limits of any City or with the appropriate City when the Real Property or Tangible Personal Property for which abatement is sought is located within the City limits of a municipality located wholly or partially within Floyd County.
- 2. The application shall consist of a completed application form accompanied by:
 - a) A general description of the improvements to be undertaken.

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- b) A descriptive list of the improvements for which tax abatement is requested.
- c) A list of the kind, number and location of all proposed improvements of the Real Property Facility or Existing Facility.
- d) A map indicating the approximate location of improvements on the Real Property Facility or Existing Facility together with the location of any or all Existing Facilities located on the Real Property or Facility.
- e) A list of any and all Tangible Personal Property presently existing on the Real Property or located in an existing facility.
- f) A proposed time schedule for undertaking and completing the proposed improvements.
- g) A general description stating whether the proposed improvements are in connection with:
 - 1. the modernization of a facility (of any type herein defined); or,
 - 2. construction of a new facility (of any type herein defined); or,
 - 3. expansion of a facility (of any type herein defined); or,
 - 4. any combination of the above.
- h) A statement of the additional value to the Real Property or Facility as a result of the proposed improvements.
- i) A statement of the assessed value of the Real Property, Facility or Existing Facility for the Base Year.
- j) Information concerning the number of new jobs that will be created or information concerning the number of existing jobs to be retained as result of the improvements undertaken.

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- k) Any other information which the Affected Jurisdiction, to which the application has been directed, deems appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed improvements with these guidelines and criteria.
- l) Information that is provided to an Affected Jurisdiction in connection with an application or request for tax abatement and which describes the specific processes or business activity to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the Tax Abatement Agreement is executed. Information in the custody of an Affected Jurisdiction after the agreement is executed is not confidential. (V.T.C.A., Tax Code, Section 312.003)
- m) The Affected Jurisdiction to which the application for tax abatement has been directed shall determine if the property described in said application is within a designated reinvestment zone. If the Affected Jurisdiction determines that the property described is not within a current reinvestment zone then they shall so notify the applicant and said applicant shall then be considered both as an application for the creation of a reinvestment zone and a request for tax abatement to be effective after the zone is created.

SECTION VIII. Recapture:

1. In the event that any type of facility, (as defined in Section II, Subparagraphs 5, 6, 7, 8, 10, 1, 12, 14, 18, 20) is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason, excepting fire, explosion, other casualty accident, natural disaster or other event beyond the reasonable control of applicant or owner, including the inability to produce energy due to the lack of wind energy for a period of 180 consecutive days during the term of a tax abatement agreement, then in such even the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within (60) days of the date of termination. The burden shall be upon the applicant or owner to prove to the satisfaction of the Affected Jurisdiction to which the application for tax abatement was directed that the discontinuance of producing goods or services was as a result of fire, explosion, other casualty accident, natural disaster or other event beyond the control of applicant or owner. In the event that applicant or owner meets this burden and the Affected Jurisdiction is satisfied that the discontinuance of the production of goods or services was the result of events beyond the control of the applicant or owner, then such applicant or owner shall have a period of one year, then the Tax Abatement Agreement shall terminate and the Abatement of all taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later

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than January 31st of the following year. Taxes abated in years prior to the date of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination. The one year time period, hereinabove mentioned, shall commence upon written notification from the Affected Jurisdiction to the applicant or owner.

2. In the event that the applicant or owner has entered into a tax abatement agreement to make improvements to a facility of any type described in Section 1 above, but fails to undertake or complete such improvements, then in such event the Affected Jurisdiction to whom the application for tax abatement was directed shall give the applicant or owner sixty (60) days notice of such failure. The applicant or owner shall demonstrate to the satisfaction of the Affected Jurisdiction, above mentioned, that the applicant or owner has commenced to cure such failure within the sixty (60) days above mentioned. In the event that the applicant or owner fails to demonstrate that he is taking affirmative action to cure his failure, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
3. In the event that the Affected Jurisdiction to which the application for tax abatement was directed determines that the applicant or owner is in default of any of the terms or conditions contained in the Tax Abatement Agreement, then in such event the Affected Jurisdiction, shall give the applicant or owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the Affected Jurisdiction within the sixty (60) days notice period, then the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate, however, where fulfillment of any obligation requires more than sixty (60) days, performance shall be commenced within sixty (60) days after receipt of the notice and such performance shall be diligently continued until the default is cured; provided, however, that if such default is not cured within one hundred and fifty (150) days from the date of such notice of default from the Affected Jurisdiction, the failure to cure such default shall constitute a default hereunder. Taxes abated during the calendar year in which termination takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year.
4. In the event that the applicant or owner allows ad valorem taxes on property ineligible for tax abatement owed to any Affected Jurisdiction, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination, under this subparagraph, takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year.

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5. In the event that the applicant or owner, who has executed a tax abatement agreement with Affected Jurisdiction, relocates the business for which tax abatement has been granted, to a location outside of the designated reinvestment zone, then in such event, the Tax Abatement Agreement shall terminate after sixty (60) days written notice by the Affected Jurisdiction to the Owner/Applicant. Taxes abated during the calendar year in which termination, under this subparagraph takes place shall be payable to each Affected Jurisdiction by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
6. The date of termination as that term is used in this Subsection VIII shall, in every instance, be the 60th day or the 150th day, if applicable, as described in Section VIII(3) after the day the Affected Jurisdiction sends notice of default, in the mail to the address shown in the Tax Abatement Agreement to the Applicant or Owner. Should the default be cured by the owner or Applicant within the sixty (60) day notice period, the Owner/Applicant shall be responsible for so advising the Affected Jurisdiction and obtaining a release from the notice of default from the Affected Jurisdiction, failing in which, the abatement remains terminated and the abated taxes must be paid.
7. In every case of termination set forth in Subparagraphs 1, 2, 3, 4 and 5 above, the Affected Jurisdiction to which the application for tax abatement was directed shall determine whether default has occurred by Owner (Applicant) in the terms and conditions of the Tax Abatement Agreement and shall so notify all other Affected Jurisdictions.

SECTION IX. Miscellaneous:

1. Any notice required to be given by these criteria or guidelines shall be given in the following manner:
 - a) To the owner or applicant: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
 - b) To an Affected Jurisdiction: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
2. The Chief Appraiser of the Floyd County Central Appraisal District shall annually assess the Real and Personal Property comprising the reinvestment zone. Each year, the applicant or owner receiving tax abatement shall furnish the Chief Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the Affected Jurisdictions which levy taxes of the amount of assessment.

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3. Upon the completion of improvements made to any type of Facility as set forth in Section VIII, Subparagraph 1 of these criteria and guidelines a designated employee or employees of any Affected Jurisdiction having executed a tax abatement agreement with applicant or owner shall have access to the Facility to insure compliance with the Tax Abatement Agreement.
4. A tax abatement agreement may be assigned, in whole or in part, to a new owner but only after written consent has been obtained from all Affected Jurisdictions which have executed an agreement with the applicant or owner, however, assignment may be made with or without the consent in the context of financing the facility or in the case of a transfer to an entity that has equal or greater financial strength than the Owner.
5. These guidelines and criteria are effective upon the date of their adoption by an Affected Jurisdiction and shall remain in force for two years. At the end of the two year period these guidelines and criteria may be readopted, modified, amended or rewritten as the conditions may warrant.
6. Each Affected Jurisdiction shall determine whether or not said Affected Jurisdiction elects by resolution to become eligible to participate in tax abatement, then such Affected Jurisdiction shall adopt these guidelines and criteria by separate resolution forwarding a copy of both resolutions to all other Affected Jurisdictions.
7. In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 312, then in such event the Tax Code shall prevail and these guidelines and criteria interpreted accordingly.
8. The guidelines and criteria once adopted by an Affected Jurisdiction may be amended or repealed by a vote of three-fourths of the members of the governing body of an Affected Jurisdiction during the two year term in which these guidelines and criteria are effective.

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SECTION X. Road Maintenance :

- 1. During construction of the Improvements, Owner agrees to use commercially reasonable efforts to minimize the disruption to County roads by Owner or its agents during the construction period.**
- 2. After construction, Owner will leave such County roads in a state of equal or better condition than they were prior to construction, excepting normal wear and tear.**



Franchise Tax Account Status

As of: 09/22/2013 03:12:52 PM

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

LONGHORN WIND PROJECT, LLC	
Texas Taxpayer Number	32050906182
Mailing Address	350 N SAINT PAUL ST STE 2900 DALLAS, TX 75201-4234
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/06/2013
Texas SOS File Number	0801779500
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	350 NORTH ST. PAUL ST., STE. 2900 DALLAS, TX 75201

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



September 17, 2013

Gilbert Trevino
Superintendent
Floydada Independent School District
226 W. California St.
Floydada, Texas 79235

Dear Superintendent Trevino:

On June 19, 2013, the Comptroller received the completed application (Application # 294) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in May 2013 to the Floydada Independent School District (the school district) by Longhorn Wind Project, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 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 make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$193.5 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a wind power electric generation facility in Floyd County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of June 19, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025..

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Longhorn Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Floydada ISD
2011-12 Enrollment in School District	841
County	Floyd
Total Investment in District	\$193,500,000
Qualified Investment	\$193,500,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	3*
Number of qualifying jobs committed to by applicant	2
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$769
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$724
Minimum Annual Wage committed to by applicant for qualified jobs	\$40,000
Investment per Qualifying Job	\$96,750,000
Estimated 15 year M&O levy without any limit or credit:	\$18,769,719
Estimated gross 15 year M&O tax benefit	\$13,076,099
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection—but not including any deduction for supplemental payments or extraordinary educational expenses):	\$12,058,587
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,845,480
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$6,711,132
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	64.2%
Percentage of tax benefit due to the limitation	85.9%
Percentage of tax benefit due to the credit	14.1%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Longhorn Wind Project, LLC (the project) applying to Floydada Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create three new jobs when fully operational. Two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Governments Region, where Floyd County is located was \$34,210 in 2012. The annual average manufacturing wage for 2012 for Floyd County is \$42,068. That same year, the county annual average wage for all industries was \$34,210. In addition to a salary of \$40,000, each qualifying position will receive the following benefits: At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. The project's total investment is \$193.5 million, resulting in a relative level of investment per qualifying job of \$96.8 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Longhorn Wind Project, LLC's application, "RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited (RES Ltd.), one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents." "RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries."

Number of new facilities in region [313.026(12)]

During the past two years, 3 projects in the South Plains Association of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Longhorn Wind Project, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Longhorn Wind Project, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Longhorn Wind Project, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	2	2	4	\$83,200	\$38,800	\$122,000
2014	43	42	85	\$1,788,800	\$3,094,200	\$4,883,000
2015	3	4	7	\$114,000	\$740,000	\$854,000
2016	3	6	9	\$114,000	\$740,000	\$854,000
2017	3	12	15	\$114,000	\$1,351,000	\$1,465,000
2018	3	11	14	\$114,000	\$1,229,000	\$1,343,000
2019	3	13	16	\$114,000	\$1,107,000	\$1,221,000
2020	3	13	16	\$114,000	\$1,473,000	\$1,587,000
2021	3	17	20	\$114,000	\$1,351,000	\$1,465,000
2022	3	13	16	\$114,000	\$1,351,000	\$1,465,000
2023	3	15	18	\$114,000	\$1,351,000	\$1,465,000
2024	3	13	16	\$114,000	\$1,595,000	\$1,709,000
2025	3	17	20	\$114,000	\$1,229,000	\$1,343,000
2026	3	9	12	\$114,000	\$1,229,000	\$1,343,000
2027	3	11	14	\$114,000	\$1,351,000	\$1,465,000
2028	3	9	12	\$114,000	\$1,107,000	\$1,221,000

Source: CPA, REMI, Longhorn Wind Project, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Floydada ISD's ad valorem tax base in 2011 was \$210.7 million. The statewide average wealth per WADA was estimated at \$374,943 for fiscal 2011-2012. During that same year, Floydada ISD's estimated wealth per WADA was \$167,215. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Floyd County, and Caprock Hospital District, with all property tax incentives sought being granted using estimated market value from Longhorn Wind Project, LLC's application. Longhorn Wind Project, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and the hospital district. Table 3 illustrates the estimated tax impact of the Longhorn Wind Project, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Floydada ISD I&S Levy	Floydada ISD M&O Levy	Floydada ISD M&O and I&S Tax Levies (Before Credit Credited)	Floydada ISD M&O and I&S Tax Levies (After Credit Credited)	Floyd County Tax Levy	Caprock Hospital District Tax Levy	Estimated Total Property Taxes
				0.1379	1.1700			0.6388	0.1406	
2014	\$4,837,500	\$4,837,500		\$6,669	\$56,599	\$63,268	\$63,268	\$30,902	\$6,802	\$100,972
2015	\$185,760,000	\$185,760,000		\$256,107	\$2,173,392	\$2,429,499	\$2,429,499	\$237,331	\$52,236	\$2,719,066
2016	\$170,899,000	\$10,000,000		\$235,618	\$117,000	\$352,618	\$352,618	\$218,344	\$48,057	\$619,019
2017	\$157,227,000	\$10,000,000		\$216,769	\$117,000	\$333,769	\$200,586	\$251,095	\$55,265	\$506,947
2018	\$144,649,000	\$10,000,000		\$199,428	\$117,000	\$316,428	\$186,326	\$231,008	\$50,844	\$468,179
2019	\$133,077,000	\$10,000,000		\$183,473	\$117,000	\$300,473	\$173,439	\$212,527	\$46,777	\$432,742
2020	\$122,431,000	\$10,000,000		\$168,796	\$117,000	\$285,796	\$162,407	\$351,946	\$77,462	\$591,815
2021	\$112,637,000	\$10,000,000		\$155,293	\$117,000	\$272,293	\$151,842	\$323,791	\$71,265	\$546,899
2022	\$103,626,000	\$10,000,000		\$142,869	\$117,000	\$259,869	\$142,820	\$297,888	\$65,564	\$506,273
2023	\$95,336,000	\$10,000,000		\$131,440	\$117,000	\$248,440	\$134,645	\$274,057	\$60,319	\$469,021
2024	\$87,709,000	\$87,709,000		\$120,924	\$1,026,195	\$1,147,120	\$166,641	\$252,132	\$55,493	\$474,267
2025	\$80,692,000	\$80,692,000		\$111,250	\$944,096	\$1,055,346	\$1,055,346	\$515,469	\$113,453	\$1,684,268
2026	\$74,237,000	\$74,237,000		\$102,351	\$868,573	\$970,923	\$970,923	\$474,233	\$104,377	\$1,549,534
2027	\$68,298,000	\$68,298,000		\$94,162	\$799,087	\$893,249	\$893,249	\$436,294	\$96,027	\$1,425,570
2028	\$62,834,000	\$62,834,000		\$86,629	\$735,158	\$821,787	\$821,787	\$401,390	\$88,345	\$1,311,522
						Total	\$7,905,399	\$4,508,409	\$992,286	\$13,406,093

Assumes School Value Limitation and Tax Abatements from the County and Hospital District.

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Floydada ISD I&S Levy	Floydada ISD M&O Levy		Floydada ISD M&O and I&S Tax Levies	Floyd County Tax Levy	Caprock Hospital District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1379	1.1700			0.6388	0.1406	
2014	\$4,837,500	\$4,837,500		\$6,669	\$56,599		\$63,268	\$30,902	\$6,802	\$100,972
2015	\$185,760,000	\$185,760,000		\$256,107	\$2,173,392		\$2,429,499	\$1,186,653	\$261,179	\$3,877,331
2016	\$170,899,000	\$170,899,000		\$235,618	\$1,999,518		\$2,235,137	\$1,091,720	\$240,284	\$3,567,141
2017	\$157,227,000	\$157,227,000		\$216,769	\$1,839,556		\$2,056,325	\$1,004,382	\$221,061	\$3,281,768
2018	\$144,649,000	\$144,649,000		\$199,428	\$1,692,393		\$1,891,821	\$924,032	\$203,376	\$3,019,230
2019	\$133,077,000	\$133,077,000		\$183,473	\$1,557,001		\$1,740,474	\$850,109	\$187,106	\$2,777,690
2020	\$122,431,000	\$122,431,000		\$168,796	\$1,432,443		\$1,601,238	\$782,101	\$172,138	\$2,555,478
2021	\$112,637,000	\$112,637,000		\$155,293	\$1,317,853		\$1,473,146	\$719,536	\$158,368	\$2,351,050
2022	\$103,626,000	\$103,626,000		\$142,869	\$1,212,424		\$1,355,293	\$661,973	\$145,698	\$2,162,965
2023	\$95,336,000	\$95,336,000		\$131,440	\$1,115,431		\$1,246,871	\$609,016	\$134,042	\$1,989,929
2024	\$87,709,000	\$87,709,000		\$120,924	\$1,026,195		\$1,147,120	\$560,294	\$123,319	\$1,830,732
2025	\$80,692,000	\$80,692,000		\$111,250	\$944,096		\$1,055,346	\$515,469	\$113,453	\$1,684,268
2026	\$74,237,000	\$74,237,000		\$102,351	\$868,573		\$970,923	\$474,233	\$104,377	\$1,549,534
2027	\$68,298,000	\$68,298,000		\$94,162	\$799,087		\$893,249	\$436,294	\$96,027	\$1,425,570
2028	\$62,834,000	\$62,834,000		\$86,629	\$735,158	\$821,787	\$401,390	\$88,345	\$1,311,522	
						Total	\$20,981,498	#####	\$2,255,575	\$33,485,179

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "TABLE II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$16,933,625. The estimated gross 13 year M&O tax benefit, or levy loss, is \$13,076,099.

Attachment 3 is an economic overview of Floyd County.

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.

Attachments

1. Schedules A, B, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Applicant Name
ISD Name

LONGHORN WIND PROJECT, LLC
FLOYDADA ISD

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service of during this year	Column B: Building or permanent nonremovable component (annual amount)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2013-2014	2013	0	0			0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)							
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)							
	Complete tax years of qualifying time period			9,675,000				9,675,000
				183,825,000				183,825,000
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
				0	0			0
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	1	2014-2015					
		2	2015-2016					
		3	2016-2017					
		4	2017-2018					
		5	2018-2019					
		6	2019-2020					
		7	2020-2021					
		8	2021-2022					
		9	2022-2023					
		10	2023-2024					
		11	2024-2025					
		12	2025-2026					
		13	2026-2027					
		14	2027-2028					
		15	2028-2029					
Credit Settle-Up Period	Continue to Maintain Viable Presence							
Post-Settle-Up Period	Post-Settle-Up 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).

Column B: For the purposes of investment, please list amount invested each year, not cumulative totals.

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

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

Column E: 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.

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 example 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

those amounts for future years.

May 24, 2013

10-May-13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
LONGHORN WIND PROJECT, LLC

Form 50-296

FLOYDADA, ISD

Applicant Name
ISD Name

	Year	School Year (YYYY-YYYY)	Tax Year (File in actual tax year) YYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
	pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2014-2015	2014	\$ -	\$ -	\$ 4,837,500	\$ -	\$ 4,837,500	\$ 4,837,500
	2	2015-2016	2015	\$ -	\$ -	\$ 185,760,000	\$ -	\$ 185,760,000	\$ 185,760,000
	3	2016-2017	2016	\$ -	\$ -	\$ 170,899,000	\$ -	\$ 170,899,000	\$ 10,000,000
	4	2017-2018	2017	\$ -	\$ -	\$ 157,227,000	\$ -	\$ 157,227,000	\$ 10,000,000
	5	2018-2019	2018	\$ -	\$ -	\$ 144,649,000	\$ -	\$ 144,649,000	\$ 10,000,000
Value Limitation Period	6	2019-2020	2019	\$ -	\$ -	\$ 133,077,000	\$ -	\$ 133,077,000	\$ 10,000,000
	7	2020-2021	2020	\$ -	\$ -	\$ 122,431,000	\$ -	\$ 122,431,000	\$ 10,000,000
	8	2021-2022	2021	\$ -	\$ -	\$ 112,637,000	\$ -	\$ 112,637,000	\$ 10,000,000
	9	2022-2023	2022	\$ -	\$ -	\$ 103,626,000	\$ -	\$ 103,626,000	\$ 10,000,000
	10	2023-2024	2023	\$ -	\$ -	\$ 95,336,000	\$ -	\$ 95,336,000	\$ 10,000,000
Continue to Maintain Viable Presence	11	2024-2025	2024	\$ -	\$ -	\$ 87,709,000	\$ -	\$ 87,709,000	\$ 87,709,000
	12	2025-2026	2025	\$ -	\$ -	\$ 80,692,000	\$ -	\$ 80,692,000	\$ 80,692,000
	13	2026-2027	2026	\$ -	\$ -	\$ 74,237,000	\$ -	\$ 74,237,000	\$ 74,237,000
Post-Settle-Up Period	14	2027-2028	2027	\$ -	\$ -	\$ 68,298,000	\$ -	\$ 68,298,000	\$ 68,298,000
Post-Settle-Up Period	15	2028-2029	2028	\$ -	\$ -	\$ 62,834,000	\$ -	\$ 62,834,000	\$ 62,834,000

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

DATE

May 24, 2013 10-May-13

Schedule C- Application: Employment Information

Applicant Name
ISD Name

LONGHORN WIND PROJECT, LLC
FLOYDADA ISD

Form 50-296

					Construction		New Jobs		Qualifying Jobs	
		Year	School Year (YYYY-YYYY)	Tax Year (File in actual tax year) YYYY	Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre- year 1	2013-2014	2013	2 FTEs	\$41,600.00	0	\$38,000.00	0	\$40,000.00
		1	2014-2015	2014	43 FTEs	\$41,600.00	0	\$38,000.00	0	\$40,000.00
		2	2015-2016	2015			3	\$38,000.00	2	\$40,000.00
		3	2016-2017	2016			3	\$38,000.00	2	\$40,000.00
		4	2017-2018	2017			3	\$38,000.00	2	\$40,000.00
		5	2018-2019	2018			3	\$38,000.00	2	\$40,000.00
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	6	2019-2020	2019			3	\$38,000.00	2	\$40,000.00
		7	2020-2021	2020			3	\$38,000.00	2	\$40,000.00
		8	2021-2022	2021			3	\$38,000.00	2	\$40,000.00
		9	2022-2023	2022			3	\$38,000.00	2	\$40,000.00
		10	2023-2004	2023			3	\$38,000.00	2	\$40,000.00
		11	2024-2025	2024			3	\$38,000.00	2	\$40,000.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	12	2025-2026	2025			3	\$38,000.00	2	\$40,000.00
		13	2026-2027	2026			3	\$38,000.00	2	\$40,000.00
Post- Settle-Up Period		14	2027-2028	2027			3	\$38,000.00	2	\$40,000.00
Post- Settle-Up Period		15	2028-2029	2028			3	\$38,000.00	2	\$40,000.00

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

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

May 24, 2013

10-May-13
DATE

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name				Sales Tax Information		ISD Name				FLOYDADA ISD				Form 50-296	
LONGHORN WIND PROJECT, LLC				Sales Taxable Expenditures		Franchise Tax				Other Property Tax Abatements Sought					
	Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures * subject to state sales tax	Column G: Estimate of total annual expenditures * made in Texas NOT subject to sales tax	Franchise Tax	County	City	Hospital	Other					
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	541,703	9,133,297										
	1	2014-2015	2014	10,292,362	173,532,638	18,000	0%	n/a	0%	n/a					
	2	2015-2016	2015			18,000	80%	n/a	80%	n/a					
	3	2016-2017	2016			18,000	80%	n/a	80%	n/a					
	4	2017-2018	2017			18,000	75%	n/a	75%	n/a					
	5	2018-2019	2018			18,000	75%	n/a	75%	n/a					
	6	2019-2020	2019			18,000	75%	n/a	75%	n/a					
	7	2020-2021	2020			18,000	55%	n/a	55%	n/a					
	8	2021-2022	2021			18,000	55%	n/a	55%	n/a					
	9	2022-2023	2022			18,000	55%	n/a	55%	n/a					
	10	2023-2024	2023			18,000	55%	n/a	55%	n/a					
	11	2024-2025	2024			18,000	55%	-	55%	-					
	12	2025-2026	2025			18,000	0%	-	0%	-					
	13	2026-2027	2026			18,000	0%	-	0%	-					
	14	2027-2028	2027			18,000	0%	-	0%	-					
	15	2028-2029	2028			18,000	0%	-	0%	-					
Tax Credit Period (with 50% cap on credit)															
Credit Settle-Up Period															
Post-Settle-Up Period															

*For planning, construction and operation of the facility.


 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 24, 2013

10-May-13
DATE

Attachment 2



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael L. Williams
Commissioner

September 5, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Longhorn Wind Project, LLC project for the Floydada Independent School District (FISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal Brown and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Longhorn Wind Project, LLC project on FISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael L. Williams
Commissioner

September 5, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Longhorn Wind Project, LLC project on the number and size of school facilities in Floydada Independent School District (FISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the FISD superintendent, Gilbert Trevino, the TEA has found that the Longhorn Wind Project, LLC project would not have a significant impact on the number or size of school facilities in FISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Floydada ISD Financial Impact of Chapter 313 Agreement

Summary of the District's Financial Impact of Chapter 313 Agreement with Longhorn Wind Project, LLC

**Prepared by
Randy McDowell, RTSBA
&
Neal Brown
School Finance Consultants**

Floydada ISD Financial Impact of Chapter 313 Agreement

Summary of Floydada ISD Financial Impact of the Limited Appraised Value Application from Longhorn Wind Project, LLC

Introduction

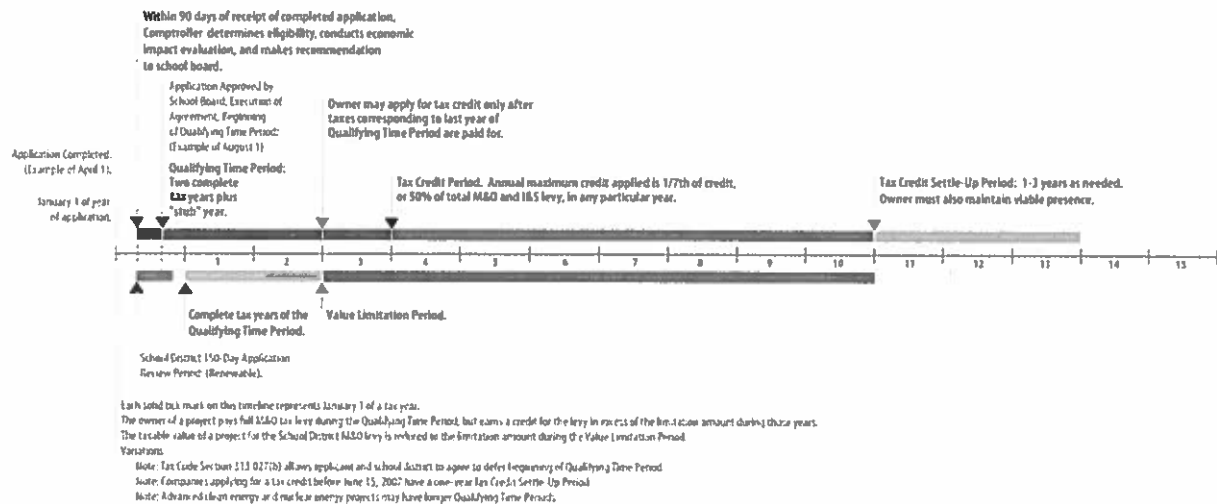
Longhorn Wind Project, LLC applied for a property value limitation from Floydada Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 29, 2013 and subsequently approved for consideration by the Floydada ISD Board of Trustees. Longhorn Wind Project, LLC ("Longhorn Wind"), is requesting the property value limitation as a "renewable energy electric generation" project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company. The first two years of the agreement are considered the qualifying time period and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity's taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller's Office. Floydada ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Floydada ISD has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be

Floydada ISD Financial Impact of Chapter 313 Agreement

reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Floydada ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The "Additional Value from Longhorn Wind" represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company's taxable value will be limited to the \$10,000,000 minimum qualified investment of Floydada ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Longhorn Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	4,837,500	n/a	0	4,837,500
Jan. 1, 2015	185,760,000	n/a	0	185,760,000
Jan. 1, 2016	170,899,000	(10,000,000)	160,899,000	10,000,000
Jan. 1, 2017	157,227,000	(10,000,000)	147,227,000	10,000,000
Jan. 1, 2018	144,649,000	(10,000,000)	134,649,000	10,000,000
Jan. 1, 2019	133,077,000	(10,000,000)	123,077,000	10,000,000
Jan. 1, 2020	122,431,000	(10,000,000)	112,431,000	10,000,000
Jan. 1, 2021	112,637,000	(10,000,000)	102,637,000	10,000,000
Jan. 1, 2022	103,626,000	(10,000,000)	93,626,000	10,000,000
Jan. 1, 2023	95,336,000	(10,000,000)	85,336,000	10,000,000
Jan. 1, 2024	87,709,000	n/a	0	87,709,000
Jan. 1, 2025	80,692,000	n/a	0	80,692,000
Jan. 1, 2026	74,237,000	n/a	0	74,237,000

Floydada ISD Financial Impact of Chapter 313 Agreement

Longhorn Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Longhorn Wind is \$12.05 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rates for 2015-2016 & 2024-2025 are projected to drop to \$1.05 & \$1.08 respectively, due to the rollback tax rate calculations.
- The district has outstanding bonds that are scheduled to payoff in 2037 and currently have a \$.137 I&S tax rate. This district's annual debt payments are just over \$360,000 per year through 2037 and the debt rates below are calculated rates using the projected taxable values with the addition of Longhorn Wind's estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.170	0.145	56,599	0	n/a	0	0
2015-2016	1.050	0.083	1,950,480	0	n/a	0	0
2016-2017	1.170	0.092	1,999,518	1,882,518	n/a	(1,017,512)	885,006
2017-2018	1.170	0.095	1,839,556	1,722,556	133,183	0	1,855,739
2018-2019	1.170	0.099	1,692,393	1,575,393	130,101	0	1,705,495
2019-2020	1.170	0.103	1,557,001	1,440,001	127,035	0	1,567,036
2020-2021	1.170	0.106	1,432,443	1,315,443	123,388	0	1,438,831
2021-2022	1.170	0.110	1,317,853	1,200,853	120,450	0	1,321,303
2022-2023	1.170	0.113	1,212,424	1,095,424	117,049	0	1,212,473
2023-2024	1.170	0.116	1,115,431	998,431	113,795	0	1,112,226
2024-2025	1.080	0.120	947,257	0	980,479	0	980,479
2025-2026	1.170	0.123	944,096	0	0	0	0
2026-2027	1.170	0.126	868,573	0	0	0	0
Totals			16,933,625	11,230,619	1,845,480	(1,017,512)	12,058,587

Floydada ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

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

- The current state funding formulas (in effect for 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$61.86 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district's tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value decrease of .5% was used to project the district's taxable value, except as it related to the requested LAVA. The district's 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased by 1.0% per year for the life of the agreement.

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Longhorn Wind Project, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	224,034,648	2,240,346	4,650,855	0	6,891,202	946,439	7,837,641
2015-2016	222,914,475	2,229,145	4,587,145	0	6,816,290	934,727	7,751,017
2016-2017	221,799,902	2,217,999	4,528,842	0	6,746,842	925,415	7,672,257
2017-2018	220,690,903	2,206,909	4,473,105	0	6,680,014	916,197	7,596,211
2018-2019	219,587,448	2,195,874	4,417,309	0	6,613,183	907,071	7,520,254
2019-2020	218,489,511	2,184,895	4,362,722	0	6,547,617	898,036	7,445,653
2020-2021	217,397,063	2,173,971	4,311,420	0	6,485,390	889,091	7,374,481
2021-2022	216,310,078	2,163,101	4,262,530	0	6,425,631	880,235	7,305,866
2022-2023	215,228,528	2,152,285	4,209,048	0	6,361,333	871,468	7,232,801
2023-2024	214,152,385	2,141,524	4,152,975	0	6,294,499	862,788	7,157,287
2024-2025	213,081,623	2,130,816	4,102,005	0	6,232,822	854,195	7,087,016
2025-2026	212,016,215	2,120,162	4,053,047	0	6,173,209	845,687	7,018,896
2026-2027	210,956,134	2,109,561	4,005,043	0	6,114,604	837,265	6,951,869

Floydada ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues with Longhorn Wind Project without Chapter 313 Agreement:

Fiscal Year	M&O Taxes			Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue				
2014-2015	228,872,148	2,288,721	4,649,888	0	6,938,610	966,717	7,905,327
2015-2016	408,674,475	4,086,745	4,503,571	0	8,590,316	715,810	9,306,126
2016-2017	392,698,902	3,926,989	2,637,063	0	6,564,053	890,674	7,454,726
2017-2018	377,917,903	3,779,179	2,732,670	0	6,511,849	883,252	7,395,101
2018-2019	364,236,448	3,642,364	2,816,109	0	6,458,473	875,876	7,334,350
2019-2020	351,566,511	3,515,665	2,893,179	0	6,408,844	868,542	7,277,386
2020-2021	339,828,063	3,398,281	2,960,835	0	6,359,115	861,247	7,220,362
2021-2022	328,947,078	3,289,471	3,015,693	0	6,305,164	853,987	7,159,151
2022-2023	318,854,528	3,188,545	3,061,953	0	6,250,498	846,757	7,097,255
2023-2024	309,488,385	3,094,884	3,097,648	0	6,192,532	839,558	7,032,090
2024-2025	300,790,623	3,007,906	3,131,103	0	6,139,010	832,385	6,971,395
2025-2026	292,708,215	2,927,082	3,252,846	0	6,179,928	825,238	7,005,166
2026-2027	285,193,134	2,851,931	3,266,701	0	6,118,632	818,118	6,936,750

TABLE V – District Revenues with Longhorn Wind Project with Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Payment for District Losses		Total District Revenue
		M&O Taxes Comp Rate	State Revenue			Comp Rate	Losses	
2014-2015	228,872,148	2,288,721	4,649,888	0	6,938,610	966,717	0	7,905,327
2015-2016	408,674,475	4,086,745	4,503,571	0	8,590,316	715,810	0	9,306,126
2016-2017	231,799,902	2,317,999	3,591,859	0	5,909,859	527,355	1,017,512	7,454,726
2017-2018	230,690,903	2,306,909	4,371,105	0	6,678,014	916,084	0	7,594,098
2018-2019	229,587,448	2,295,874	4,315,309	0	6,611,183	906,957	0	7,518,140
2019-2020	228,489,511	2,284,895	4,269,077	0	6,553,972	897,921	0	7,451,893
2020-2021	227,397,063	2,273,971	4,214,091	0	6,488,061	888,975	0	7,377,037
2021-2022	226,310,078	2,263,101	4,160,530	0	6,423,631	880,119	0	7,303,749
2022-2023	225,228,528	2,252,285	4,107,048	0	6,359,333	871,350	0	7,230,684
2023-2024	224,152,385	2,241,524	4,050,975	0	6,292,499	862,669	0	7,155,169
2024-2025	300,790,623	3,007,906	3,985,888	0	6,993,795	692,276	0	7,686,070
2025-2026	292,708,215	2,927,082	3,252,846	0	6,179,928	825,238	0	7,005,166
2026-2027	285,193,134	2,851,931	3,266,701	0	6,118,632	818,118	0	6,936,750

Floydada ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Floydada ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Longhorn Wind Project, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Floydada ISD by Longhorn Wind, the projected amount of these payments over the life of the agreement is \$870,302 of the \$12.05 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

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

Fiscal Year	Net Tax Savings	Floydada ISD \$100/ADA	Longhorn Wind's Share
2014-2015	0	71,057	(71,057)
2015-2016	0	70,347	(70,347)
2016-2017	865,006	69,643	795,363
2017-2018	1,855,739	68,947	1,786,792
2018-2019	1,705,495	68,257	1,637,237
2019-2020	1,567,036	67,575	1,499,461
2020-2021	1,438,831	66,899	1,371,932
2021-2022	1,321,303	66,230	1,255,073
2022-2023	1,212,473	65,568	1,146,905
2023-2024	1,112,226	64,912	1,047,314
2024-2025	980,479	64,263	916,216
2025-2026	0	63,620	(63,620)
2026-2027	0	62,984	(62,984)
Totals	12,058,587	870,302	11,188,285

Floydada ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
A.B. Duncan Elementary	EE-6	30	600	469	131
Floydada Jr. High	7-8	15	270	125	145
Floydada High	9-12	31	558	201	357
Total		76	1,428	795	633

The building capacities are based on 20 students per classroom for elementary and 18 students per grade level at secondary schools. Floydada ISD is a early-education through 12th grade district.

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new three positions equates to 2 new students.

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Longhorn Wind Project, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Longhorn Wind is projected to benefit from a 86% tax savings over the first eleven year period of this agreement. Longhorn Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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

Attachment 3

Floyd County

Population

- Total county population in 2010 for Floyd County: 6,398 , down 1.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Floyd County was the state's 190rd largest county in population in 2010 and the 243rd fastest growing county from 2009 to 2010.
- Floyd County's population in 2009 was 45.1 percent Anglo (below the state average of 46.7 percent), 4.1 percent African-American (below the state average of 11.3 percent) and 49.6 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Floyd County:

Floydada:	3,066	Lockney:	1,672
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Economy and Income

Employment

- September 2011 total employment in Floyd County: 2,804 , down 1.3 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Floyd County unemployment rate: 9.2 percent, up from 8.8 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Floyd County's ranking in per capita personal income in 2009: 125th with an average per capita income of \$32,738, down 1.3 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Floyd County averaged \$334.71 million annually from 2007 to 2010. County total agricultural values in 2010 were up 17.5 percent from 2009. Major agriculture related commodities in Floyd County during 2010 included:
 - Corn • Cottonseed • Other Beef • Cotton • Fed Beef
- 2011 oil and gas production in Floyd County: 1,175.0 barrels of oil and 36.0 Mcf of gas. In September 2011, there were 4 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Floyd County during the fourth quarter 2010: \$3.76 million, up 3.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Floydada:	\$2.52 million, up 5.9 percent from the same quarter in 2009.
Lockney:	\$1.02 million, up 12.4 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Floyd County through the fourth quarter of 2010: \$14.18 million, down 0.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Floydada:	\$9.79 million, up 1.8 percent from the same period in 2009.
Lockney:	\$3.62 million, up 4.8 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Floyd County during 2010: \$14.18 million, down 0.8 percent from 2009.
- Floyd County sent an estimated \$886,481.88 (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Floydada:	\$9.79 million, up 1.8 percent from 2009.
Lockney:	\$3.62 million, up 4.8 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Floyd County based on the sales activity month of August 2011: \$27,928.08, up 20.0 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Floydada:	\$19,401.83, up 15.5 percent from August 2010.
Lockney:	\$8,526.25, up 31.5 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Floyd County based on sales activity months from September 2010 through August 2011: \$386,218.93, up 12.7 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Floydada:	\$269,760.92, up 14.1 percent from fiscal 2010.
Lockney:	\$116,458.01, up 9.6 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Floyd County based on sales activity months through August 2011: \$258,995.28, up 16.1 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Floydada:	\$181,180.81, up 19.1 percent from the same period in 2010.
Lockney:	\$77,814.47, up 9.7 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Floyd County based on sales activity in the 12 months ending in August 2011: \$386,218.93, up 12.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Floydada:	\$269,760.92, up 14.1 percent from the previous 12-month period.
Lockney:	\$116,458.01, up 9.6 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

- Payment to the cities from January 2011 through October 2011:

Floydada:	\$227,011.62, up 15.5 percent from the same period in 2010.
Lockney:	\$97,092.42, up 8.2 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Floyd County based on sales activity months in 2010: \$350,335.44, up 3.2 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Floydada:	\$240,742.64, up 0.8 percent from 2009.
Lockney:	\$109,592.80, up 8.8 percent from 2009.

Property Tax

- As of January 2009, property values in Floyd County: \$512.90 million, up 11.8 percent from January 2008 values. The property tax base per person in Floyd County is \$79,224, below the statewide average of \$85,809. About 0.1 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Floyd County's ranking in state expenditures by county in fiscal year 2010: 187th. State expenditures in the county for FY2010: \$24.87 million, down 0.3 percent from FY2009.
- In Floyd County, 3 state agencies provide a total of 19 jobs and \$157,811.00 in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Department of Transportation
- Department of Public Safety
- AgriLife Extension Service

Higher Education

■ Community colleges in Floyd County fall 2010 enrollment:

- None.

■ Floyd County is in the service area of the following:

- South Plains College with a fall 2010 enrollment of 10,153 . Counties in the service area include:

Bailey County
Cochran County
Crosby County
Floyd County
Gaines County
Garza County
Hale County
Hockley County
Lamb County
Lubbock County
Lynn County
Motley County
Terry County
Yoakum County

■ Institutions of higher education in Floyd County fall 2010 enrollment:

- None.

School Districts

■ Floyd County had 2 school districts with 9 schools and 1,430 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

- Floydada ISD had 879 students in the 2009-10 school year. The average teacher salary was \$40,013. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
- Lockney ISD had 551 students in the 2009-10 school year. The average teacher salary was \$40,960. The percentage of students meeting the 2010 TAKS passing standard for all tests was 67 percent.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Longhorn Wind Project, LLC**

Prepared by
Randy McDowell, RTSBA
&
Neal Brown
School Finance Consultants

Floydada ISD Financial Impact of Chapter 313 Agreement

Summary of Floydada ISD Financial Impact of the Limited Appraised Value Application from Longhorn Wind Project, LLC

Introduction

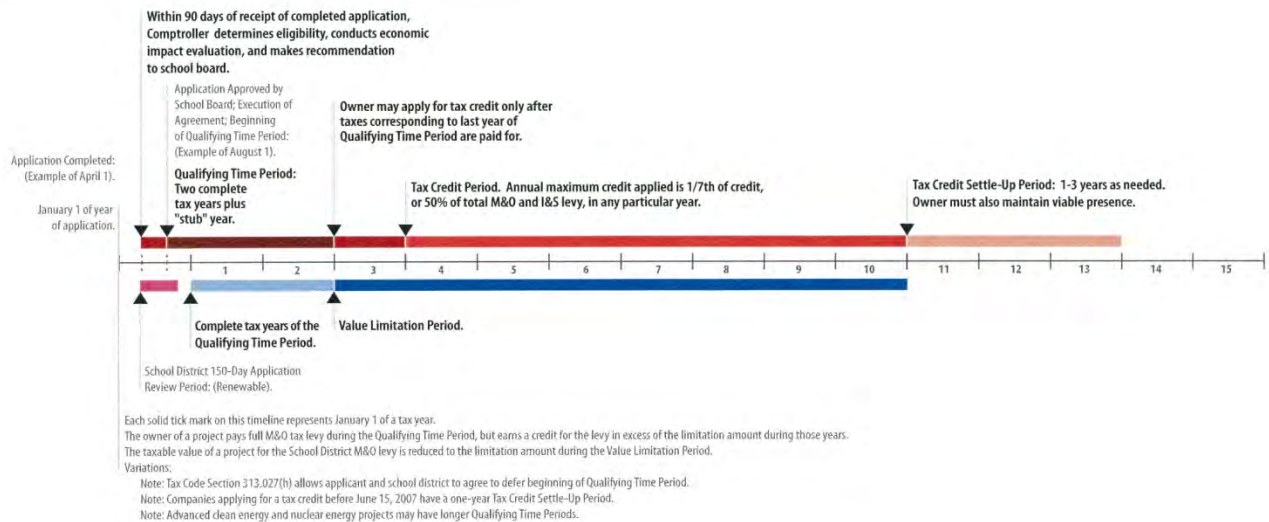
Longhorn Wind Project, LLC applied for a property value limitation from Floydada Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 29, 2013 and subsequently approved for consideration by the Floydada ISD Board of Trustees. Longhorn Wind Project, LLC (“Longhorn Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement ("LAVA" or "Agreement") to begin the following tax year or a later year if agreed upon by the District and the Company. The first two years of the agreement are considered the qualifying time period and the company's school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, the qualifying entity's taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller's Office. Floydada ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Floydada ISD has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be

Floydada ISD Financial Impact of Chapter 313 Agreement

reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Floydada ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The “Additional Value from Longhorn Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company’s taxable value will be limited to the \$10,000,000 minimum qualified investment of Floydada ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Longhorn Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	4,837,500	n/a	0	4,837,500
Jan. 1, 2015	185,760,000	n/a	0	185,760,000
Jan. 1, 2016	170,899,000	(10,000,000)	160,899,000	10,000,000
Jan. 1, 2017	157,227,000	(10,000,000)	147,227,000	10,000,000
Jan. 1, 2018	144,649,000	(10,000,000)	134,649,000	10,000,000
Jan. 1, 2019	133,077,000	(10,000,000)	123,077,000	10,000,000
Jan. 1, 2020	122,431,000	(10,000,000)	112,431,000	10,000,000
Jan. 1, 2021	112,637,000	(10,000,000)	102,637,000	10,000,000
Jan. 1, 2022	103,626,000	(10,000,000)	93,626,000	10,000,000
Jan. 1, 2023	95,336,000	(10,000,000)	85,336,000	10,000,000
Jan. 1, 2024	87,709,000	n/a	0	87,709,000
Jan. 1, 2025	80,692,000	n/a	0	80,692,000
Jan. 1, 2026	74,237,000	n/a	0	74,237,000

Floydada ISD Financial Impact of Chapter 313 Agreement

Longhorn Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Longhorn Wind is \$12.05 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rates for 2015-2016 & 2024-2025 are projected to drop to \$1.05 & \$1.08 respectively, due to the rollback tax rate calculations.
- The district has outstanding bonds that are scheduled to payoff in 2037 and currently have a \$.137 I&S tax rate. This district's annual debt payments are just over \$360,000 per year through 2037 and the debt rates below are calculated rates using the projected taxable values with the addition of Longhorn Wind's estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.170	0.145	56,599	0	n/a	0	0
2015-2016	1.050	0.083	1,950,480	0	n/a	0	0
2016-2017	1.170	0.092	1,999,518	1,882,518	n/a	(1,017,512)	865,006
2017-2018	1.170	0.095	1,839,556	1,722,556	133,183	0	1,855,739
2018-2019	1.170	0.099	1,692,393	1,575,393	130,101	0	1,705,495
2019-2020	1.170	0.103	1,557,001	1,440,001	127,035	0	1,567,036
2020-2021	1.170	0.106	1,432,443	1,315,443	123,388	0	1,438,831
2021-2022	1.170	0.110	1,317,853	1,200,853	120,450	0	1,321,303
2022-2023	1.170	0.113	1,212,424	1,095,424	117,049	0	1,212,473
2023-2024	1.170	0.116	1,115,431	998,431	113,795	0	1,112,226
2024-2025	1.080	0.120	947,257	0	980,479	0	980,479
2025-2026	1.170	0.123	944,096	0	0	0	0
2026-2027	1.170	0.126	868,573	0	0	0	0
Totals			16,933,625	11,230,619	1,845,480	(1,017,512)	12,058,587

Floydada ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

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

- The current state funding formulas (in effect for 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$61.86 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2012.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value decrease of .5% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2012 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased by 1.0% per year for the life of the agreement.

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Longhorn Wind Project, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	224,034,648	2,240,346	4,650,855	0	6,891,202	946,439	7,837,641
2015-2016	222,914,475	2,229,145	4,587,145	0	6,816,290	934,727	7,751,017
2016-2017	221,799,902	2,217,999	4,528,842	0	6,746,842	925,415	7,672,257
2017-2018	220,690,903	2,206,909	4,473,105	0	6,680,014	916,197	7,596,211
2018-2019	219,587,448	2,195,874	4,417,309	0	6,613,183	907,071	7,520,254
2019-2020	218,489,511	2,184,895	4,362,722	0	6,547,617	898,036	7,445,653
2020-2021	217,397,063	2,173,971	4,311,420	0	6,485,390	889,091	7,374,481
2021-2022	216,310,078	2,163,101	4,262,530	0	6,425,631	880,235	7,305,866
2022-2023	215,228,528	2,152,285	4,209,048	0	6,361,333	871,468	7,232,801
2023-2024	214,152,385	2,141,524	4,152,975	0	6,294,499	862,788	7,157,287
2024-2025	213,081,623	2,130,816	4,102,005	0	6,232,822	854,195	7,087,016
2025-2026	212,016,215	2,120,162	4,053,047	0	6,173,209	845,687	7,018,896
2026-2027	210,956,134	2,109,561	4,005,043	0	6,114,604	837,265	6,951,869

Floydada ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Longhorn Wind Project *without* Chapter 313 Agreement:

Fiscal Year	M&O Taxes			Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
	Total Taxable	Compressed	State				
	Value	Rate	Revenue				
2014-2015	228,872,148	2,288,721	4,649,888	0	6,938,610	966,717	7,905,327
2015-2016	408,674,475	4,086,745	4,503,571	0	8,590,316	715,810	9,306,126
2016-2017	392,698,902	3,926,989	2,637,063	0	6,564,053	890,674	7,454,726
2017-2018	377,917,903	3,779,179	2,732,670	0	6,511,849	883,252	7,395,101
2018-2019	364,236,448	3,642,364	2,816,109	0	6,458,473	875,876	7,334,350
2019-2020	351,566,511	3,515,665	2,893,179	0	6,408,844	868,542	7,277,386
2020-2021	339,828,063	3,398,281	2,960,835	0	6,359,115	861,247	7,220,362
2021-2022	328,947,078	3,289,471	3,015,693	0	6,305,164	853,987	7,159,151
2022-2023	318,854,528	3,188,545	3,061,953	0	6,250,498	846,757	7,097,255
2023-2024	309,488,385	3,094,884	3,097,648	0	6,192,532	839,558	7,032,090
2024-2025	300,790,623	3,007,906	3,131,103	0	6,139,010	832,385	6,971,395
2025-2026	292,708,215	2,927,082	3,252,846	0	6,179,928	825,238	7,005,166
2026-2027	285,193,134	2,851,931	3,266,701	0	6,118,632	818,118	6,936,750

TABLE V – District Revenues *with* Longhorn Wind Project *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
		M&O Taxes	State					
		Comp Rate	Revenue					
2014-2015	228,872,148	2,288,721	4,649,888	0	6,938,610	966,717	0	7,905,327
2015-2016	408,674,475	4,086,745	4,503,571	0	8,590,316	715,810	0	9,306,126
2016-2017	231,799,902	2,317,999	3,591,859	0	5,909,859	527,355	1,017,512	7,454,726
2017-2018	230,690,903	2,306,909	4,371,105	0	6,678,014	916,084	0	7,594,098
2018-2019	229,587,448	2,295,874	4,315,309	0	6,611,183	906,957	0	7,518,140
2019-2020	228,489,511	2,284,895	4,269,077	0	6,553,972	897,921	0	7,451,893
2020-2021	227,397,063	2,273,971	4,214,091	0	6,488,061	888,975	0	7,377,037
2021-2022	226,310,078	2,263,101	4,160,530	0	6,423,631	880,119	0	7,303,749
2022-2023	225,228,528	2,252,285	4,107,048	0	6,359,333	871,350	0	7,230,684
2023-2024	224,152,385	2,241,524	4,050,975	0	6,292,499	862,669	0	7,155,169
2024-2025	300,790,623	3,007,906	3,985,888	0	6,993,795	692,276	0	7,686,070
2025-2026	292,708,215	2,927,082	3,252,846	0	6,179,928	825,238	0	7,005,166
2026-2027	285,193,134	2,851,931	3,266,701	0	6,118,632	818,118	0	6,936,750

Floydada ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Floydada ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Longhorn Wind Project, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Floydada ISD by Longhorn Wind, the projected amount of these payments over the life of the agreement is \$870,302 of the \$12.05 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

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

Fiscal Year	Net Tax Savings	Floydada ISD \$100/ADA	Longhorn Wind's Share
2014-2015	0	71,057	(71,057)
2015-2016	0	70,347	(70,347)
2016-2017	865,006	69,643	795,363
2017-2018	1,855,739	68,947	1,786,792
2018-2019	1,705,495	68,257	1,637,237
2019-2020	1,567,036	67,575	1,499,461
2020-2021	1,438,831	66,899	1,371,932
2021-2022	1,321,303	66,230	1,255,073
2022-2023	1,212,473	65,568	1,146,905
2023-2024	1,112,226	64,912	1,047,314
2024-2025	980,479	64,263	916,216
2025-2026	0	63,620	(63,620)
2026-2027	0	62,984	(62,984)
Totals	12,058,587	870,302	11,188,285

Floydada ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
A.B. Duncan Elementary	EE-6	30	600	469	131
Floydada Jr. High	7-8	15	270	125	145
Floydada High	9-12	31	558	201	357
Total		76	1,428	795	633

The building capacities are based on 20 students per classroom for elementary and 18 students per grade level at secondary schools. Floydada ISD is a early-education through 12th grade district.

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

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new three positions equates to 2 new students.

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

Floydada ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Longhorn Wind Project, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Longhorn Wind is projected to benefit from a 86% tax savings over the first eleven year period of this agreement. Longhorn Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

077/Floyd

077-901/Floydada ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	46,106,340	N/A	46,106,340	46,106,340
B. Multi-Family Residences	251,200	N/A	251,200	251,200
C. Vacant Lots	688,460	N/A	688,460	688,460
D. Rural Real(Taxable)	90,828,480	N/A	90,828,480	90,828,480
F1. Commercial Real	8,385,990	N/A	8,385,990	8,385,990
F2. Industrial Real	54,859,440	N/A	54,859,440	54,859,440
G. Oil, Gas, Minerals	118,458	N/A	118,458	118,458
J. Utilities	12,970,450	N/A	12,970,450	12,970,450
L1. Commercial Personal	9,484,630	N/A	9,484,630	9,484,630
L2. Industrial Personal	7,539,290	N/A	7,539,290	7,539,290
M. Other Personal	122,580	N/A	122,580	122,580
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
Subtotal	231,355,318		231,355,318	231,355,318
Less Total Deductions	23,700,972		23,700,972	23,700,972
Total Taxable Value	207,654,346		207,654,346	207,654,346 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	19,953,170	N/A	19,953,170
Prod Value Qualified Acres	70,875,310	N/A	70,875,310
Taxable Value	90,828,480		90,828,480

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
217,380,536	207,654,346	217,380,536	207,654,346	208,391,040	208,391,040

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
9,726,190	0

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

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

ceiling reduction

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
217,380,536	207,654,346	217,380,536	207,654,346	208,391,040	208,391,040

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

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

**LIMITATION ON APPRAISED
VALUE AGREEMENT**

FLOYDADA INDEPENDENT SCHOOL DISTRICT

and

LONGHORN WIND PROJECT, LLC

Comptroller Application Number 294

October 15, 2013

THIS LIMITATION ON APPRAISED VALUE AGREEMENT, ("Agreement") is executed and delivered by and between Floydada Independent School District (the "District"), with its central administrative office located in Floyd County, Texas ("County"), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code ("TEC"), and Longhorn Wind Project, LLC, a Texas limited liability company, ("Applicant") and relates to a limitation of the Appraised Value of property for the District's maintenance and operation taxes pursuant to Chapter 313 of the Texas Tax Code (the "Code"). The District and Applicant are collectively referred to herein as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, the Superintendent of Schools of the District, acting as agent for the District's Board of Trustees ("Board of Trustees"), timely received from Applicant a completed Application for an Appraised Value Limitation on Qualified Property pursuant to 34 Texas Administrative Code §9.1053, including any agreed and accepted amendments thereto ("Application"), on or about May 29, 2013 (the "Completed Application Date"); and,

WHEREAS, the District received the application fee as required by §313.025(a)(1) of the Code and the District Policy CCG (LOCAL), if any, on or about the Completed Application Date thus establishing the effective filing date of such Application as of May 29, 2013; and,

WHEREAS, the District timely delivered the requisite number of copies of the Application to the Texas Comptroller of Public Accounts ("Comptroller") for review pursuant to §313.025(a-1) and (b) of the Code and the Comptroller deemed the Application complete and thereafter began its analysis of the Application on June 19, 2013 (the "Application Review Start Date"); and,

WHEREAS, the Comptroller conducted an economic impact evaluation of the Application pursuant to §313.025(b) of the Code; and,

WHEREAS, pursuant to §313.025(b-1) of the Code, the Comptroller delivered to the Texas Education Agency ("TEA") a copy of the Application and the TEA then timely submitted a written report addressing the effects of the Application on the number or size of the District's instructional facilities to the Comptroller; and,

WHEREAS, pursuant to §313.025(d) of the Code, the Board of Trustees timely received the September 17, 2013 recommendation of the Comptroller and a report indicating that the Application was in compliance with the provisions of the Texas Economic Development Act, Code §§313.001, et seq. (the "Recommendation"); and,

WHEREAS, the Board of Trustees has carefully considered the school finance information together with the Recommendation and information provided by the Comptroller, including the economic impact evaluation; and,

WHEREAS, pursuant to §313.025(f-1) of the Code, the Board of Trustees at its Board meeting held on October 15, 2013 waived the Qualifying Job creation requirements set forth in Section 313.051(b) of the Code based on a factual finding that if the number of jobs required by

law was applied in this project, given its size and scope as described in the Application and Schedule 2.3, the number of jobs will exceed the industry standard of the number of employees reasonably necessary for the operation of the project; and,

WHEREAS, pursuant to §313.025(e) of the Code, the Board of Trustees at its Board meeting held on October 15, 2013 made written factual findings as required by §313.025(f) and based on the criteria set out in §313.026 of the Code has delivered a copy of such findings to the Applicant; and,

WHEREAS, pursuant to §313.025(f) of the Code, the Board of Trustees at its Board meeting held on October 15, 2013 further found that: (a) the information in the Application is true and correct; (b) the Board agrees with the Comptroller's Recommendation; (c) this Agreement is in the best interest of the State of Texas and the District; (d) the Applicant is eligible for the limitation on Appraised Value of the Qualified Property; and (d) the relevant job creation requirement set forth in Chapter 313 of the Code should be waived; and,

WHEREAS, the Board of Trustees approves the form of this Agreement for a Limitation on Appraised Value of Property and authorizes the execution and delivery of such Agreement by the President of the District's Board of Trustees to the Applicant.

NOW, THEREFORE, for and in consideration of the promises, including the foregoing recitals, and the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

ARTICLE 1 - AUTHORITY, TERM AND DEFINITIONS

Section 1.1 DISTRICT AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District under §313.051 of the Code.

Section 1.2 TERM

1.2.1 This Agreement shall commence and first become effective on October 15, 2013, the date this Agreement was approved by the District's Board of Trustees and executed by the District's Board President, for the ad valorem property valuations assessed against the Qualified Property and investments made pursuant to this Agreement (the "Commencement Date"). The limitation on the local ad valorem property values shall terminate on December 31 of the tenth (10th) full calendar year of this Agreement, as set out on Schedule 1.2 attached hereto¹, unless sooner terminated as herein provided. The early termination of this Agreement shall not release any obligation, right, or remedy arising from any failure to comply with any term of this Agreement prior to such termination. Each Party shall have the right to enforce the payment of any amount owed before the termination of this Agreement.

¹ All references to Agreement years shall be as shown on Schedule 1.2.

1.2.2 The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until January 1 following the end of the second full year that begins after the Commencement Date or such later date as reflected herein. The period that begins on the Commencement Date and ends on December 31 of the second full year that begins after the Commencement Date shall be referred to herein as the “Qualifying Time Period” as that term is defined in §313.021(4) of the Code.

1.2.3 For three (3) years after December 31 of the tenth (10th) year of this Agreement, Applicant shall (a) Maintain a Viable Presence in the District, as that term is defined herein; and (b) make any payments in lieu of taxation as provided in Article 4. Unless sooner terminated, this Agreement shall end on December 31 of the thirteenth (13th) year of this Agreement. Nothing contained in this Agreement shall extend the tax limitation beyond ten (10) full calendar years from the Commencement Date.

1.2.4 The years for which this Agreement is effective, unless sooner terminated, are set forth in Schedule 1.2 of this Agreement, which is incorporated herein by reference.

Section 1.3 DEFINITIONS

Capitalized terms used herein and not specifically defined shall have the definitions as set forth in Schedule 1.3 of this Agreement, which is incorporated herein by reference.

ARTICLE 2- PROPERTY AND USE DESCRIPTIONS

Section 2.1 REINVESTMENT ZONE OR ENTERPRISE ZONE

The property upon which the Qualified Investment will be located entirely within that certain Reinvestment Zone, as set out in Schedule 2.1, and so designated by the Floyd County Commissioner’s Court under Chapter 312 of the Code. The description of the Reinvestment Zone or Enterprise Zone and maps showing the location thereof are attached to this Agreement as Schedule 2.1, which is incorporated herein by reference.

Section 2.2 QUALIFIED PROPERTY

Applicant’s Qualified Property is described in Schedule 2.3, which is incorporated herein by reference. The Parties expressly agree that the location of the Qualified Property shall be within the Reinvestment Zone as set out in Schedule 2.1, and such location may not be materially changed from its current configuration without the express written authorization of the Parties; provided that the Parties acknowledge Applicant may determine it is necessary to re-configure and change certain aspects as construction progresses, and District agrees not to unreasonably withhold consent to such changes that do not change in a substantial way the overall concept of the Qualified Investment taken as a whole, as contemplated hereby.

Section 2.3 QUALIFIED INVESTMENT

2.3.1 Applicant’s Qualified Investment is described in Schedule 2.3, which is incorporated herein by reference. Property not referenced in Schedule 2.3 and not otherwise

meeting the requirements of Chapter 313 and this Agreement shall not be considered to be a Qualified Investment for purposes of this Agreement and will not be subject to this Agreement.

2.3.2 Schedule 2.3 may be amended by adding or removing Qualified Property pursuant to: (a) the provisions of Comptroller's Rule 9.1055; and (b) approval by the District's Board of Trustees pursuant to §313.027(e) of the Code, which approval shall not be unreasonably withheld by the District.

2.3.3 Property owned by Applicant which is not described in Schedule 2.3 may not be considered to be Qualified Property unless the Applicant (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply; (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and (c) provides any additional information reasonably requested by the District or the Comptroller for the purpose of re-evaluating the new or changed conditions.

2.3.4 In the event that Applicant fails to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period, this Agreement shall become null and void on January 1, 2016.

Section 2.4 EXISTING IMPROVEMENTS AND PERSONAL PROPERTY

Certain improvements and personal property may have existed in the Reinvestment Zone or Enterprise Zone prior to the Application Date. The Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the submission of a Completed Application may not be considered Qualified Property under Chapter 313 of the Code or this Agreement. Further, the Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the approval of this Agreement by the Parties may not be considered part of the required Qualified Investment under Chapter 313 of the Code or this Agreement.

Section 2.5 INVENTORY OF QUALIFIED PROPERTY

2.5.1 Upon any material change to the Qualified Property, or upon the reasonable request of the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District all information and data necessary to assess the value and identity of all Qualified Property including, but not limited to, a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components on the Qualified Property to which the value limitation applies. Such description shall include maps or surveys detailed enough to locate all such property within the boundaries of the real property subject to this Agreement.

2.5.2 At the end of the Qualifying Time Period, Applicant shall provide to the District, the Comptroller, and the Appraisal District all information and data necessary to assess the value and identity of all Qualified Property including, but not limited to, a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified

Property to which the value limitation applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property subject to this Agreement.

Section 2.6 QUALIFYING USE

Applicant's property which is the subject of a limitation on the local ad valorem property values under this Agreement is eligible for a tax limitation as a renewable energy electric generation facility under §313.024(b)(5) of the Code.

Section 2.7 APPRAISAL LIMITATION

Upon Applicant's Qualified Investment in the amount of \$10,000,000.00 or more during the Qualifying Time Period, and unless this Agreement is terminated as herein provided, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of the Market Value of the Qualified Property or \$10,000,000.00 for the third (3rd) through the tenth (10th) full calendar years of the tax limitation under this Agreement, as provided in Chapter 313 of the Code.

ARTICLE 3– PROTECTION OF DISTRICT REVENUES

Section 3.1 INTENT OF THE PARTIES

The Parties understand and agree that, to the extent required by law pursuant to Section 313.027(f) of the Code, the Applicant shall compensate the District for any loss in District Funding Revenue incurred because of District's participation in this Agreement. Such reimbursement shall be in addition to the receipt of payments in lieu of taxation or payment of Extraordinary Education-Related Expenses reasonably incurred by the District, subject to any limitation as may be set forth in Article 4 or Article 5 of this Agreement. SUBJECT TO ANY LIMITATION AS MAY BE SET FORTH IN ARTICLE 4 OR ARTICLE 5 OF THIS AGREEMENT, APPLICANT UNDERSTANDS AND AGREES THAT IT SHALL BEAR ANY NEGATIVE FINANCIAL CONSEQUENCE SUFFERED BY THE DISTRICT AS A DIRECT RESULT OF THE DISTRICT ENTERING INTO THIS AGREEMENT. THE PURPOSE OF THIS SECTION 3.1 IS TO ENSURE THAT THE RISK OF ANY SUCH NEGATIVE FINANCIAL CONSEQUENCE TO THE DISTRICT IS BORNE BY THE APPLICANT AND NOT BY THE DISTRICT.

Section 3.2 CALCULATING LOSS OF DISTRICT REVENUES

Any compensation paid by the Applicant to the District for loss of District Funding Revenues shall be determined in accordance with then-current School Finance Law. Any calculation to make the District whole after a loss under this Article 3 shall be made in accordance with Schedule 3.2 of this Agreement, which is incorporated herein by reference, and subject to the provisions of Article 5 herein.

Section 3.3 COMPENSATION FOR LOSS OF OTHER REVENUES

To the extent not included in the amounts calculated pursuant to Schedule 3.2, Applicant, on an annual basis, shall also pay to the District all non-reimbursed costs incurred in paying or otherwise crediting amounts for the benefit of Applicant, including, but not limited to (a) any Maintenance and Operations Revenue or Tax Credit to which the Applicant may be entitled pursuant to Chapter 313 of the Code for which the District does not receive reimbursement from the State, whether pursuant to TEC §42.2515 or otherwise; (b) all non-reimbursed costs incurred by the District for Extraordinary Education-Related Expenses related to the project, which do not exceed any limitations set forth in Article 4 of this Agreement, and not otherwise directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project; (c) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (d) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (e) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly. The Applicant may contest any such costs certified by the District's external auditor under the provisions of Section 3.8.

Section 3.4 THIRD PARTY CALCULATIONS

All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District and with Applicant's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Applicant will be solely responsible for the payment of Consultant's fees up to Six Thousand Five Hundred Dollars, (\$6,500.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 3.5 DATA FOR CALCULATIONS

The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to §26.01 of the Code in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time to time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Floyd County Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 3.6 DELIVERY OF CALCULATIONS

3.6.1 All calculations required under Article 3 or Article 4 shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant's offices, personnel, books, and records pertaining to all calculations and fees.

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

Section 3.7 PAYMENT BY APPLICANT

On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 5.1, the Applicant shall pay any amount determined to be due and owing to the District (subject to final settle up), the reasonable amount billed by the Consultant pursuant to Section 3.4, and any reasonable and necessary expenses paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement Provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise under the Texas Public Information Act (Government Code Section 552.001 *et seq.*).

Section 3.8 CHALLENGING CALCULATION RESULTS

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

Section 3.9 EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT

In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article 3 of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

Section 3.10 EFFECT OF STATUTORY OR OTHER LEGAL CHANGES

If the District will receive less District Funding Revenue, or, if applicable, will be required to increase its payment of funds to the State due to the District's participation in this

Agreement because of changes to School Finance Law or administrative or legal interpretations by the office of the Comptroller, the Commissioner of Education, the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, then the Applicant shall make payments to the District within thirty (30) days of receipt of written notice, up to the limit on the revenue protection amount set forth in Section 5.1 below. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of District Funding Revenue not less than that what the District would have received from State and local funds had the District not entered into this Agreement.

ARTICLE 4- PAYMENTS IN LIEU OF TAXATION

Section 4.1 SEPARATE AND INDEPENDENT INDEMNITY AMOUNTS

In addition to payment of the amounts set forth under Article 3 of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall be responsible to the District for payments in lieu of taxation (“PILOT”) and payments for Extraordinary Education-Related Expenses (“PEERE”), as set forth in this Article 4. Any and all obligations for any PILOT and PEERE payments shall be separate and independent of Applicant’s obligations under Article 3 of this Agreement.

Section 4.2 CALCULATION OF PAYMENTS IN LIEU OF TAXATION

4.2.1 Subject to Section 5.1, for each of years one (1) through thirteen (13) of this Agreement, the District shall be entitled to receive as payments in lieu of taxation an amount equal to One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year in accordance with Texas Tax Code § 313.027(i).

4.2.2 In the event Chapter 313 is modified or amended to allow the District to receive payments in lieu of taxation in excess of the foregoing ADA limitation, Applicant agrees to cooperate with District in amending this Agreement to allow District to receive the maximum amount of payments in lieu of taxation as allowed by law; provided however, the total payments in lieu of taxation for any given year of this Agreement shall not exceed the greater of fifteen percent (15%) of Applicant's Net Tax Savings under this Agreement in respect of such year or \$100 per student in ADA, as determined for that school year. This Section shall only apply if Texas Tax Code § 313.027(i) is amended so that the District is permitted to receive payments in lieu of taxation greater than as described in Section 4.2.1 above; otherwise, Section 4.2.1 shall apply.

4.2.3 Payment of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement and is subject to the limitations contained in Section 5.1. Payments made under this Article 4 shall not exceed the Aggregate Limit.

Section 4.3 PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

4.3.1 Applicant agrees and acknowledges that construction and installation of its Qualified Property may bring an extraordinary influx of workers into the District. Applicant

further agrees and acknowledges that these workers may cause an undetermined increase in enrollment for the District, and that such increase may subject the District to Extraordinary Education-Related Expenses that are not directly funded in school financing funding formulas. Accordingly, Applicant agrees to reimburse to the District for any documented Extraordinary Education-Related Expenses paid by the District arising from Applicant's Qualified Investment.

4.3.2 In the event that the District incurs reimbursable Extraordinary Education-Related Expenses, the District will notify Applicant and provide a detailed explanation for such expenses prior to reimbursement by Applicant.

4.3.3 Payments of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement.

ARTICLE 5- LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1 LIMITATION AFTER FIRST THREE YEARS

5.1.1 For each of the years of this Agreement, other than years one (1) through three (3), and notwithstanding anything to the contrary in this Agreement, in no event shall the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such year exceed the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such year if the Parties had not entered into this Agreement.

5.1.2 A comparison of (a) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such year; and (b) the taxes Applicant would have paid to the District if this Agreement had not been entered into shall be included in the Consultant's calculations made pursuant to Section 3.4 of this Agreement. The Consultant shall include a credit for the amount of taxes actually paid by the Applicant on the Qualified Property when making this comparison.

5.1.3 During years four (4) through ten (10), should the sum of the Applicant's maintenance and operations ad valorem taxes plus the sum of all payments otherwise due from the Applicant under Article 3 and Article 4 exceed the maintenance and operations ad valorem taxes that the Applicant would have paid if the Parties had not entered into this Agreement, then the payments due from the Applicant to the District under Articles 3 and 4 shall be reduced until such excess is eliminated. In no event shall the cumulative payments to the District exceed the greater of: (a) fifteen percent (15%) of the Net Tax Savings, or (b) One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year.

Section 5.2 OPTION TO CANCEL AGREEMENT

5.2.1 For years four (4) through ten (10) of this Agreement, in the event that payments by Applicant to the District become limited as described in Section 5.1 above, the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option by

notifying the District of its election in writing not later than July 31 of any year next following the year in which the payments were limited. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.2 For years three (3) through ten (10) of this Agreement, the Applicant shall have the option to terminate this Agreement in the event that the Appraised Value of the Qualified Property falls below the Tax Limitation Amount. The Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing not later than October 31 of any year. The cancellation of this Agreement under this Subsection shall be effective immediately, and Applicant's ad valorem tax shall be assessed based on the actual Appraised Value of the Qualified Property.

5.2.3 The Applicant shall have the right to terminate this Agreement in the event of a change in the School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other statutory or regulatory change which materially reduces the Net Tax Savings to Applicant under this Agreement. Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.4 The rights and obligations of the Parties under this Agreement through and including the year during which notice of termination of this Agreement is delivered shall survive such termination and remain until satisfied.

ARTICLE 6– TAX CREDITS

Section 6.1 TAX CREDIT DESCRIPTION AND ELIGIBILITY

6.1.1 Upon the Applicant's compliance with all requirements of Chapter 313 of the Code and the Comptroller, and in addition to the limitation on the Appraised Value of the Qualified Property as described in Article 2 above, the Applicant shall be entitled to a Tax Credit from the District in an amount equal to the amount of ad valorem taxes paid to the District on that portion of the Appraised Value of the Qualified Property that exceeds the amount of the limitation agreed to by the Parties in each year of the Qualifying Time Period.

6.1.2 The application for a Tax Credit as described in this Article 6 shall be made in accordance with §313.103 of the Code and is solely the Applicant's responsibility.

Section 6.2 DISTRICT OBLIGATIONS REGARDING TAX CREDITS

6.2.1 The District shall timely comply with and, to the extent possible, cause the timely compliance by the Appraisal District of all District obligations regarding Tax Credits under the Code and Comptroller Rules.

6.2.2 The Board of Trustees shall grant Applicant's application for the tax credit as provided in §313.104 of the Code as well as Comptroller and/or TEA rules.

Section 6.3 TAX CREDIT PROTECTION REVENUE LOSS

If the District does not receive aid pursuant to TEC §42.2515 of the Texas Education Code (or similar or successor statute) after Applicant receives a Tax Credit as described under this Article 6, and such failure is not the result of District's failure to comply with the requirements of obtaining such aid, then the District shall so notify the Applicant in writing. The Applicant shall, within thirty (30) days after notice, pay to the District the amount of such aid the District did not receive. Conversely, the District shall refund to the Applicant the amount of state aid the District received that was solely attributable to any portion of such state aid paid by Applicant to the District.

ARTICLE 7- ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1 INFORMATION REQUESTS

7.1.1 Upon written request, Applicant shall be obligated to provide the District and the Appraisal District with all information and data necessary to determine whether all obligations under this Agreement are being met. In the event that the District requests information which the Applicant regards as being technical or business information which is proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party, and subject to §313.028 of the Code, Applicant shall inform the District of its concerns and suitable arrangements shall be made for the District to have access to the information in a manner which does not compromise the confidentiality of the information to other third parties.

7.1.2 Applicant shall be obligated to provide the Comptroller, Appraisal District, or other governmental agency with all information required for such agency to complete any reports, appraisal or analysis pursuant to the Texas Tax Code, Comptroller or TEA rule, or other law or administrative regulation.

7.1.3 Applicant shall allow authorized employees of the District and Appraisal District access to all property that is subject to a limitation on the local ad valorem property values called for under this Agreement during the term of this Agreement for the purposes of appraisal or determination of compliance with this Agreement. All inspections or appraisals will be made at a mutually agreeable time after no less than forty-eight (48) hours prior written notice.

7.1.4 Applicant shall timely make any reports that may be required under law or administrative regulation, including but not limited to the annual report or certifications that may be required by the Comptroller under the provisions of the Comptroller's Rules or the Texas Tax Code, including §313.032 of the Code. Applicant shall forward a copy of all such required reports or certifications to the District at the time of such filing. Timely performance of all required filings shall be a material obligation under this Agreement.

Section 7.2 MAINTAINING VIABLE PRESENCE

By entering into this Agreement, Applicant represents, covenants, and warrants that it will abide by all of the terms of this Agreement and that it will Maintain a Viable Presence as defined in this Agreement in the District for a period of at least three (3) years after the termination of the limitation on the local ad valorem` property values called for under this

Agreement. Applicant shall not be in breach of this covenant to Maintain a Viable Presence to the extent such failure is caused by an event of Force Majeure, provided Applicant makes commercially reasonable efforts to Maintain a Viable Presence at the conclusion of any period of Force Majeure.

ARTICLE 8- BREACH

As stated in Section 2.3.4 above, the failure by Applicant to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period shall result in this Agreement being null and void as of January 1, 2016. This Article 8 shall control in all other instances of Applicant's failure to perform according to the terms of this Agreement.

Section 8.1 DISTRICT'S DETERMINATION OF BREACH

8.1.1 In the event Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or should Applicant or Applicant's successor in interest fail to comply with any material term or meet any material obligation of this Agreement, after the notice and cure period provided herein, District shall be entitled to: (a) the recapture of all ad valorem tax revenue that would have been due from Applicant without the benefit of this Agreement; and (b) all penalty and interest as calculated under Section 8.4. For purposes of the recapture calculation, the Applicant shall be entitled to a credit for all payments made under Article 3 and Article 4.

8.1.2 Notwithstanding Section 8.1.1, in the event the District determines that the Applicant has failed to Maintain a Viable Presence and provides written notice of termination, Applicant shall pay to District liquidated damages equal to the total of the District ad valorem taxes that would have been due from Applicant without the benefit of this Agreement for all of the years for which a Tax Limitation was granted pursuant to this Agreement, plus penalty and interest. Applicant shall be entitled to a credit for all payments made to the District pursuant to Article 3 and Article 4.

8.1.3 Prior to making a determination that Applicant has committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which the District believes constitute the material breach and, if a cure is feasible, the cure proposed by the District. After receipt of the notice, Applicant shall have sixty (60) days to present any facts or argument to the Board of Trustees showing that it is not in material breach of its obligations under this Agreement or that it has cured any such material breach.

8.1.4 Upon the expiration of Applicant's opportunity to respond, the Board of Trustees shall conduct a hearing as provided in District Policy GF (LOCAL) to determine whether or not a material breach of this Agreement has occurred and, if so, the date such material breach occurred. Applicant shall have the opportunity to be heard before the Board of Trustees at such hearing. In the event that the Board of Trustees determines that a material breach has occurred, it shall also determine the amounts of recaptured taxes to be paid by Applicant to District under Section 8.2 below.

8.1.5 After a determination under Section 8.1.2, the Board of Trustees shall notify Applicant, in writing, of its determination and the amount of recaptured taxes owed by Applicant, if any.

Section 8.2 REMEDIES AFTER BREACH

8.2.1 In the event of default or breach by Applicant, the District's damages shall not exceed the greater of (a) any amounts of recaptured taxes plus penalty and interest; or (b) the sum of the difference between the payments and credits due and owing to the Applicant at the time of default and the District taxes that would have been payable to the District had this Agreement not been executed.

8.2.2 The District's sole right of equitable relief in the event of a default or breach by Applicant under this Agreement shall be its right to terminate this Agreement.

8.2.3 In accordance with §313.0275 of the Code, for any full year beginning after the project has been declared operational by Applicant, Applicant shall cure those material breaches defined in 8.3(d), 8.3(e), or 8.3(f), below, without the termination of this Agreement. In order to cure its noncompliance with 8.3(d), 8.3(e), or 8.3(f) for the particular year of noncompliance only, Applicant may pay liquidated damages as required by §313.0275(b) of the Code, in accordance with §313.0275(c).

Section 8.3 MATERIAL BREACH BY APPLICANT

Any one of the following acts or omissions shall constitute a material breach of this Agreement by Applicant:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application.
- (b) Applicant fails to Maintain a Viable Presence in the District, as required by this Agreement, through the final termination date of this Agreement.
- (c) Applicant fails to timely make any payment required under Articles 3 or 4 of this Agreement.
- (d) Applicant fails to create and maintain, at a minimum, the number of New Jobs it committed to create in its Application.
- (e) Applicant fails to create and maintain, at a minimum, the number of Qualifying Jobs it committed to create and maintain on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created on the project as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or entity in any form for the payment or transfer of money or any other thing of value in

recognition of, anticipation of or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Code, in excess of the amounts set forth in Articles 3 and 4 above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or not made in recognition of or consideration for this Agreement are not barred by this provision.

- (h) Applicant fails to comply in a material respect with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules or Chapter 313 of the Code.

Section 8.4 CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty and interest due in the event of a breach of this Agreement, the District shall determine the base amount of taxes owed less any Tax Credit under Article 6 of this Agreement for each year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such years less all credits under Article 6 had become due and payable on February 1 of the calendar year following such year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in the Code §33.01(a) or its successor statute provided however, that no penalties shall accrue until sixty (60) days after Applicant has received written notice from the District stating the amount due to the District. Interest on said amounts shall be calculated in accordance with the methodology set forth in the Code §33.01(c), or its successor statute.

Section 8.5 DISPUTE RESOLUTION

8.5.1 After the Applicant receives notice of breach from District as set out under Section 8.1.5, the Applicant shall have sixty (60) days to either (a) tender payment, (b) submit evidence of its efforts to cure, or (c) submit to the District written notice of dispute mediation. The mediation shall be conducted by a mutually agreeable mediator at a mutually convenient time and place. If no mediator is agreed upon by the Parties, a mediator shall be appointed by the judge of a state district court in the judicial district containing the administrative offices of the District. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. The Parties shall each bear one-half of the mediation fees and expenses.

8.5.2 In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 8.2 and as set forth in Chapter 33, Subchapters B and C of the Code. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to §§6.30 and 33.07 of the Code, or other applicable law.

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

ARTICLE 9- MISCELLANEOUS PROVISIONS

Section 9.1 NOTICES

All notices required to be sent under this Agreement shall be given in writing via certified mail, return receipt requested to the Parties hereto as follows:

To the District:

Name: Floydada Independent School District
Attn: Gilbert Trevino, Superintendent
(or the successor superintendent)
Address: P.O. Box 428
City/Zip: Floydada, Texas 79241
Phone #: (806) 983-3498
Fax #: (806) 983-5739
Email: gtrevino@floydadaisd.esc17.net

With a copy to:

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

To the Applicant:

Name: Shalini Ramanathan, Vice President
Address: RES America Development, Inc.
9050 Capital of Texas Highway North, Suite 390
City/Zip: Austin, TX 78759
Phone #: (512) 708-1538
Fax #: (512) 708-1757
Email: shalini.ramanatham@res-americas.com

Section 9.2 AMENDMENT

This Agreement may not be modified, amended, or terminated except by written mutual agreement of the District and the Applicant. No amendment to this Agreement shall be effective until the same is approved, accepted, and signed by the Parties.

Section 9.3 ASSIGNMENT

The Applicant may assign this Agreement, or a part of this Agreement, to an Affiliate, or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment or collaterally assign the Agreement to any party providing financing to the Applicant or its Affiliate provided that the Applicant shall provide written notice

of such assignment to the District. Upon such assignment Applicant shall remain liable to the District for all outstanding taxes and other obligations accrued under this Agreement prior to the date of such assignment and the Applicant's assignor shall be liable to the District for all outstanding taxes and other obligations accruing after the date of the assignment.

Section 9.4 ENTIRE AGREEMENT

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

Section 9.5 MAINTENANCE OF APPRAISAL DISTRICT RECORDS

When appraising an Applicant's Qualified Property subject to a limitation on Appraised Value under this Agreement, the chief appraiser(s) of the Appraisal District(s) shall determine the market value of the property and include both the market value and the appropriate value under this Agreement in its appraisal records.

Section 9.6 GOVERNING LAW AND VENUE

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law rules that would direct the application of the laws of another jurisdiction. The exclusive venue for any action between the Parties shall be in state district court in the county of the District's central administrative office.

Section 9.7 AUTHORITY TO EXECUTE AGREEMENT

By signing below, each of the Parties expressly warrants that he or she has been authorized to execute this Agreement for and on behalf of the respective Party.

Section 9.8 SEVERABILITY

Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement unless the invalidity of any provision(s) would have a material adverse effect on the purpose and intent of this Agreement. If the invalidity has a material adverse effect, the Parties shall make a good faith effort to renegotiate the terms of this Agreement consistent with the purpose and intent of the Parties prior to bringing any action.

Section 9.9 EXECUTION OF COUNTERPARTS

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

Section 9.10 ACCURACY OF REPRESENTATIONS IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application or which was provided to the District subsequent thereto. Applicant warrants that all information, facts, and representations contained therein are true and correct, to the best of Applicant's knowledge, except to the extent of changes to development plans made subsequent to filing of such Application to which District has agreed. The Parties agree that the Application and all related schedules and attachments are included by reference in this Agreement as if fully set forth herein. It is expressly understood and agreed that this Agreement shall be void and of no further effect if any material misrepresentations were made in the Application; provided that changes to development plans made subsequent to filing of such Application to which District has agreed shall not be governed by this provision.

Section 9.11 BINDING ON SUCCESSORS

In the event the District should merge or consolidate with another school district or other governmental entity, this Agreement shall be binding on the successor school district or governmental entity, and the duties and obligations of Applicant shall inure to the benefit of such successor school district or governmental entity.

Section 9.12 PUBLICATION

The Parties hereby acknowledge that certain documentation relating to the Application, including this Agreement and all economic analyses submitted to the District, are to be published for public inspection. Only information that is confidential under §313.028 of the Code may be excepted from publication.

Section 9.13 MORTGAGEE PROTECTION

District agrees that Applicant may mortgage, pledge, or otherwise encumber its interest in this Agreement or Applicant's Qualified Property to any financing party of lender or to any trustee or beneficiary under a deed of trust or to any master or special servicer (a "Mortgagee") for the purpose of financing operations of Qualified Property or constructing the Qualified Property or acquiring additional equipment following any initial phase of construction. Mortgagee shall be entitled to cure or commence cure of any such defaults in the same manner as Applicant.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on this 15th day of October, 2013.

LONGHORN WIND PROJECT, LLC
Texas Taxpayer ID No. 32050906182

By: _____ Date: _____

Printed Name: _____

FLOYDADA INDEPENDENT SCHOOL DISTRICT

By _____ Date: _____
Lyle Miller, President

Attest:

By _____

SCHEDULE 1.2

<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
0	January 1, 2013	2013-14	2013	No appraisal limitation.
1	January 1, 2014	2014-15	2014	No appraisal limitation.
2	January 1, 2015	2015-16	2015	No appraisal limitation.
3	January 1, 2016	2016-17	2016	\$10 million appraisal limitation.
4	January 1, 2017	2017-18	2017	\$10 million appraisal limitation. Possible tax credit for Applicant.
5	January 1, 2018	2018-19	2018	\$10 million appraisal limitation. Possible tax credit for Applicant.
6	January 1, 2019	2019-20	2019	\$10 million appraisal limitation. Possible tax credit for Applicant.
7	January 1, 2020	2020-21	2020	\$10 million appraisal limitation. Possible tax credit for Applicant.
8	January 1, 2021	2021-22	2021	\$10 million appraisal limitation. Possible tax credit for Applicant.
9	January 1, 2022	2022-23	2022	\$10 million appraisal limitation. Possible tax credit for Applicant.
10	January 1, 2023	2023-24	2023	\$10 million appraisal limitation. Possible tax credit for Applicant.
11	January 1, 2024	2024-25	2024	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
12	January 1, 2025	2025-26	2025	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
13	January 1, 2026	2026-27	2026	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.

SCHEDULE 1.3

DEFINITIONS

Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which the term is used clearly indicates a different meaning:

“Affiliate” means any person or entity which, directly or indirectly, through one or more entities, controls or is controlled by or is under direct or indirect common control of any such person or entity. For purposes of this definition “control” when used with respect to any person or entity, means (i) the ownership directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

“Aggregate Limit” means, for any year of this Agreement, the total of the Annual Limit amount for the current year and all previous years of the Agreement, less amounts paid by the Applicant to or on behalf of the District under Article 4.

“Agreement” means this Agreement.

“Annual Limit” means the maximum annual benefit that can be paid directly to the District under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for the first year of the Qualifying Time Period under this Agreement.

“Application Date” means the date as set forth in the Recitals.

“Applicant” means the company listed in the Preamble of this Agreement, who filed its Application with the District for a Limitation on Qualified Property on the Application Date, pursuant to Chapter 313 of the Code. The term shall also include the Applicant’s permitted successors in interest.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, Property Tax Code) which filing with the District by Applicant was completed on the Application Date (unless otherwise specified in the Recitals) by the tender of its Application fee.

“Appraisal District” means the Floyd County Appraisal District.

“Appraised Value” has the same meaning as in Section 1.04(8) of the Texas Tax Code.

“Comptroller” means the Texas Comptroller of Public Accounts.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in title 34 of the Texas Administrative Code or Chapter 313 of the Texas Tax Code, together with any court or administrative decisions interpreting same.

”County” means the County identified in the Preamble of this Agreement, which shall be the county in which the School District’s administrative offices are located.

“District” or ”School District” means the Floydada Independent School District listed in the Preamble of this Agreement, being a duly incorporated and operating independent school district in the State of Texas, having the power to levy, assess, and collect ad valorem taxes within its boundaries.

“District Funding Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to TEC §45.002 and Article VII §3 of the Texas Constitution. The term also includes all State revenues to which the District is or may be entitled under Chapters 41 and 42 of the TEC or any other statutory provision as well as any amendment or successor statute to these provisions. The term shall exclude any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEC.

“Enterprise Zone” means the District’s enterprise zone, if any, created pursuant to Chapter 2303 of the Texas Government Code and as further described by the legal description attached hereto as Schedule 2.1.

“Extraordinary Education-Related Expenses” means those additional expenses that the District incurs related to the project that are not directly funded in state aid formulas including, but not limited to, expenses for portable classrooms and hiring additional personnel attributable to increased enrollment due to project personnel.

“Force Majeure” means a failure caused by a provision of law, rules, regulations, or orders of any governmental authority having jurisdiction over the Applicant or the Qualified Investment, or any arrest, restraint, or decree of any court, natural disaster, riot, war, labor dispute, act of God, act of terrorism, or any other cause which inhibits performance and over which Applicant has no reasonable control.

“Maintain a Viable Presence” means the operation over the life of this Agreement of the facility, facilities, or property for which the tax limitation agreement is granted and the retention over the entire term of this Agreement, as defined in Section 1.2 above, of not fewer than the number of Qualifying Jobs and New Jobs required by the Code, or as found by the District’s Board of Trustees to exceed the industry standard for number of jobs provided that such number found by the Board of Trustees shall not exceed three (3) New Jobs as set forth in the Application. Applicant shall be deemed to have maintained a viable presence following an event of Force Majeure that halts facility operations so long as Applicant commences repairs and/or reconstruction of the damaged within one hundred eighty (180) days after the event of Force Majeure. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of the court or environmental agency.

“Maintenance and Operations Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to §45.002 of the Texas Education Code and Article VII § 3 of the Texas Constitution, plus all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions.

“Net Tax Savings” means an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article 3 of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 4.2.2 shall mean an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement for such year; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article 3 of this Agreement for such year.

“New Jobs” means the jobs defined by 34 Tex. Admin. Code §9.1051 and which Applicant will create by and through the project which is the subject of its Application. Under Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

“Qualified Investment” has the meaning as that term is defined in §313.021(1) of the Code.

“Qualified Property” has the meaning as that term is defined in §313.021(2) of the Code.

“Qualifying Job” means the number of New Jobs Applicant will create by and through the project that is the subject of this Application and which meet the requirements of Texas Tax Code §313.021(3).

“Qualifying Time Period” has the meaning as that term is defined in §313.021(4) of the Code.

“Reinvestment Zone” means the District’s Reinvestment Zone created pursuant to Code §312.0025 by action of the Board of Trustees or by the County and as further described by the description and/or depiction of said Reinvestment Zone attached hereto as Schedule 2.1, which is incorporated herein by reference for all purposes.

“School Finance Law” means Chapters 41 and 42 of the TEC, the Texas Economic Development Act (Chapter 313, Code), Chapter 403, Subchapter M, Texas Government Code

applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to the District either with or without the limitation of property values made pursuant to this Agreement.

"State" means the State of Texas.

"Tax Credit" means the credit to be received by the Applicant as computed under the provisions of Subchapter D of the Texas Economic Development Act and 34 Tex. Admin. Code §9.1056, provided that the Applicant timely complies with the requirements under such provisions, including the filing of a completed application under §313.103 of the Code and 34 Tex. Admin. Code §9.1054.

"Tax Limitation Amount" means the amount of Ten Million Dollars (\$10,000,000.00), for the purposes of this Agreement and §313.027 of the Code.

"Taxable Value" has the same meaning as in Section 1.04(10) of the Texas Tax Code.

SCHEDULE 2.1

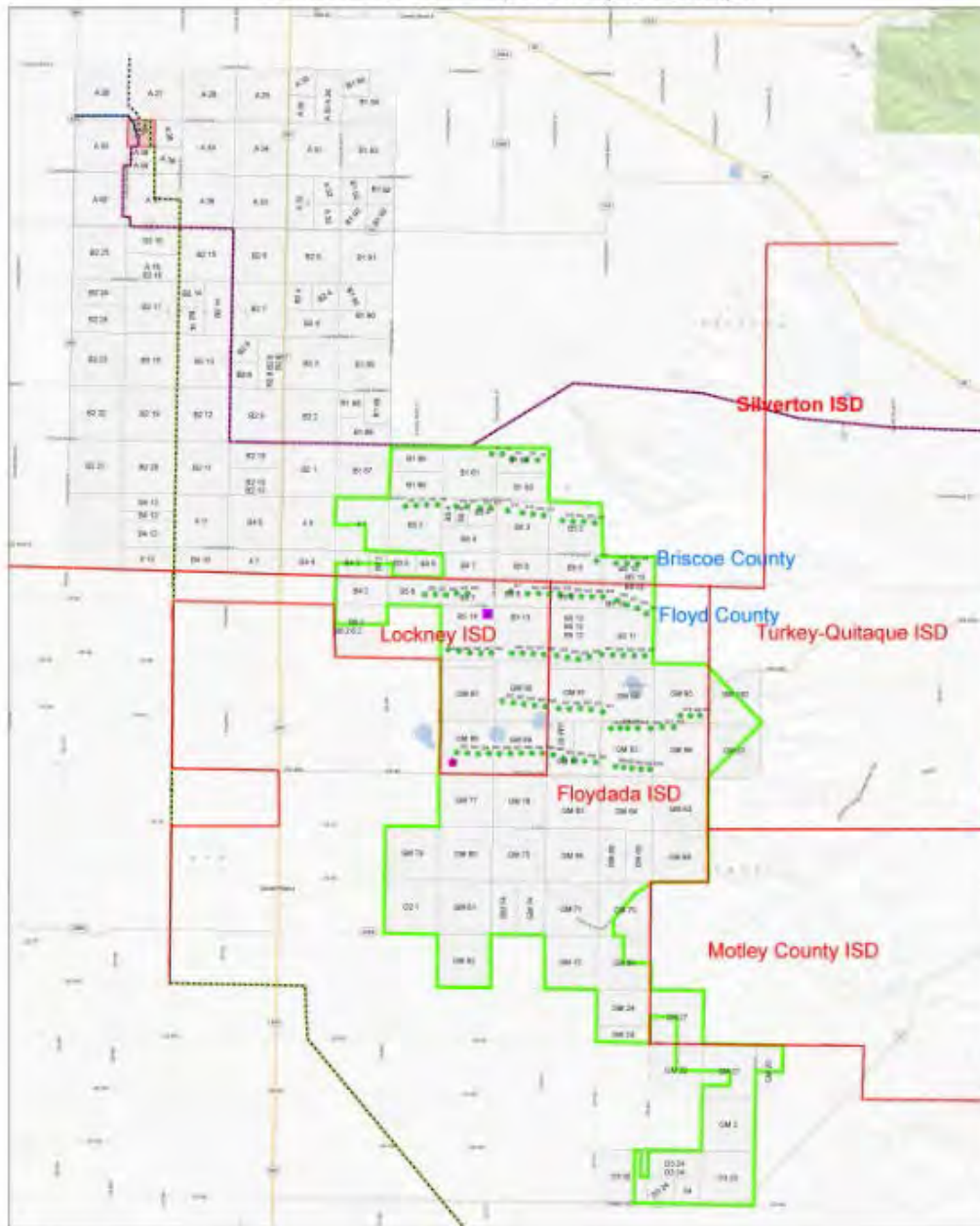
DESCRIPTION AND MAP OF REINVESTMENT ZONE and/or ENTERPRISE ZONE

Legal Description	Acreage	County	ISD
TR: N 3/8, BLK: GM, SURV: 81 GCSF RR	240	Floyd	Floydada
BLK: GM, SURV: 81 GCSF RR	400	Floyd	Floydada
TR: E/2, BLK: D-2, SURV: 1 GCSF RR	318	Floyd	Floydada
BLK: GM, SURV: 82 J A T PEARSON	640	Floyd	Floydada
BLK: GM, SURV: 79 GCSF RR	131	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: SW/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
TR: BLK: GM, SURV: 71 GCSF RR	221	Floyd	Floydada
TR: S/PT BLK: GM, SURV: 24 SOLON S BRANDT	200	Floyd	Floydada
TR: N/E, BLK: GM, SURV: 72 J B JENKINS	160	Floyd	Floydada
BLK: GM SURV: 24 R L HENRY	440	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	480	Floyd	Floydada
BLK: GM SURV: 70 JNO N FARRIS	26	Floyd	Floydada
TR: N/2, BLK: GM, SURV: 84 A BRUNSON	320	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: NW/4, BLK: GM SURV: 20 T J KELL	160	Floyd	Floydada
TR: W/PT OF S/PT BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: SW/PT OF NE/4 BLK: SURV: 22 JNO N FARRIS	63	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	149	Floyd	Floydada
BLK: GM, SURV: 70 JNO N FARRIS	129	Floyd	Floydada
BLK: GM, SURV: 65 GCSF RR	320	Floyd	Floydada
BLK: GM, SURV: 93 GCSF RR	629	Floyd	Floydada
BLK: GM, SURV: 64 R L HENRY	440	Floyd	Floydada
BLK: GM, SURV: 66 J N FARRIS	320	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 83 GCSF RR	318	Floyd	Floydada
TR: BLK: GM, SURV: 63 GCSF RR	640	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: W/2 LESS RR, BLK: GM, SURV: 68 I&GN RR	310	Floyd	Floydada
TR: NWW/4 BLK: D-3 SURV: 24 JC FORTENBERRY	160	Floyd	Floydada
TR: E/2 OF E/2 OF SE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
TR: W/2 OF W/2 OF NE/4 BLK: D-3 SURV: 30 JC FORTENBERRY	40	Floyd	Floydada
BLK: D-3 SURV: 23 EL&RR	640	Floyd	Floydada
TR: NE/4 BLK: D-3 SURV: 24 J C LACKEY	160	Floyd	Floydada
TR: SE/4 BLK: D-3 SURV: 24 J C FOX	160	Floyd	Floydada

TR: NE/4 BLK; GM SURV: 21 GCSF RR	160	Floyd	Floydada
TR: SE/PT BLK: GM SURV: 21 GCSF RR	32	Floyd	Floydada
TR: N/E OF SE/PT BLK: GM SURV: 21 GCSF	16	Floyd	Floydada
TR: NE/PT S/2 BLK: GM SURV: 21 GCSF RR	96	Floyd	Floydada
TR: NE/4, BLK: GM, SURV: 76 J D CHILDRESS	157	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 80 W D LONG	297	Floyd	Floydada
TR: SW/PT, BLK: GM, SURV: 77 GCSF RR	243	Floyd	Floydada
TR: NE/PT, BLK: GM, SURV: 88 W D LONG	97	Floyd	Floydada
TR: S/2, BLK: GM, SURV: 80 W D LONG	320	Floyd	Floydada
TR: E/2, NW/PT, BLK: GM, SURV: 77 GCSF	391	Floyd	Floydada
TR: S/2 BLK: D-2 SURV: 6 J J ROGERS	320	Floyd	Floydada
TR: E/2 SE/4 BLK: D-2 SURV: 8 J J ROGERS	80	Floyd	Floydada
TR: N/2 & SW/4 BLK: GM SURVEY: 2 J B JENKENS	480	Floyd	Floydada
TR: SE/4 BLK: GM SURV: 2 J B JENKENS	160	Floyd	Floydada
TR: OUT NE/PT BLK: SM SURV: 22 JNO N FARRIS	96	Floyd	Floydada
TR: NW/4 BLK: GM SURV: 21 GCSF RR	159	Floyd	Floydada
TR: N/PT, BLK: GM, SURV: 94 R N HAVERTY	92	Floyd	Floydada
BLK: GM, SURV: 94 M C POTTER	633	Floyd	Floydada
TR: W/2 E/2 NE/4 & W/2 E/2 SE/4 BLK: D-3 SURV: 30 J C FORTENBERRY	80	Floyd	Floydada
TR: NW/4, BLK: GM, SURV: 92 HENRIETTA HEWITT	160	Floyd	Floydada
TR: S/2 & NE/4, BLK: GM, SURV: 92 W B WILEY	468	Floyd	Floydada
TR: E/2 SW/4 BLK: D-3 SURV: 24 JC	80	Floyd	Floydada
BLK: GM, SURV: 75 GCSF RR	619	Floyd	Floydada
BLK: GM, SURV: 71 GCSF RR	391	Floyd	Floydada
TR: S/2 & NW/4 BLK: GM SURV: 72 JB JENKINS	480	Floyd	Floydada
TR: E/2, BLK: GM, SURV: 74 J B JENKINS	310	Floyd	Floydada
TR: W/2, BLK: GM, SURV: 74 W S MCNEIL	319	Floyd	Floydada
TR: W/2 SW/4 BLK: D-3 SURV: 24 J C FORTENBERRY	77	Floyd	Floydada
TR: W/2 SE/4 BLK: GM SURV: 69 GCSF RR	40	Floyd	Floydada
BLK: GM NW/PT SURV: 64 R L HENRY	200	Floyd	Floydada
TR: SE/4, BLK: GM, SURV: 76 J D CHILDRESS	160	Floyd	Floydada
BLK: D-2 SURV: 1 W/2 LESS NW/CR GCSF RR	311	Floyd	Floydada
BLK: GM SURV: 79 SE/CR OF SW/4 OF RR TRACK GCSF RR	18	Floyd	Floydada
BLK: GM SURV: 79 N OF RR TRACK GCSF RR	475	Floyd	Floydada
BLK: D-2 SURV: 1 NW/CR OF W/2 GCSF RR	6	Floyd	Floydada
BLK: B-5 SURV: 12 JNO D RHEA	320	Floyd	Floydada
TR: E/PT BLK: BGM SURV: 2 J A TAYLOR	35	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
TR: BLK: B-5 SURV: 12 JNO D RHEA	80	Floyd	Floydada
BLK: B-5 SURV: 9 BS&RF	347	Floyd	Floydada
TR: NE/4 BLK: B-5 SURV: 12 S E PRUDEN	140	Floyd	Floydada

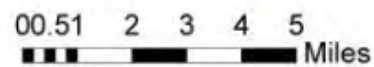
BLK: B-5 SURV: 11 BS&F	240	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	280	Floyd	Floydada
BLK: B-5 SURV: 11 BS&F	120	Floyd	Floydada
BLK: GM SURV: 96 W D LONG	637	Floyd	Floydada
TR: S NE/PT BLK: B-5 SURV: 10 J W COWART	163	Floyd	Floydada
TR: SW/PT BLK: B-5 SURV: 10 A J ASKEY	163	Floyd	Floydada
TR: S/2 BLK: B-5 SURV: 6 I P VERNON	320	Floyd	Floydada
S/PT; BLK: B-5; SURV: 8; SAM WHITLEY	30	Floyd	Floydada
BLK: GM SURV: 91 GCSF RR	640	Floyd	Floydada
TR: W/PT BLK: BGM SURV: 2 J A TAYLOR	49	Floyd	Floydada
TR: W/2 BLK: GM SURV: 83 GCSF RR	316	Floyd	Floydada
BLK: GM SURV: 95 GCSF RR	709	Floyd	Floydada
BLK: GM, SURV: 90 W D LONG	736	Floyd	Lockney
TR: E/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney
BLK: GM, SURV: 88 W D LONG	533	Floyd	Lockney
TR: W/2, BLK: GM, SURV: 87 GCSF RR	320	Floyd	Lockney
TR: E/50AC OF S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: W/50AC S/2 BLK: B-5 SURV: 8 E L AYERS	50	Floyd	Lockney
TR: E/2 BLK: B-5 SURV: 14 MAUDIE A MARSHALL	320	Floyd	Lockney
BLK: GM SURV: 1 J A DEAVENPORT	90	Floyd	Lockney
TR: NE/PT BLK: B-4 SURV: 2 J W DEAVENPORT	105	Floyd	Lockney
TR: S/2 BLK: B-4 SURV: 2 J W DEAVENPORT	215	Floyd	Lockney
TR: PT NW/4 BLK: B-6 SURV: 2 I P VERNON	50	Floyd	Lockney
TR: N & SE/PTS NE/4 BLK: B-6 SURV: 2 I P VERNON	135	Floyd	Lockney
TR: BLK: B-5 SURV: 13 BS&F	640	Floyd	Lockney
TR: W/PT S/2 BLK SURV: 8 E L AYERS	180	Floyd	Lockney
TR: BLK: B-5 SURV: 14 I P VERNON	320	Floyd	Lockney
AB 2376, BLK: B02 SURV: 2	100	Floyd	Lockney
BLK: B-5 SURV: 7 BS&F	353	Floyd	Lockney
E/40 AC S/2 BLK: B-5 SURV: 8 E L AYERS	40	Floyd	Lockney
TR: N/E, BLK: GM, SURV: 27 GCSF RR	160	Floyd	Motley County
TR: NW/4 BLK: GM SURV: 27 GCSF RR	160	Floyd	Motley County
TR: SE/4, BLK: GM, SURV: 27 GCSF RR	160	Floyd	Motley County

Longhorn Wind Project Reinvestment Zone
Briscoe and Floyd Counties
Confidential, Preliminary and Subject to Change



Legend

- Longhorn Reinvestment Zone
- Longhorn ISD Boundaries
- Longhorn Wind Energy Project Area
- Longhorn_200MW_Layout
- Longhorn Operations Building
- Longhorn Substation
- Sharyland's_CREZ_sub
- Sharyland's Silverton to Nazareth
- Sharyland's Silverton to White Deer
- Sharyland Silverton-Cottonwood
- Cross Texas Silverton-Tesla



SCHEDULE 2.3

DESCRIPTION OF QUALIFIED INVESTMENT AND/OR QUALIFIED PROPERTY

The property for which the Applicant is requesting an appraised value limitation shall include, but is not limited to, the following:

Applicant plans to construct an up to 300 MW wind farm in Briscoe and Floyd Counties. The current design is for approximately 200MW consisting of approximately fifty eight (58) wind turbines will be located in Floyd County, of which approximately twenty three (23) will be located in Floydada ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application the project anticipates using 2.0 MW turbines manufactured by Vestas, although final turbine selection may change. Should Longhorn Wind successfully negotiate a larger power purchase agreement or go with smaller wind turbines, the number of turbines could increase somewhat in Floydada ISD.

This application covers all Qualified Property within Floydada ISD necessary for the commercial operations of the wind farm. Qualified Investment and Qualified Property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

All of the improvements that make up the Qualified Investment and/or Qualified Property under this Agreement will be made within the project area, which is within the Reinvestment Zone as shown in Schedule 2.1.

None of the foregoing listed property is covered under an existing County Appraisal District account number.

All of the property for which the Applicant is seeking a limitation of appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.

SCHEDULE 3.2

CALCULATIONS FOR LOSS OF REVENUES BY DISTRICT

The District Funding Revenue amount owed by Applicant to District will equal:

- (a) Original District Funding Revenue minus New District Funding Revenue, where;
 - i. “Original District Funding Revenue” means the total State and local District Funding Revenue that the District would have received for the school year under the School Finance Law absent this Agreement, effective for said school year.
 - ii. “New District Funding Revenue” means the total State and local District Funding Revenue that the District actually received under the School Finance Law for said school year.
- (b) In making the calculations required by this Schedule 3.2:
 - i. The Taxable Value of property for each school year will be determined under the School Finance Law.
 - ii. All calculations using the Original District Funding Revenue and the New District Funding Revenue made for years three (3) through ten (10) of this Agreement shall be based upon the limitation of value on the Qualified Property using the Tax Limitation Amount so that Applicant is not responsible for protecting the District against any decrease in the amount of local ad valorem taxes collected.
 - iii. All calculations made under this Schedule shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.
 - iv. The calculation made under this Schedule cannot result in a negative number. In the event that the calculation is a negative number, the loss to the District under this Schedule will be considered to be zero.

CUMMINGS WESTLAKE LLC

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

May 24, 2013

Mr. Gilbert Trevino, Superintendent
Floydada Independent School District
226 W. California St.
Floydada, TX 79235

Re: Chapter 313 Job Waiver Request

Dear Mr. Trevino,

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

Longhorn Wind Project, LLC requests that the Floydada Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Longhorn Wind Project, LLC has committed to create 7 total jobs for the project, of which 3 will be in Floydada ISD.

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

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

Sincerely,



J. Weston Jackson
Partner