

FINDINGS
of the
***GROOM 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

GRANDVIEW WIND FARM, LLC

Comptroller Application Number 312

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

STATE OF TEXAS §
 §
COUNTY OF CARSON §

PREAMBLE

On the 12th day of December, 2013, a public meeting of the Board of Trustees of the Groom Independent School District (the “Board”) was held to solicit input from interested parties on the application by GRANDVIEW WIND FARM, LLC (“Grandview 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 Grandview 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 Groom Independent School District makes the following Findings regarding the Application:

On or about the 9th day of July, 2013, the Board of Trustees for the Groom Independent School District received an Application for an Appraised Value Limitation on Qualified Property from Grandview Wind, pursuant to Chapter 313 of the Texas Tax Code. 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 October 31, 2013, attached hereto as Attachment C. The Board agreed to consider such Application, and the District formally acknowledged receipt of the completed Application for consideration on behalf of the District on July 11, 2013. The Texas Comptroller of Public Accounts received the completed Application on or about July 11, 2013. Thereafter, on behalf of the Applicant, the District submitted Amendments to the Application, including: Amendment No. 001 on August 5, 2013 (updated wage data information), and the Comptroller issued its notice of completeness by letter dated August 21, 2013, the Application Review Start Date. A copy of the Application and Comptroller letter of August 21, 2013 are attached as Attachment A. The District also submitted to the Comptroller on behalf of the Applicant Amendment No. 002 on August 26, 2013 (amended page 10), and Amendment No. 003 on September 12, 2013 (reinvestment zone documents). The Application and Amendments Nos. 001, 002 and 003 are collectively referred to as the “Application.”

The Texas Taxpayer Identification number for Grandview Wind is 32051221722. Grandview 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 A, B and C.

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

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an economic impact evaluation to be conducted pursuant to §313.026 of the Texas Tax Code. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a recommendation on October 31, 2013 that the Application be approved. *See* Attachment C. The Board of Trustees has carefully considered such evaluation and recommendation. Copies of the Recommendation and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Groom Independent School District. A copy of a report prepared by 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 Groom 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 Grandview 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 December 4, 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 Grandview 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 Grandview Wind Farm, 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 Carson County and the region.

In support of this Finding, the information provided by the Comptroller's Office analyzes several economic factors and conditions, including population, employment and taxes. The Comptroller's Economic Impact Evaluation indicates the population growth of Carson County lagged behind that of the state in recent years. The state population grew by 1.8 percent between 2009 and 2010, while the population of Carson County decreased 1.0 percent over the same period. Carson County was the 194th largest county in population in 2010, and the 236th fastest growing county from 2009 to 2010.

September 2011 employment for Carson County, however, was up 0.8 percent from September 2010, while the state total employment increased 0.9 percent in this same period. The total employment in September 2011 was 3,099. The unemployment rate in Carson County was 5.4 percent in September 2011, which is an increase from 4.7 percent in September 2010. This was, however, lower than the state average of 8.5 percent for September 2011.

Carson County has lower per-capita personal income than the state as a whole. The average per-capita income for Carson County residents for 2009 was \$37,163, which ranked 57th among the 254 counties in Texas, but was down 0.2 percent from 2008. The Texas average was \$38,609 for the same period.

Taxable sales in Carson County through the fourth quarter of 2010 were \$15.97 million, down 1.8 percent from the same period in 2009. Taxable sales in the City of Groom through the fourth quarter of 2010 were \$2.12 million, which was up 9.3 percent from the same period in 2009.

Given recent income levels and sales tax activity, Carson County will benefit from economic activity like that associated with the Grandview 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. *See Attachment 3 and Tables 1 and 2 of Attachment D.*

Board Finding Number 3.

Based on the Application, the level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$31.1 million, based on five (5) qualifying positions to be allocated for the Grandview Wind project in Groom ISD.

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

The project's total investment is \$155.4 million, resulting in a relative level of investment per qualifying job of \$31.1 million.

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

Board Finding Number 4.

The average salary level of qualifying jobs is expected to be at least \$50,000 per year, which meets the requirements under Chapter 313 for an appropriate wage-level, and each qualifying job will receive benefits such as medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short-term and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave. Grandview Wind indicates that it will allocate five (5) new jobs within the District, all five (5) of which will be permanent jobs that 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 five new jobs when fully operational. All five 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 Panhandle Regional Planning Commission Region, where Carson County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$74,906. In addition to a salary of \$50,000, each qualifying position will receive the following benefits: medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange [sic] program for children of employees, 15 to 25 days of paid vacation I [sic] per year, 12 paid holidays per year, paid family and medical leave, and paid military leave.

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 reported in its Application, and later clarified in the Agreement, that it would create at least five (5) new jobs, all five (5) of which are qualifying jobs, to service and support approximately 68 GE turbines, which is in line with the requirement under Texas Tax Code § 313.051 and industry standards. See Attachments A and 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 Grandview Wind Farm, LLC's application, 'E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across the several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize in return on capital investment. Securing this Chapter 313 abatement with PISD will help make the Project more economically viable and competitive versus other investment options in this region.'

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 Grandview Wind Farm, 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 15 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.

(remainder of page intentionally left blank – see next page for Table 1)

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Grandview Wind Farm, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	100	104	204	\$5,000,000	\$7,000,000	\$12,000,000
2015	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2016	5	10	15	\$250,000	\$750,000	\$1,000,000
2017	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2018	5	7	12	\$250,000	\$750,000	\$1,000,000
2019	5	7	12	\$250,000	\$750,000	\$1,000,000
2020	5	7	12	\$250,000	\$750,000	\$1,000,000
2021	5	9	14	\$250,000	\$750,000	\$1,000,000
2022	5	7	12	\$250,000	\$750,000	\$1,000,000
2023	5	9	14	\$250,000	\$750,000	\$1,000,000
2024	5	5	10	\$250,000	\$750,000	\$1,000,000
2025	5	7	12	\$250,000	\$750,000	\$1,000,000
2026	5	1	6	\$250,000	\$750,000	\$1,000,000
2027	5	7	12	\$250,000	\$750,000	\$1,000,000
2028	5	5	10	\$250,000	\$750,000	\$1,000,000

Source: CPA, REMI, Grandview Wind Farm, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Groom ISD's ad valorem tax base in 2011 was \$65.5 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Groom ISD's estimated wealth per WADA was \$300,926. The impact on the facilities and finances of the district are presented in Attachment 2 [of the Comptroller's Economic Impact Evaluation].

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Carson County, and Groom Groundwater Conservation District #3, with all property tax incentives sought being granted using estimated market value from Grandview Wind Farm, LLC's application. Grandview Wind Farm, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Grandview Wind Farm, LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies (Before Credit Credited)	Groom ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes
				0.2320	1.1700			0.5162	0.0089	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$1,901,967	\$210,095	\$12,033	\$2,124,095
2016	\$130,234,576	\$10,000,000		\$302,144	\$117,000	\$419,144	\$419,144	\$201,691	\$11,552	\$632,387
2017	\$124,808,136	\$10,000,000		\$289,555	\$117,000	\$406,555	\$299,380	\$193,287	\$11,070	\$503,737
2018	\$119,381,695	\$10,000,000		\$276,966	\$117,000	\$393,966	\$287,713	\$184,883	\$10,589	\$483,185
2019	\$113,955,254	\$10,000,000		\$264,376	\$117,000	\$381,376	\$276,155	\$411,786	\$10,108	\$698,048
2020	\$108,528,814	\$10,000,000		\$251,787	\$117,000	\$368,787	\$264,705	\$392,177	\$9,627	\$666,508
2021	\$103,102,373	\$10,000,000		\$239,198	\$117,000	\$356,198	\$253,363	\$372,568	\$9,145	\$635,077
2022	\$97,675,932	\$10,000,000		\$226,608	\$117,000	\$343,608	\$242,619	\$352,959	\$8,664	\$604,242
2023	\$92,249,492	\$10,000,000		\$214,019	\$117,000	\$331,019	\$231,007	\$333,350	\$8,183	\$572,540
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$636,952	\$448,202	\$7,701	\$1,092,855
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$1,141,180	\$420,190	\$7,220	\$1,568,590
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$1,065,102	\$392,177	\$6,739	\$1,464,017
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$989,023	\$364,164	\$6,257	\$1,359,445
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$912,944	\$336,152	\$5,776	\$1,254,872
						Total	\$8,921,254	\$4,613,682	\$124,663	\$13,659,600

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Grandview Wind Farm, 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	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes	
				0.2320	1.1700		0.5162	0.0089		
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$700,316	\$12,033	\$2,614,317	
2016	\$130,234,576	\$130,234,576		\$302,144	\$1,523,745	\$1,825,889	\$672,303	\$11,552	\$2,509,744	
2017	\$124,808,136	\$124,808,136		\$289,555	\$1,460,255	\$1,749,810	\$644,291	\$11,070	\$2,405,171	
2018	\$119,381,695	\$119,381,695		\$276,966	\$1,396,766	\$1,673,731	\$616,278	\$10,589	\$2,300,599	
2019	\$113,955,254	\$113,955,254		\$264,376	\$1,333,276	\$1,597,653	\$588,266	\$10,108	\$2,196,026	
2020	\$108,528,814	\$108,528,814		\$251,787	\$1,269,787	\$1,521,574	\$560,253	\$9,627	\$2,091,453	
2021	\$103,102,373	\$103,102,373		\$239,198	\$1,206,298	\$1,445,495	\$532,240	\$9,145	\$1,986,881	
2022	\$97,675,932	\$97,675,932		\$226,608	\$1,142,808	\$1,369,417	\$504,228	\$8,664	\$1,882,308	
2023	\$92,249,492	\$92,249,492		\$214,019	\$1,079,319	\$1,293,338	\$476,215	\$8,183	\$1,777,735	
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$448,202	\$7,701	\$1,673,163	
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$420,190	\$7,220	\$1,568,590	
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$392,177	\$6,739	\$1,464,017	
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$364,164	\$6,257	\$1,359,445	
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$336,152	\$5,776	\$1,254,872	
						Total	\$19,704,383	\$7,255,275	\$124,663	\$27,084,321

Source: CPA, Grandview Wind Farm, LLC

¹Tax Rate per \$100 Valuation

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

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, based on Grandview Wind's Application, that the project would add \$135,661,017 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. See Table I of Attachment E. In addition, the projected revenue gains from the proposed Agreement would be approximately \$160,691, based on \$100 per student per year in average daily attendance. See Table VI of Attachment E, and Table 2 of Attachment D.

Board Finding Number 9.

The effect of the applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Groom ISD can easily accommodate the projected student growth 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 Grandview Wind expects five (5) new full-time jobs in the District, all five (5) of which meet the criteria of qualifying jobs. 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 provide three (3) new students to the District. It is believed that Groom ISD will easily be able to accommodate new students, if any, which may result from these new jobs. See Table VII of Attachment E. The District must plan to educate all students who reside within its boundaries, and the number of new students could vary widely depending on the number of construction jobs and workers present during the construction phase of Grandview Wind's 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 (2) years, fifteen (15) projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code Chapter 313.

Board Finding Number 11.

The Board finds that the total investment of the Applicant is \$155,422,500, and the projected market value of the qualified property of the Applicant is \$135,661,017, as determined by the Comptroller.

See Table 2 of Attachment D; see also Table I of Attachment E.

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 shown in Table II of Attachment E, and is based on the assumption that the projected total maintenance and operations rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as follows:

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	1.1700	0.213	0	0	n/a	0	0
2015-2016	1.0400	0.074	1,410,875	0	n/a	0	0
2016-2017	1.1700	0.076	1,523,745	1,406,745	n/a	(115,675)	1,291,069
2017-2018	1.1700	0.078	1,460,255	1,343,255	107,175	(27,825)	1,422,605
2018-2019	1.1700	0.080	1,396,766	1,279,766	106,253	(29,952)	1,356,066
2019-2020	1.1700	0.082	1,333,276	1,216,276	105,222	(11,758)	1,309,740
2020-2021	1.1700	0.084	1,269,787	1,152,787	104,082	(9,160)	1,247,709
2021-2022	1.1700	0.086	1,206,298	1,089,298	102,834	(3,573)	1,188,559
2022-2023	1.1700	0.087	1,142,808	1,025,808	100,989	0	1,126,797
2023-2024	1.1700	0.090	1,079,319	962,319	100,012	0	1,062,331
2024-2025	1.0400	0.092	902,960	0	580,308	0	580,308
2025-2026	1.1700	0.095	852,340	0	0	0	0
2026-2027	1.1700	0.098	888,851	0	0	0	0
Totals			14,567,280	9,476,254	1,306,875	(197,944)	10,585,185

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 (as noted in Finding No. 7 above), and is based on the assumption that the projected total maintenance and operations rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as follows:

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	1.1700	0.213	0	0	n/a	0	0
2015-2016	1.0400	0.074	1,410,875	0	n/a	0	0
2016-2017	1.1700	0.076	1,523,745	1,406,745	n/a	(115,675)	1,291,069
2017-2018	1.1700	0.078	1,460,255	1,343,255	107,175	(27,825)	1,422,605
2018-2019	1.1700	0.080	1,396,766	1,279,766	106,253	(29,952)	1,356,066
2019-2020	1.1700	0.082	1,333,276	1,216,276	105,222	(11,758)	1,309,740
2020-2021	1.1700	0.084	1,269,787	1,152,787	104,082	(9,160)	1,247,709
2021-2022	1.1700	0.086	1,206,298	1,089,298	102,834	(3,573)	1,188,559
2022-2023	1.1700	0.087	1,142,808	1,025,808	100,989	0	1,126,797
2023-2024	1.1700	0.090	1,079,319	962,319	100,012	0	1,062,331
2024-2025	1.0400	0.092	902,960	0	580,308	0	580,308
2025-2026	1.1700	0.095	952,340	0	0	0	0
2026-2027	1.1700	0.098	888,851	0	0	0	0
Totals			14,567,280	9,476,254	1,306,875	(197,944)	10,585,185

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 8, 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. The economic impact from Grandview Wind's project on the State of Texas, local employment levels and personal income is shown, 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; See also Finding No. 7, Table 2, at p. 8.

Board Finding Number 17.

Assuming that Applicant would still construct is renewable 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 14 from the projected taxes stated in Finding Number 13 is shown in Table II of Attachment E (column labeled “Tax Savings with Agreement,” which is highlighted in Finding No. 14, page 11). See also difference between Table 3 and Table 2, Finding No. 7, page 8.

Board Finding Number 18.

The Board of Trustees hired consultants to review and verify the information in the Application from Grandview 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. 32051221722) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity (See Attachments B and C).

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, 4, 5, 6, 7 and 8 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. See Table II in Attachment E.

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

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

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

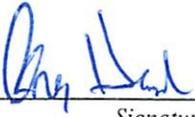
IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment G is APPROVED and is hereby authorized to be executed and delivered by the Trustee whose signature appears below on behalf of the Groom Independent School District, along with a copy of the these Findings, which shall be binding upon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

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

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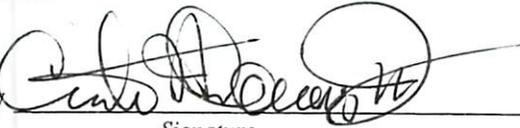
Dated this 12th day of December, 2013.

Groom Independent School District

By 
Signature

Greg Henricks VP.
Printed Name and Title

Attest:

By 
Signature

Curtis H. Downs, III Notary
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's 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	December 4, 2013 Agreement approval letter from Comptroller
I	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



August 21, 2013

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

Dear Superintendent Lamb:

On July 11, 2013, the Comptroller's office received from Groom Independent School District (Groom ISD) an application from Grandview Wind Farm, 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 written over a horizontal line.

Robert Wood
Director
Economic Development & Analysis

cc: Fred Stormer, Underwood Law Firm, P.C.
Paul Bowman, EC&R Development, LLC



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 7-9-13
First Name Jay	Last Name Lamb	
Title Superintendent		
School District Name Groom Independent School District		
Street Address 304 W. 3rd St.		
Mailing Address		
City Groom	State TX	ZIP 79039
Phone Number 806-248-7474	Fax Number 806-248-7949	
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



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name: Fred, Last Name: Stormer

Title:

Firm Name: Underwood Law Firm, P.C.

Street Address: 500 S. Taylor Suite 1200 LB 233

Mailing Address:

City: Amarillo, State: TX, ZIP: 79101

Phone Number: 806-376-5613, Fax Number: 806-379-0316

Mobile Number (Optional):, E-mail Address: fred.stormer@uwlaw.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): [Handwritten Signature], Date: 7-9-2013

Has the district determined this application complete? [X] Yes [] No

If yes, date determined complete. 7-11-13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? [] Yes [X] No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed. Rows include: 1 Date application received by the ISD, 2 Certification page signed and dated by authorized school district representative, 3 Date application deemed complete by ISD, 4 Certification pages signed and dated by applicant or authorized business representative of applicant, 5 Completed company checklist, 6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application) with handwritten note 'will supplement'.

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Paul		Last Name Bowman	
Title Sr. Vice President			
Organization EC&R Development, LLC			
Street Address 701 Brazos Street, Suite 1400			
Mailing Address			
City Austin		State TX	ZIP 78701
Phone Number 512-484-4027		Fax Number 512-494-9581	
Mobile Number (optional) 512-423-1878		Business e-mail Address paul.bowman@eon.com	

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 Sean		Last Name Logsdon	
Title Vice President, SW Development			
Organization EC&R Development			
Street Address 701 Brazos Street, Suite 1400			
Mailing Address			
City Austin		State TX	ZIP 78701
Phone Number 512-482-4021		Fax Number 512-494-9581	
Mobile Number (optional) 405-200-8279		E-mail Address sean.logsdon@eon.com	

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

Will consultant be primary contact? Yes No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

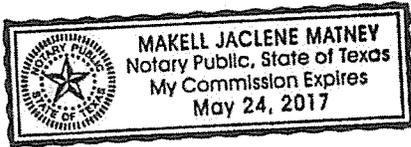
First Name NA		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Business email Address			

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.

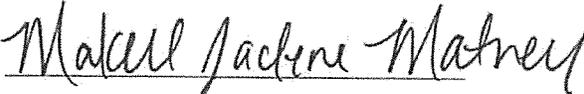
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant)) 	Date July 9th, 2013
Sr. Vice President, Paul Bowman	

GIVEN under my hand and seal of office this 9th day of July, 2013



(Notary Seal)


 Notary Public, State of Texas

My commission expires May 24th, 2017

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

Grandview Wind Farm, LLC

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

32051221722

NAICS code

221119

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.

Please see attached on Checklist Item 3

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)

Please see Checklist Item 4 for a complete project description.

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

Please see Checklist Item 4 for a complete project description.

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs
- Construct New Facility
- New Business / Start-up
- Expand Existing Facility
- Relocation from Out-of-State
- Expansion
- Purchase Machinery & Equipment
- Consolidation
- Relocation within Texas

PROJECTED TIMELINE

Begin Construction Fourth Quarter 2013 Begin Hiring New Employees First Quarter 2014
 Construction Complete Third Quarter 2013 Fully Operational Fourth Quarter 2014
 Purchase Machinery & Equipment Third Quarter 2013

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? Second Quarter 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
NA	
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.)

Grandview Wind Farm, LLC will pursue a Chapter 313 with Panhandle ISD and a Chapter 312 with Carson County.

THE PROPERTY

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

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

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: Carson County (100%) City: _____
(Name and percent of project) (Name and percent of project)

Hospital District: _____ Water District: Panhandle Ground Water District (100%)
(Name and percent of project) (Name and percent of project)

Other (describe): Panhandle ISD (42%) Other (describe): _____
(Name and percent of project) (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.

Approximately 58% of the project is located in Groom ISD and 42% of the project is located in Panhandle ISD. Please see attached map on Checklist Item 14.



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? \$10,000,000.00

What is the amount of appraised value limitation for which you are applying? \$10,000,000.00

What is your total estimated qualified investment? \$155,422,500.00

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? October 18, 2013

What is the anticipated date of the beginning of the qualifying time period? October 18, 2013

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? \$155,422,500.00

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? [X] 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? [X] 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? [X] Yes [] No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] 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? [X] Yes [] No

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

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] 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 [X] 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? August 1, 2013

Will the applicant own the land by the date of agreement execution? [] Yes [X] No

Will the project be on leased land? [X] 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. NA
(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)? Zero

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

- First Quarter Second Quarter Third Quarter Fourth Quarter of 2013
(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?
Zero

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 Five

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? Five

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 website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,584.55
110% of the county average weekly wage for manufacturing jobs in the county is NA
110% of the county average weekly wage for manufacturing jobs in the region is \$885.28

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? \$46,035.00

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? \$50,000.00

- 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? Up to 70%

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.)

Please see Checklist Item 15.

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	See Checklist Item 23
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	will supplement
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	will supplement
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	will supplement
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	will supplement

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

Checklist Item 1

See executed application attached.

Checklist Item 2

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)*

Checklist Item 3



05 165
(9/09/21)
Tcode 1329B

TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: **1 7 4 3 2 4 5 0 5 4 6**
 Report year: **2 0 1 1**
 Reporting entity taxpayer name: **E.ON North America Holdings, LLC**

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

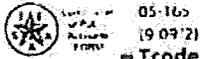
Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Texas Comptroller Official Use Only



VI-DI FM





05-165
(9/09/21)
Tcode 13798

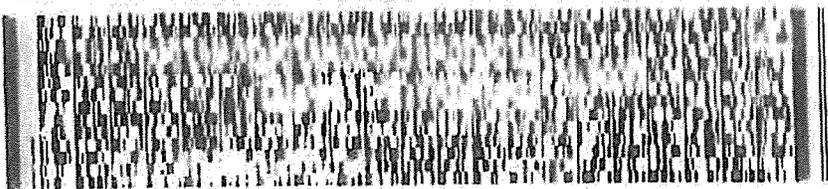
TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: **1 7 4 3 2 4 5 0 5 4 6**
 Report year: **2 0 1 1**
 Reporting entity taxpayer name: **E.ON North America Holdings, LLC**

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)										BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS	
1. STONY CREEK WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
2. EC&R PANTHER CREEK WF III HOLDCO, LLC	3	2	0	3	7	4	3	1	6	4	3	<input checked="" type="checkbox"/>
3. EC&R PANTHER CREEK WIND FARM III, LLC	3	2	0	3	7	4	3	1	6	6	8	<input type="checkbox"/>
4. VENADO WIND FARM, LLC	3	2	0	3	8	4	0	5	9	0	1	<input type="checkbox"/>
5. SETTLERS TRAIL WIND FARM, LLC	2	7	2	3	0	1	2	4	5			<input checked="" type="checkbox"/>
6. PIONEER TRAIL WIND FARM, LLC	8	0	0	6	4	2	2	8	0			<input checked="" type="checkbox"/>
7. FLATLANDS WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
8. EC&R INVESTCO MGMT II, LLC	9	0	0	5	4	4	2	4	8			<input checked="" type="checkbox"/>
9. CORDOVA WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
10. MAGIC VALLEY WIND FARM I, LLC	3	2	0	4	2	8	4	5	6	4	7	<input type="checkbox"/>
11. EC&R NA SOLAR PV, LLC	3	2	0	4	3	7	1	6	9	8	7	<input checked="" type="checkbox"/>
12. EC&R FINCO 2008, LLC	3	2	0	3	3	2	4	3	7	5	2	<input checked="" type="checkbox"/>
13. NV POWER, L.P.	3	2	0	3	5	4	5	0	8	9	2	<input type="checkbox"/>
14. AIRTRICITY RENEWABLE GENERATION CENTE	3	2	0	3	5	3	8	4	4	9	7	<input type="checkbox"/>
15. RENEWABLE GENERATION HOLDINGS INC.	1	7	1	0	8	8	1	5	2	8	7	<input type="checkbox"/>
16. E.ON CLIMATE & RENEWABLES NORTH AMERIC	1	2	0	0	0	7	5	1	6	8	0	<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 05-164 (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



VE/DE	TM	
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Checklist Item 4

Project Description – Grandview Wind Farm, LLC

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.

Applicant is developing the Grandview Wind Farm (the "Project"). The Project will consist of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The Project may consist of up to 118 wind turbine generators, with a capacity of 1.6 megawatts to 2.4 megawatts per generator. Applicant anticipates commencing construction in the fourth quarter of 2013 and completing construction within one (1) year thereafter. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.

The Project will be located entirely within Carson County, Texas and within the Panhandle Independent School District (PISD) and Groom Independent School District (GISD) containing approximately 100% of the qualified investment.

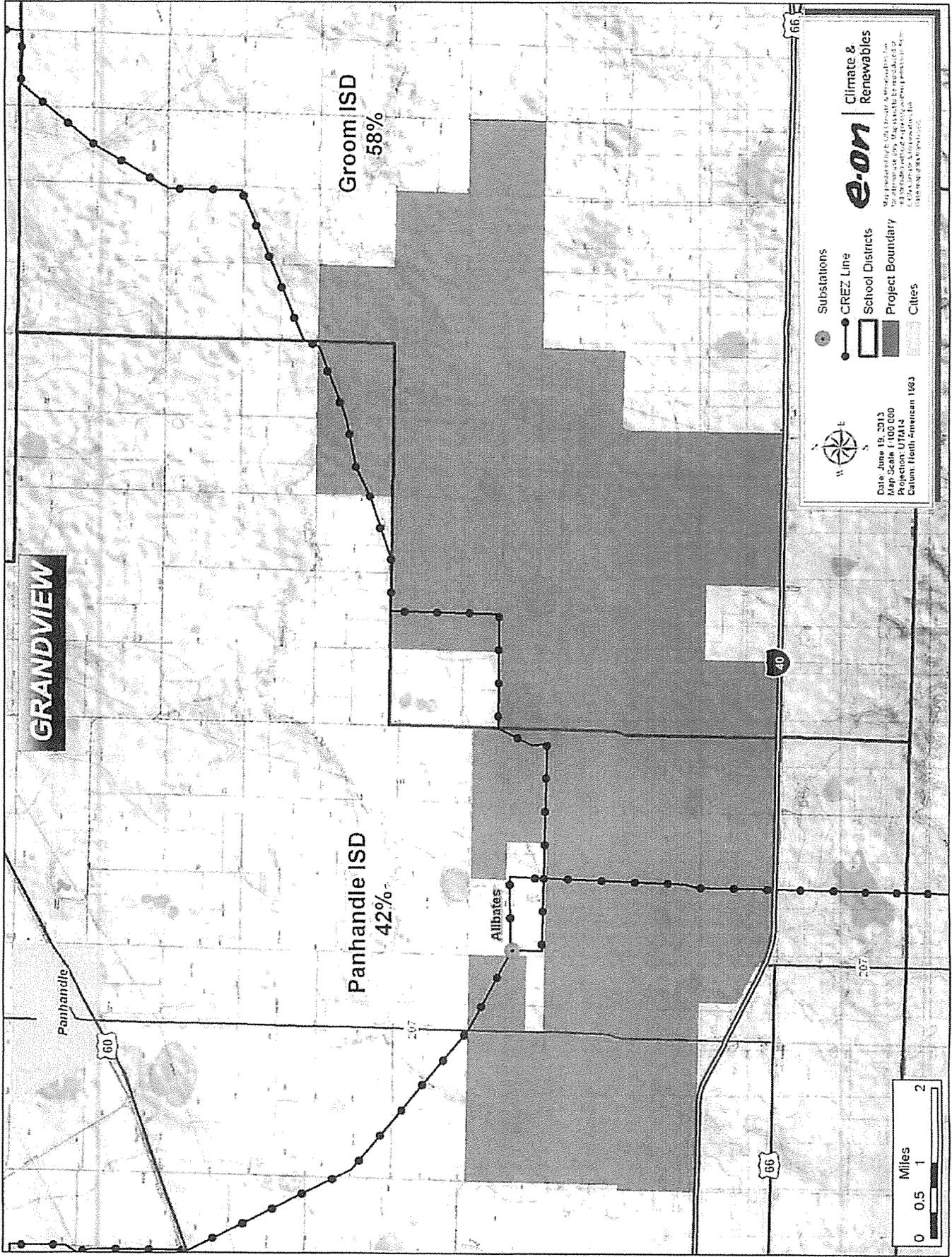
Current land use for the private property within the Reinvestment Zone consists of farming, ranching, and oil and gas production.

The Project layout is not finalized at this time and we are unable to precisely pinpoint the final location of the wind turbine generators as stated above.

Ability to Relocate

E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across the several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize in return on capital investment. Securing this Chapter 313 abatement with GISD will help make the Project more economically viable and competitive versus other investment options in this region.

Checklist Item 5



Checklist Item 6

CHECKLIST ITEM #6

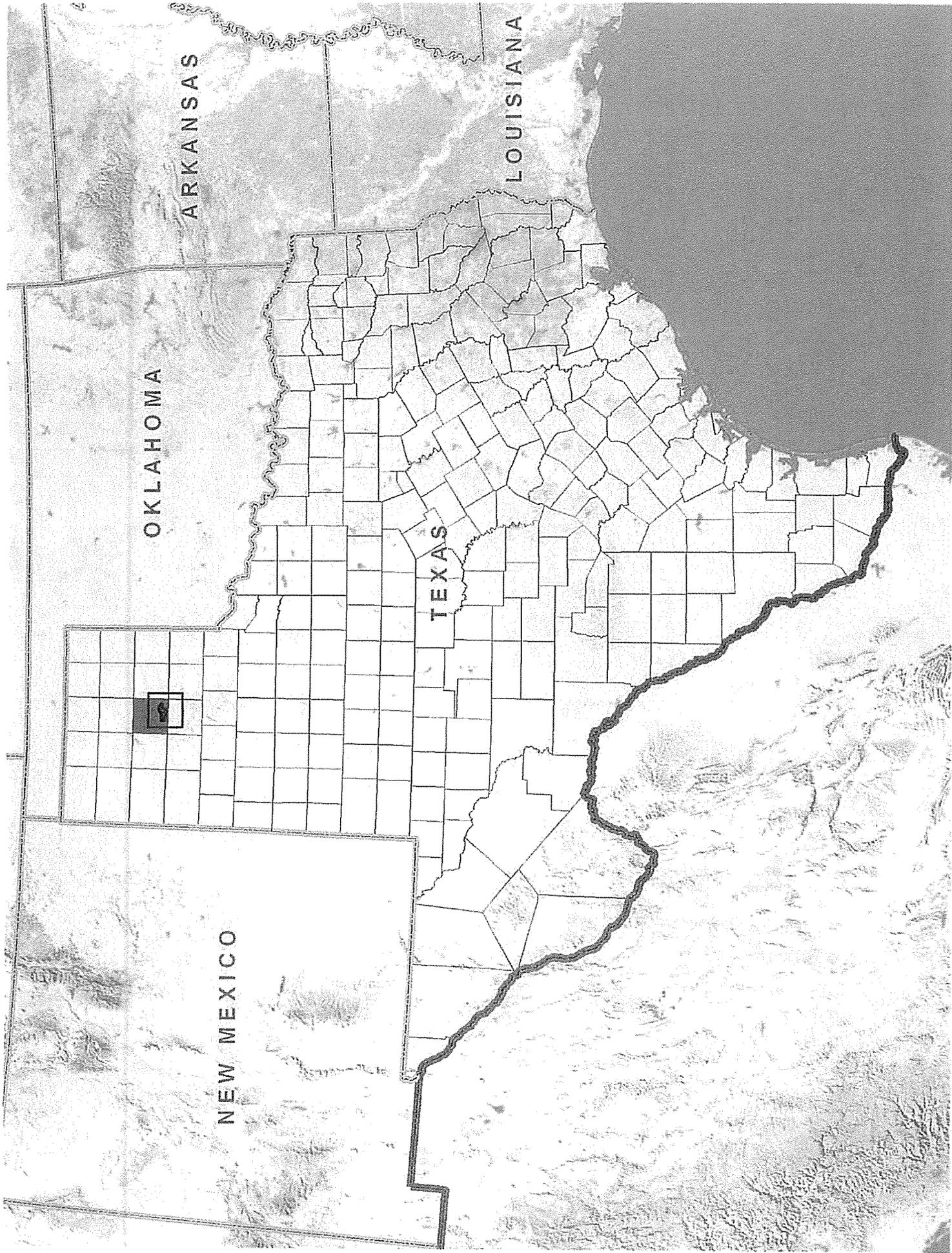
Description of Qualified Investment / Qualified Property

Grandview Wind Farm, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200.6 megawatts (the "Grandview Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install 118 GE 1.7 megawatt turbines on property in Carson County, TX.

The additional improvements for the Grandview Project may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 118 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including two 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 4.5 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

Checklist Item 7



OKLAHOMA

ARKANSAS

LOUISIANA

TEXAS

NEW MEXICO

Checklist Item 8

CHECKLIST ITEM #8

Description of Qualified Investment / Qualified Property

Grandview Wind Farm, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200.6 megawatts (the "Grandview Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install 118 GE 1.7 megawatt turbines on property in Carson County, TX.

The additional improvements for the Grandview Project may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- 118 wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including two 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 4.5 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

Checklist Item 9



July 9, 2013

Honorable Susan Combs
Texas Comptroller of Public Accounts
P.O. Box 13528, Capitol Station
Austin, Texas 78711-3528

Re: Grandview Wind Farm, LLC

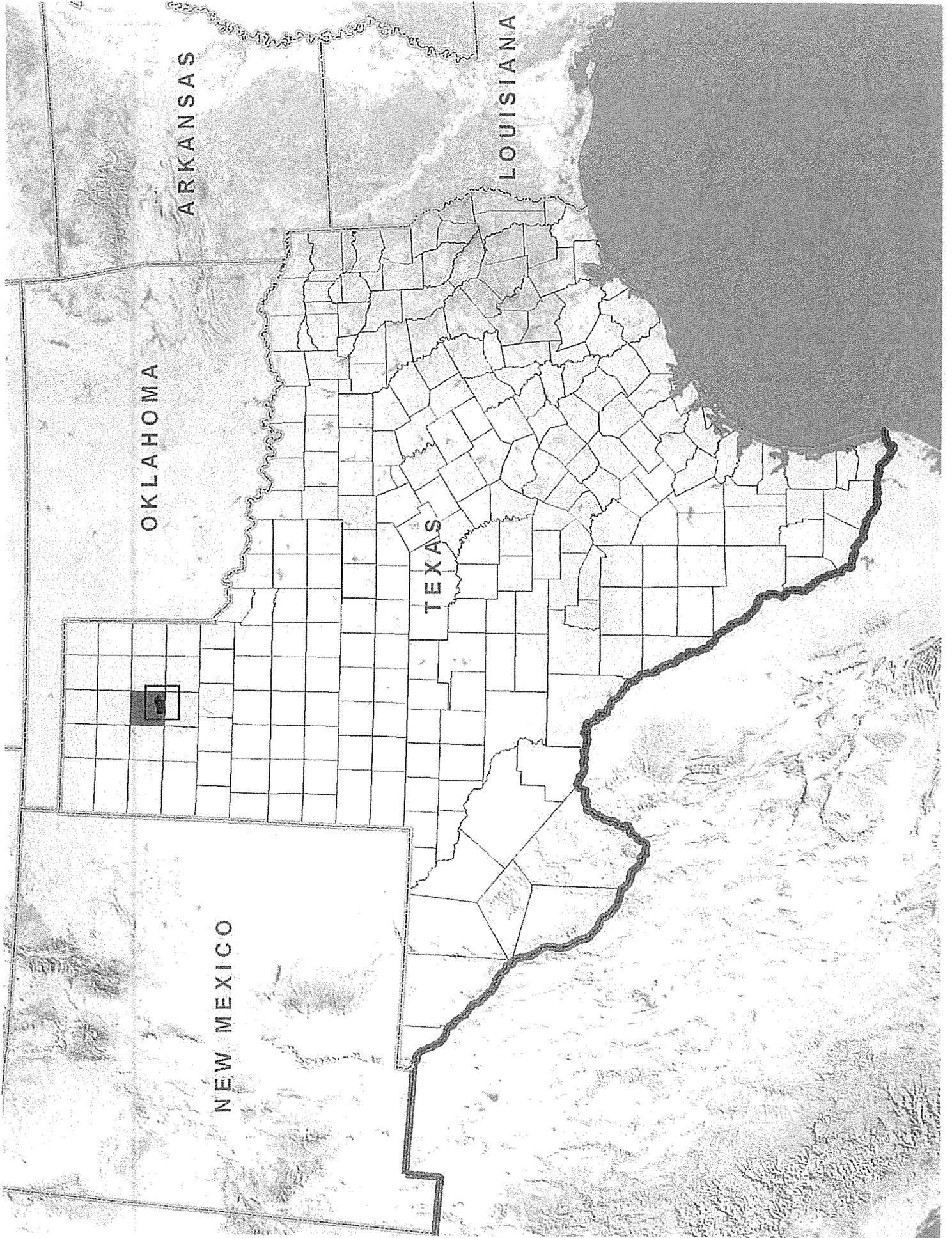
Honorable Susan Combs:

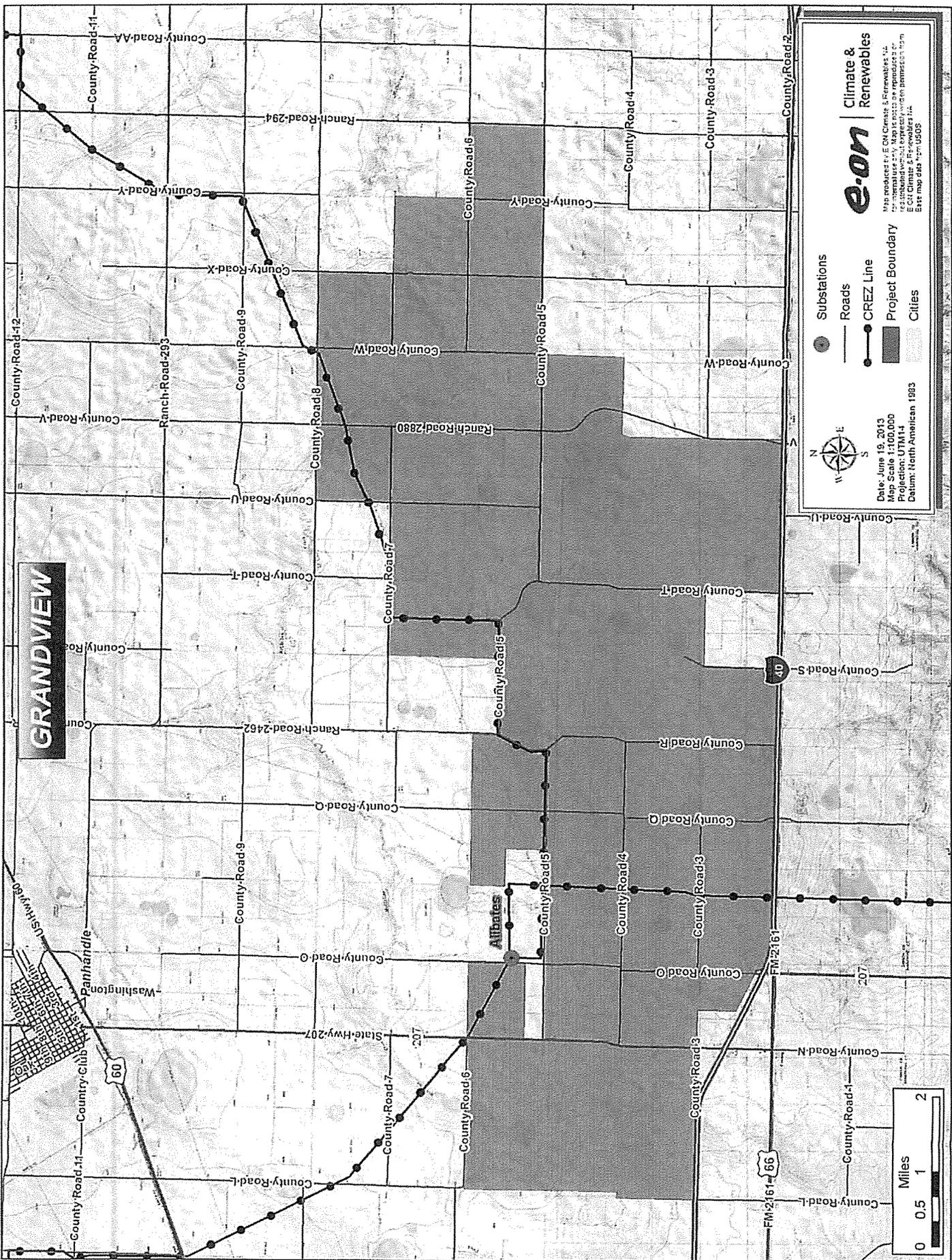
The project layout is not finalized at this time and we are unable to precisely pinpoint the final location the wind turbine generators. The project may consist of up to 118 wind turbine generators, with a capacity of 1.6 megawatts to 2.4 megawatts per generator.

With kind regards,

A handwritten signature in black ink, appearing to read "PB", followed by a long horizontal flourish line.

Paul Bowman
Sr. Vice President, Development





GRANDVIEW

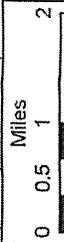


Date: June 19, 2013
 Map Scale: 1:100,000
 Projection: UTM13
 Datum: North American 1983

- Substations
- Roads
- CREZ Line
- Project Boundary
- Cities



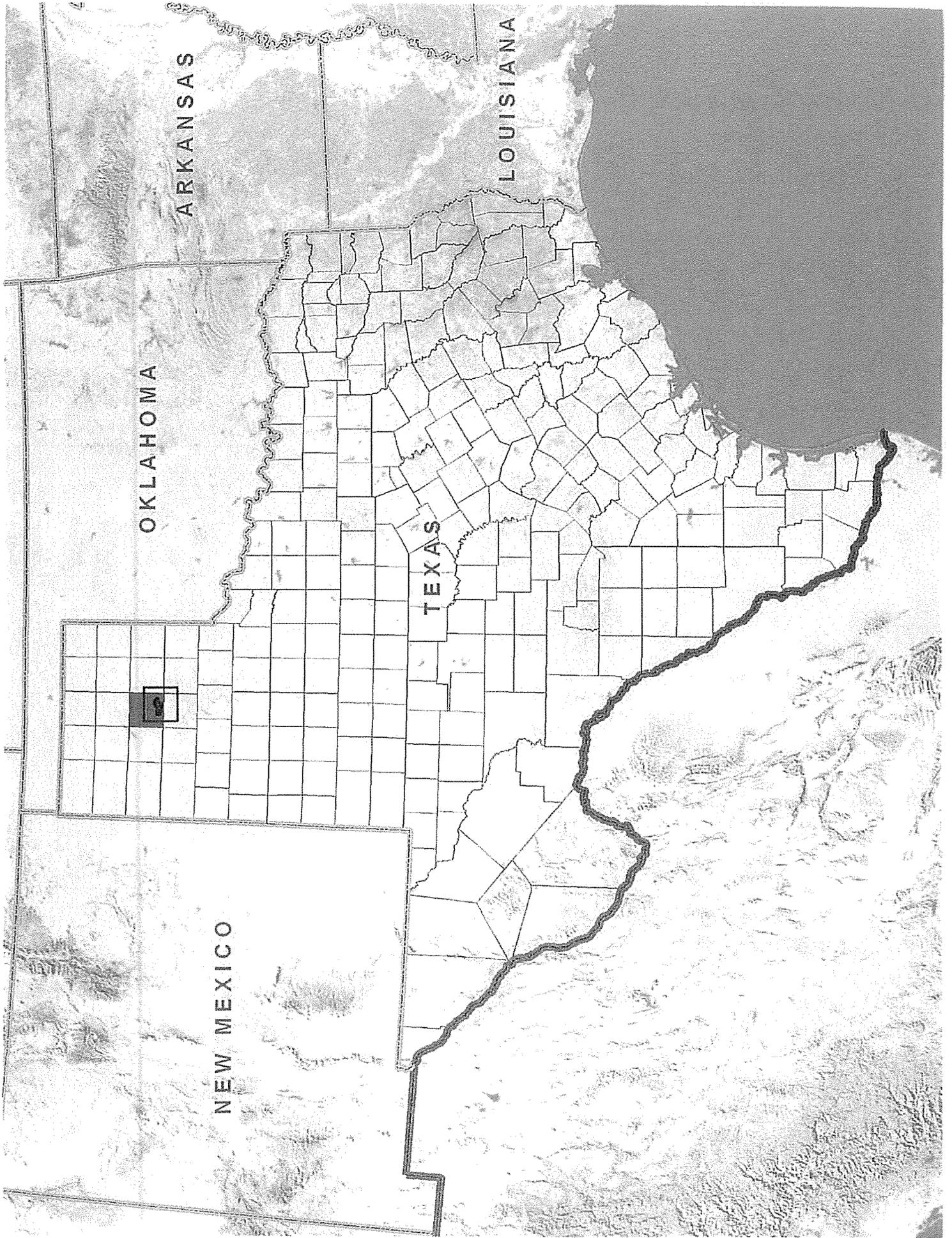
Map produced by E.ON Climate & Renewables, Inc.
 for internal use only. Map is not to be reproduced or
 distributed without express written permission from
 E.ON Energy Research Center, Inc.
 Date map data: 12/15/2005



Checklist Item 10

Please see Checklist Item 23.

Checklist Item 11



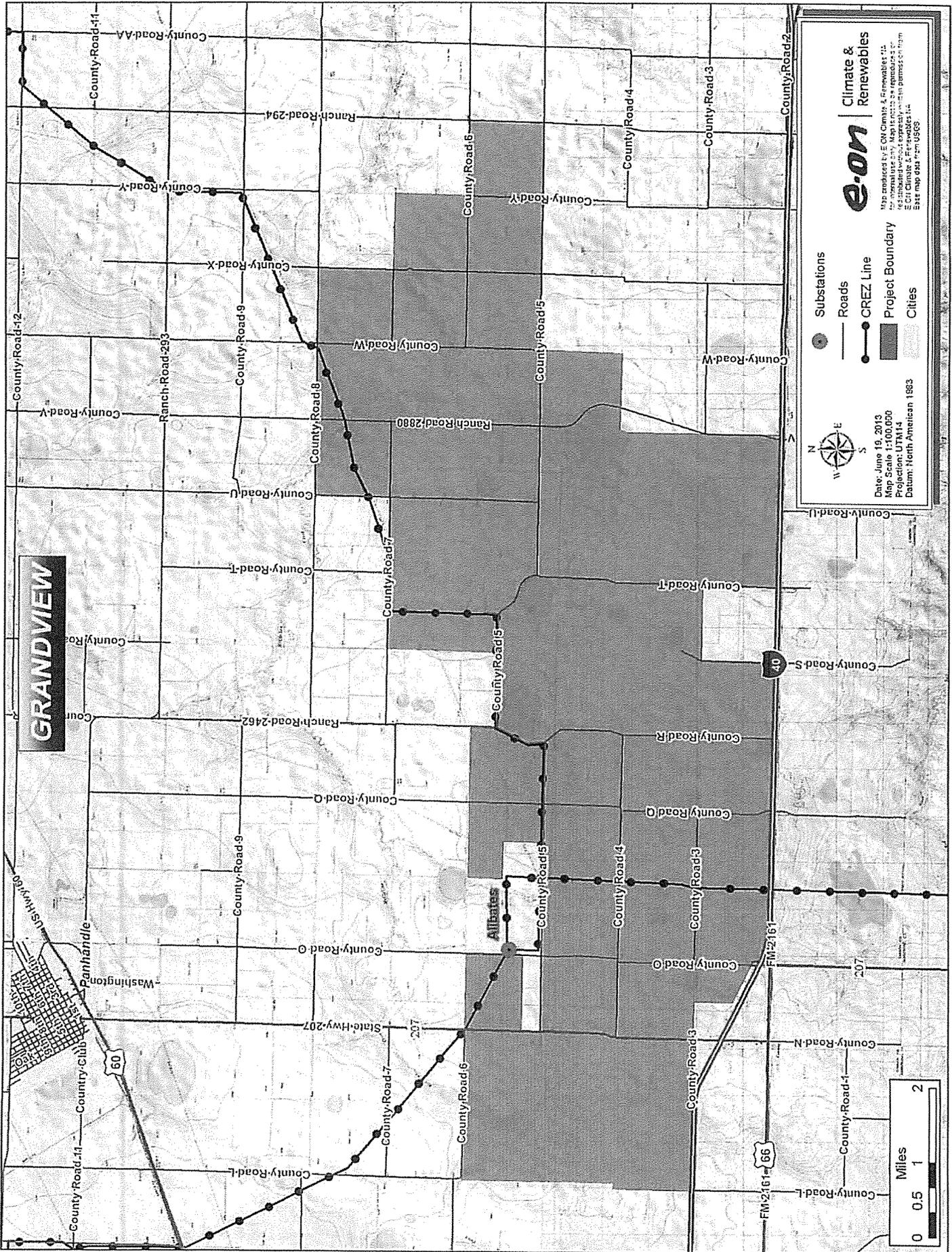
OKLAHOMA

ARKANSAS

TEXAS

LOUISIANA

NEW MEXICO



GRANDVIEW

e-on Climate & Renewables

Map prepared by E.ON Climate & Renewables LLC for planning only. Map reflects an approximate location and should not be used for any other purpose. E.ON Climate & Renewables LLC. Base map data from USGS.



Date: June 19, 2013
 Map Scale: 1:100,000
 Projection: UTM14
 Datum: North American 1983

- Substations
- Roads
- CREZ Line
- Project Boundary
- Cities



Checklist Item 12

There are no existing improvements.

Checklist Item 13

July 9, 2013

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

Re: Chapter 313 Job Waiver Request

Dear Mr. Lamb,

Grandview Wind Farm, LLC, requests that the Groom Independent School District's Board of Trustees waive the job requirement provision as allowed 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.

Grandview Wind Farm, LLC, requests that the Groom 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, Grandview Wind Farm LLC has committed to create 10 total jobs for the project, 5 of which will be in Groom 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 fluctuate depending on the operations and maintenance requirements of the turbine selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition, to the onsite employees, there may be managers or technicians who support the project from offsite locations.

With kind regards,



Paul Bowman
Sr. Vice President, Development

Checklist Item 14

Checklist Item 14

CALCULATION OF WAGE REQUIREMENTS

2012 Manufacturing Wages by Council by Government Region Wages for All Occupations

Council of Government	Hourly	Annual
1. Panhandle Regional Planning Commission	\$20.12	\$41,850

$\$41,850 \times 1.10 = \$46,035$

All Jobs – All Industries

Year	Quarter	Average Weekly Wages	Annualized
2012	2Q	\$1,523	\$79,196
2012	3Q	\$1,312	\$68,224
2012	4Q	\$1,491	\$77,532
2013	1Q	<u>\$1,436</u>	<u>\$74,672</u>
		\$1,440	\$74,906
	X	<u>110% of County Average Weekly Wage for all Jobs</u>	
		\$1,584.55	\$82,396.60

NO MANUFACTURING DATA AVAILABLE

**2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

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.

Amendment No. 001

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	Carson County	Total All	00	0	10	Total, All Industries	\$1,382
2012	2nd Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,523
2012	3rd Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,312
2012	4th Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,491
2013	1st Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,436

Checklist Item 15

Description of Benefits

The following list is a description of the benefits provided to all full-time employees with E.ON Climate & Renewables, N.A. Inc.:

- Medical Insurance
- Prescription Insurance
- Dental Insurance
- Vision Insurance
- Life & Personal Accident Insurance
- Short- and Long-Term Disability Benefits
- Free instructor led and online training
- Tuition reimbursement
- Employee Assistance Program
- Adoption Assistance
- Health Care Flexible Spending Account Plan
- Dependent Care Flexible Spending Account Plan
- Commuter Benefits Program
- Purchasing Advantages through Insperity's MarketPlace
- 401(k) Plan
- Making Friends international exchange program for children of employees
- 15 to 25 days of paid vacation per year
- 12 paid holidays per year
- Paid family and medical leave
- Paid military leave

Checklist Item 16

Economic Impact Report

Grandview Wind Farm, LLC will not be including an Economic Impact Report, thus Checklist Item #16 is N/A.

Checklist Item 17

Schedule A (Rev. May 2010): Investment

Form 50-286

Applicant Name: Grandview Wind Farm, LLC.
 ISD Name: Groom 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 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 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 (either qualified property not eligible to become qualified investment) 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 Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	1	2014-2015	2014	\$155,422,500.00	\$0.00	\$155,422,500.00	\$0.00	\$155,422,500.00	
	2	2015-2016	2015						
	3	2016-2017	2016						
	4	2017-2018	2017						
	5	2018-2019	2018						
	6	2019-2020	2019						
	7	2020-2021	2020						
	8	2021-2022	2021						
	9	2022-2023	2022						
	10	2023-2024	2023						
	11	2024-2025	2024						
	12	2025-2026	2025						
	13	2026-2027	2026						
	14	2027-2028	2027						
	15	2028-2029	2028						

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.

Column B: 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 D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant 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.

7/2/13 9 Jun 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____ DATE _____

Checklist Item 18

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Form 50-296

Applicant Name
ISD Name
Grandview Wind Farm, LLC
Groom ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
pre-year 1	2013-2014	2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complete tax years of qualifying time period	1	2014-2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	2015-2016	\$0.00	\$0.00	\$135,661,017.00	\$0.00	\$135,661,017.00	\$ 135,661,017
	3	2016-2017	\$0.00	\$0.00	\$130,234,576.32	\$0.00	\$130,234,576.32	\$ 10,000,000
	4	2017-2018	\$0.00	\$0.00	\$124,808,135.64	\$0.00	\$124,808,135.64	\$ 10,000,000
Tax Credit Period (with 50% cap on credit)	5	2018-2019	\$0.00	\$0.00	\$119,381,694.96	\$0.00	\$119,381,694.96	\$ 10,000,000
	6	2019-2020	\$0.00	\$0.00	\$113,955,254.28	\$0.00	\$113,955,254.28	\$ 10,000,000
	7	2020-2021	\$0.00	\$0.00	\$108,528,813.60	\$0.00	\$108,528,813.60	\$ 10,000,000
	8	2021-2022	\$0.00	\$0.00	\$103,102,372.92	\$0.00	\$103,102,372.92	\$ 10,000,000
Credit Settle-Up Period	9	2022-2023	\$0.00	\$0.00	\$97,675,932.24	\$0.00	\$97,675,932.24	\$ 10,000,000
	10	2023-2024	\$0.00	\$0.00	\$92,249,491.56	\$0.00	\$92,249,491.56	\$ 10,000,000
Post-Settle-Up Period	11	2024-2025	\$0.00	\$0.00	\$86,823,050.88	\$0.00	\$86,823,050.88	\$ 86,823,051
	12	2025-2026	\$0.00	\$0.00	\$81,396,610.20	\$0.00	\$81,396,610.20	\$ 81,396,610
	13	2026-2027	\$0.00	\$0.00	\$75,970,169.52	\$0.00	\$75,970,169.52	\$ 75,970,170
	14	2027-2028	\$0.00	\$0.00	\$70,543,728.84	\$0.00	\$70,543,728.84	\$ 70,543,729
	15	2028-2029	\$0.00	\$0.00	\$65,117,288.16	\$0.00	\$65,117,288.16	\$ 65,117,288

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.

9 Jul 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Checklist Item 19

Amendment No. 001
Attachment 19

Schedule C- Application: Employment Information

Grandview Wind Farm, LLC
Groom ISD

Applicant Name
ISD Name

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs		
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of 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							
	1	2014-2015	2014	100 FTE	\$50,000.00					
	2	2015-2016	2015			5	\$50,000.00	5	\$50,000.00	
	3	2016-2017	2016			5	\$50,000.00	5	\$50,000.00	
	4	2017-2018	2017			5	\$50,000.00	5	\$50,000.00	
	5	2018-2019	2018			5	\$50,000.00	5	\$50,000.00	
	6	2019-2020	2019			5	\$50,000.00	5	\$50,000.00	
	7	2020-2021	2020			5	\$50,000.00	5	\$50,000.00	
	8	2021-2022	2021			5	\$50,000.00	5	\$50,000.00	
	9	2022-2023	2022			5	\$50,000.00	5	\$50,000.00	
	10	2023-2024	2023			5	\$50,000.00	5	\$50,000.00	
	11	2024-2025	2024			5	\$50,000.00	5	\$50,000.00	
	12	2025-2026	2025			5	\$50,000.00	5	\$50,000.00	
	13	2026-2027	2026			5	\$50,000.00	5	\$50,000.00	
	14	2027-2028	2027			5	\$50,000.00	5	\$50,000.00	
	15	2028-2029	2028			5	\$50,000.00	5	\$50,000.00	
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period									
	Value Limitation Period									
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.

[Handwritten Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

[Handwritten Date]

Checklist Item 20

Schedule D: (Rev. May 2010): Other Tax Information

Form 50-296

Grandview Wind Farm, LLC

ISD Name

Sales Tax Information

Grandview Wind Farm, LLC

Other Property Tax Abatements Sought

Applicant Name	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Taxable Expenditures		Franchise Tax	Other Property Tax Abatements Sought						
				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		County	City	Hospital	Other			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	\$0.00	\$0.00	\$0.00	0%	0%	0%	0%	0%	0%	
	Complete tax years of qualifying time period	1	2014-2015	2014	\$7,308,028.00	\$27,064.00	\$0.00	70%	0%	0%	0%	0%	0%
		2	2015-2016	2015	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%	0%	0%
		3	2016-2017	2016	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%	0%	0%
		4	2017-2018	2017	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%	0%	0%
		5	2018-2019	2018	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%	0%	0%
	Tax Credit Period (with 50% cap on credit)	6	2019-2020	2019	\$0.00	\$0.00	\$0.00	30%	0%	0%	0%	0%	0%
		7	2020-2021	2020	\$0.00	\$0.00	\$118,000.00	30%	0%	0%	0%	0%	0%
		8	2021-2022	2021	\$0.00	\$0.00	\$129,000.00	30%	0%	0%	0%	0%	0%
		9	2022-2023	2022	\$0.00	\$0.00	\$149,000.00	30%	0%	0%	0%	0%	0%
		10	2023-2024	2023	\$0.00	\$0.00	\$163,000.00	30%	0%	0%	0%	0%	0%
	Credit Settle-Up Period	11	2024-2025	2024	\$0.00	\$0.00	\$172,000.00	0%	0%	0%	0%	0%	0%
		12	2025-2026	2025	\$0.00	\$0.00	\$177,000.00	0%	0%	0%	0%	0%	0%
		13	2026-2027	2026	\$0.00	\$0.00	\$200,000.00	0%	0%	0%	0%	0%	0%
	Post-Settle-Up Period	14	2027-2028	2027	\$0.00	\$0.00	\$216,000.00	0%	0%	0%	0%	0%	0%
15		2028-2029	2028	\$0.00	\$0.00	\$232,000.00	0%	0%	0%	0%	0%	0%	

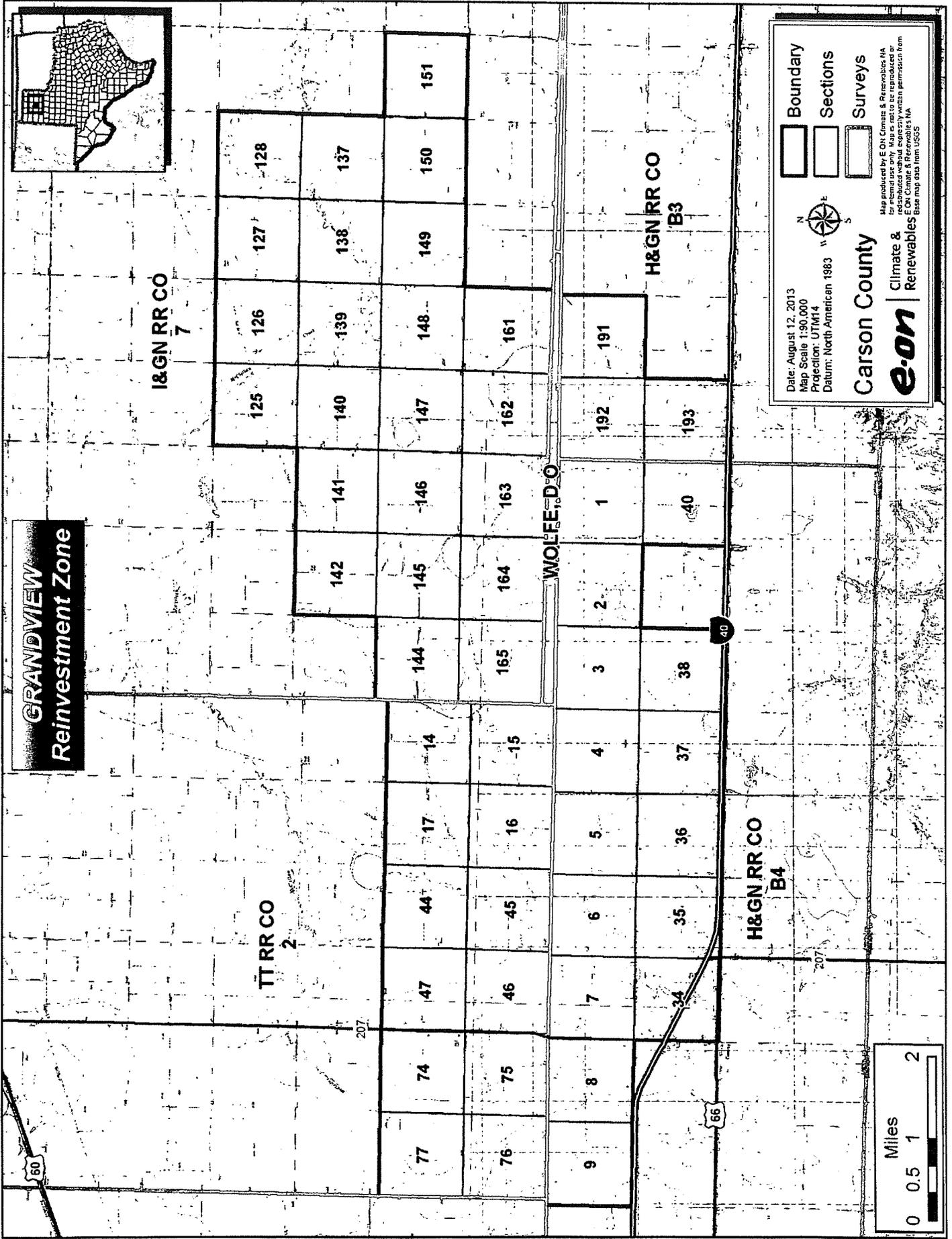
*For planning, construction and operation of the facility.

9/26/13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Checklist Item 21



Checklist Item 22

RESOLUTION OF THE COMMISSIONERS
COURT OF CARSON COUNTY, TEXAS
DESIGNATING CARSON COUNTY REINVESTMENT ZONE 9

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN CARSON COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

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

Whereas, on August 23, 2013, a hearing before the Commissioners Court of Carson County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Carson County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Commissioners Court of Carson County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

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

BE IT RESOLVED BY THE COMMISSIONERS COURT OF CARSON COUNTY, TEXAS:

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

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

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and
- c. That the creation of the reinvestment zone will result in benefits to Carson County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and
- d. The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Carson County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Carson County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Carson County Commissioners Court hereby creates Carson County Reinvestment Zone 9, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Carson County Reinvestment Zone 9.

SECTION 4. That Carson County Reinvestment Zone 9 shall take effect on August 23, 2013, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Carson County Commissioners

Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 23rd day of August, 2013.

Lewis Powers
County Judge

ABSTAIN
Commissioner, Precinct 1

James Martin
Commissioner, Precinct 2

Michael Jones
Commissioner, Precinct 3

Eric Hull
Commissioner, Precinct 4

Celeste Bichsel
Celeste Bichsel, County Clerk

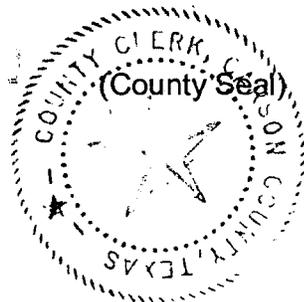


Exhibit A
Legal Description of Carson County Reinvestment Zone 9

Carson County Reinvestment Zone 9 is comprised of the following parcels. In the event of discrepancy between this Exhibit A and the attached map in Exhibit B, the map in Exhibit B shall control.

Exhibit A
Legal Description of Reinvestment Zone
Containing Proposed Project

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

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

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

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

All of DO WOLFE.

Exhibit B
Map of Carson County Reinvestment Zone 9

Attachment B

Local Spending and Support Plan

- A. In connection with the construction and operation of the Improvements in Carson County (the "Project"), Owner and the Owner's prime contractor(s) ("Prime Contractor(s)") responsible for overseeing construction and/or operation of the Improvements will invest by using commercially reasonable efforts to use services, materials and supplies purchased from Carson County individuals and businesses, provided that nothing in this paragraph shall require Owner or the Prime Contractor(s) to use services, materials and supplies provided by Carson County residents that are not: (I) of similar quality to those provided by nonresidents; or (ii) made available on terms and/or at prices comparable to those offered by nonresidents. Within ninety (90) days following completion of physical construction of the Project, Owner shall provide the County with a written project summary of the investment showing its compliance with the requirements set forth in this Local Spending and Support Plan.
- B. In no event shall Owner or the Prime Contractor discriminate against Carson County residents in employment or in the purchase of goods and services.
- C. In filling employment vacancies in connection with the Project, Owner and the Prime Contractor(s) will use commercially reasonable efforts to use Carson County labor, provided that nothing in this paragraph shall require Owner or the Prime Contractor to employ Carson County residence who are not: (i) equally or more qualified than nonresident applicants; or (ii) available for employment on terms and/or at salaries comparable to those required by nonresident applicants.
- D. Owner or Prime Contractor shall designate a Coordinator of Local Hiring and Services who will act as a liaison between all contractors and any individual or business residing in Carson County who is interested in obtaining information about (1) employment, or (2) commercial services or supplies expected to be purchased by a contractor.
- E. Owner or the Prime Contractor shall hold a job and contracting information session prior to beginning physical construction of the Project at which information will be provided regarding the construction and hiring needs of the Project. Notice of the information session shall be published in each of the four newspapers in the County. Such information also will be provided on a continuing basis through the Coordinator of Local Hiring and Services.

Checklist Item 23

Exhibit A
Legal Description of Reinvestment Zone
Containing Proposed Project

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

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

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

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

All of DO WOLFE.

Checklist Item 24

IN THE CARSON COUNTY COMMISSIONERS COURT
CARSON COUNTY, TEXAS

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

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

I. Abatement Application Procedure

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

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

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

- D. Application Provisions. The application shall consist of a completed Carson County Tax Abatement Application Form, which shall contain the following:
- (1) information showing how the project meets the requirements of the criteria outlined in Section II below;
 - (2) a map and description of the property;
 - (3) a time schedule for completing the planned improvements;

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

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

- (1) An applicant may request a Tax Abatement Application form from the County Clerk or County Attorney.
- (2) After an applicant completes the Tax Abatement Application, the application must provide a copy to each member of the Carson County Commissioner=s Court and the County Clerk and the County Attorney.
- (3) The Commissioners Court shall issue a determination at any time before the expiration of sixty (60) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application or consider the application on an expedited basis.

- a. *Denial of Application.* If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners Court that the

application should be denied.

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

Carson County

A Resolution re: Tax Abatement, Page 4

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

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

F. Confidentiality. As required by Chapter 312.003 of the Texas Tax Code, information that is provided to Carson County in connection with an application or request for tax abatement under this chapter and that described the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed.

G. Effect of Error or Variance with Application Procedure. Except where not allowed by state law, the County may waive application procedures or grant procedural variances as they deem appropriate.

II. Criteria for Designating a Reinvestment

Carson County

A Resolution re: Tax Abatement, Page 5

Zone and Evaluating Tax Abatement Agreement

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

Carson County

A Resolution re: Tax Abatement, Page 6

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

III. Format for Tax Abatement Agreement

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

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

Carson County

A Resolution re: Tax Abatement, Page 7

in the agreement;

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

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

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

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

Carson County

A Resolution re: Tax Abatement, Page 8

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

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

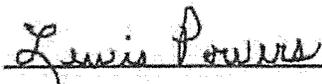
IV. General Provisions

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

V. Sunset and Amendment of Guidelines and Criteria

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

UNANIMOUSLY ADOPTED the 14th day of January, 2013.



County Judge

Carson County

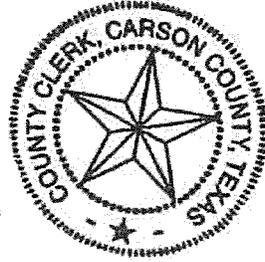
A Resolution re: Tax Abatement, Page 9

ATTEST:

Celeste Brichsel

County Clerk

by: Geefa Cates
Deputy



Carson County

A Resolution re: Tax Abatement, Page 10



Franchise Tax Account Status

As of: 12/06/2013 01:33:07 PM

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

GRANDVIEW WIND FARM, LLC	
Texas Taxpayer Number	32051221722
Mailing Address	353 N CLARK ST FL 30 CHICAGO, IL 60654-4704
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/11/2013
Texas SOS File Number	0801799658
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



October 31, 2013

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

Dear Superintendent Lamb:

On August 21, 2013, the Comptroller received the completed application (Application # 312) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Groom Independent School District (the school district) by Grandview Wind Farm, 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 (\$155.4 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 Carson 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

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

to only approve an application if the school district finds that the information in the application is true and 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 August 21, 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	Grandview Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Groom ISD
2011-12 Enrollment in School District	132
County	Carson
Total Investment in District	\$155,422,500
Qualified Investment	\$155,422,500
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	5*
Number of qualifying jobs committed to by applicant	5
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$885
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$46,035
Investment per Qualifying Job	\$31,084,500
Estimated 15 year M&O levy without any limit or credit:	\$16,443,743
Estimated gross 15 year M&O tax benefit	\$10,783,129
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):	\$10,585,185
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,306,875
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,858,558
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	64.4%
Percentage of tax benefit due to the limitation	87.9%
Percentage of tax benefit due to the credit	12.1%
* 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 Grandview Wind Farm, LLC (the project) applying to Groom 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 five new jobs when fully operational. All five 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 Panhandle Regional Planning Commission Region, where Carson County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$74,906. In addition to a salary of \$50,000, each qualifying position will receive the following benefits: medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave. The project's total investment is \$155.4 million, resulting in a relative level of investment per qualifying job of \$31.1 million.

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

According to Grandview Wind Farm, LLC's application, "E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across the several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize in return on capital investment. Securing this Chapter 313 abatement with GISD will help make the Project more economically viable and competitive versus other investment options in this region."

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

During the past two years, 15 projects in the Panhandle Regional Planning Commission 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 Grandview Wind Farm, 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 Grandview Wind Farm, 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 15 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 Grandview Wind Farm, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	100	104	204	\$5,000,000	\$7,000,000	\$12,000,000
2015	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2016	5	10	15	\$250,000	\$750,000	\$1,000,000
2017	5	8	13	\$250,000	\$1,750,000	\$2,000,000
2018	5	7	12	\$250,000	\$750,000	\$1,000,000
2019	5	7	12	\$250,000	\$750,000	\$1,000,000
2020	5	7	12	\$250,000	\$750,000	\$1,000,000
2021	5	9	14	\$250,000	\$750,000	\$1,000,000
2022	5	7	12	\$250,000	\$750,000	\$1,000,000
2023	5	9	14	\$250,000	\$750,000	\$1,000,000
2024	5	5	10	\$250,000	\$750,000	\$1,000,000
2025	5	7	12	\$250,000	\$750,000	\$1,000,000
2026	5	1	6	\$250,000	\$750,000	\$1,000,000
2027	5	7	12	\$250,000	\$750,000	\$1,000,000
2028	5	5	10	\$250,000	\$750,000	\$1,000,000

Source: CPA, REMI, Grandview Wind Farm, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Groom ISD's ad valorem tax base in 2011 was \$65.5 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Groom ISD's estimated wealth per WADA was \$300,926. 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, Carson County, and Panhandle Underground Water Conservation District #3, with all property tax incentives sought being granted using estimated market value from Grandview Wind Farm, LLC's application. Grandview Wind Farm, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Grandview Wind Farm, 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	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies (Before Credit Credited)	Groom ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes
			0.2320		1.1700			0.5162	0.0089	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$1,901,967	\$210,095	\$12,033	\$2,124,095
2016	\$130,234,576	\$10,000,000		\$302,144	\$117,000	\$419,144	\$419,144	\$201,691	\$11,552	\$632,387
2017	\$124,808,136	\$10,000,000		\$289,555	\$117,000	\$406,555	\$299,380	\$193,287	\$11,070	\$503,737
2018	\$119,381,695	\$10,000,000		\$276,966	\$117,000	\$393,966	\$287,713	\$184,883	\$10,589	\$483,185
2019	\$113,955,254	\$10,000,000		\$264,376	\$117,000	\$381,376	\$276,155	\$411,786	\$10,108	\$698,048
2020	\$108,528,814	\$10,000,000		\$251,787	\$117,000	\$368,787	\$264,705	\$392,177	\$9,627	\$666,508
2021	\$103,102,373	\$10,000,000		\$239,198	\$117,000	\$356,198	\$253,363	\$372,568	\$9,145	\$635,077
2022	\$97,675,932	\$10,000,000		\$226,608	\$117,000	\$343,608	\$242,619	\$352,959	\$8,664	\$604,242
2023	\$92,249,492	\$10,000,000		\$214,019	\$117,000	\$331,019	\$231,007	\$333,350	\$8,183	\$572,540
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$636,952	\$448,202	\$7,701	\$1,092,855
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$1,141,180	\$420,190	\$7,220	\$1,568,590
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$1,065,102	\$392,177	\$6,739	\$1,464,017
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$989,023	\$364,164	\$6,257	\$1,359,445
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$912,944	\$336,152	\$5,776	\$1,254,872
						Total	\$8,921,254	\$4,613,682	\$124,663	\$13,659,600

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Grandview Wind Farm, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes	
			0.2320		1.1700		0.5162	0.0089		
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	
2015	\$135,661,017	\$135,661,017		\$314,734	\$1,587,234	\$1,901,967	\$700,316	\$12,033	\$2,614,317	
2016	\$130,234,576	\$130,234,576		\$302,144	\$1,523,745	\$1,825,889	\$672,303	\$11,552	\$2,509,744	
2017	\$124,808,136	\$124,808,136		\$289,555	\$1,460,255	\$1,749,810	\$644,291	\$11,070	\$2,405,171	
2018	\$119,381,695	\$119,381,695		\$276,966	\$1,396,766	\$1,673,731	\$616,278	\$10,589	\$2,300,599	
2019	\$113,955,254	\$113,955,254		\$264,376	\$1,333,276	\$1,597,653	\$588,266	\$10,108	\$2,196,026	
2020	\$108,528,814	\$108,528,814		\$251,787	\$1,269,787	\$1,521,574	\$560,253	\$9,627	\$2,091,453	
2021	\$103,102,373	\$103,102,373		\$239,198	\$1,206,298	\$1,445,495	\$532,240	\$9,145	\$1,986,881	
2022	\$97,675,932	\$97,675,932		\$226,608	\$1,142,808	\$1,369,417	\$504,228	\$8,664	\$1,882,308	
2023	\$92,249,492	\$92,249,492		\$214,019	\$1,079,319	\$1,293,338	\$476,215	\$8,183	\$1,777,735	
2024	\$86,823,051	\$86,823,051		\$201,429	\$1,015,830	\$1,217,259	\$448,202	\$7,701	\$1,673,163	
2025	\$81,396,610	\$81,396,610		\$188,840	\$952,340	\$1,141,180	\$420,190	\$7,220	\$1,568,590	
2026	\$75,970,170	\$75,970,170		\$176,251	\$888,851	\$1,065,102	\$392,177	\$6,739	\$1,464,017	
2027	\$70,543,729	\$70,543,729		\$163,661	\$825,362	\$989,023	\$364,164	\$6,257	\$1,359,445	
2028	\$65,117,288	\$65,117,288		\$151,072	\$761,872	\$912,944	\$336,152	\$5,776	\$1,254,872	
						Total	\$19,704,383	\$7,255,275	\$124,663	\$27,084,321

Source: CPA, Grandview Wind Farm, 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 \$14,567,280. The estimated gross 13 year M&O tax benefit, or levy loss, is \$10,783,129.

Attachment 3 is an economic overview of Carson 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

Schedule A (Rev. May 2010): Investment

Applicant Name
Dorothy Wind Farm, LLC
Groom ISD

Form 10-256

PROPERTY INVESTMENT AMOUNTS										
(Estimated investment in each year. Do not put cumulative totals.)										
	Year	Schedule Year (YYYY-YYYY)	Tax Year (If in actual tax year below) YYYY	Column A: Personal Property Tangible Investment (original cost placed in service during tax year)	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and job 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 (whether qualified property nor eligible to become qualified investment)	2013-2014	2013							
	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)									
	Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014-2015	2014	\$155,477,500.00	\$0.00	\$0.00	\$155,477,500.00	
			2	2015-2016	2015					
			3	2016-2017	2016					
			4	2017-2018	2017					
			5	2018-2019	2018					
			6	2019-2020	2019					
			7	2020-2021	2020					
			8	2021-2022	2021					
			9	2022-2023	2022					
			10	2023-2024	2023					
			11	2024-2025	2024					
			12	2025-2026	2025					
		13	2026-2027	2026						
		14	2027-2028	2027						
		15	2028-2029	2028						
Credit Spillover Period	Post- Spillover Period									
	Post- Spillover Period									

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following five complete tax years. This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §13.0211(A)(4)(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 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 §13.0211(A)(6).

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 operations of the facility. This must be included as part of investment during the "pre-year 1" time period - it cannot be part of qualifying investment.

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

9 Jun 13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Applicant Name
ISD Name
Grandview Wind Farm, LLC
Groom ISD

Form 50-296

	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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complete tax years of qualifying time period	1	2014-2015	2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	2015-2016	2015	\$0.00	\$135,661,017.00	\$0.00	\$135,661,017.00	\$ 135,661,017	\$ 135,661,017
	3	2016-2017	2016	\$0.00	\$130,234,576.32	\$0.00	\$130,234,576.32	\$ 10,000,000	\$ 10,000,000
	4	2017-2018	2017	\$0.00	\$124,808,135.64	\$0.00	\$124,808,135.64	\$ 10,000,000	\$ 10,000,000
	5	2018-2019	2018	\$0.00	\$119,381,694.96	\$0.00	\$119,381,694.96	\$ 10,000,000	\$ 10,000,000
Tax Credit Period (with 50% cap on credit)	6	2019-2020	2019	\$0.00	\$113,955,254.28	\$0.00	\$113,955,254.28	\$ 10,000,000	\$ 10,000,000
	7	2020-2021	2020	\$0.00	\$108,528,813.60	\$0.00	\$108,528,813.60	\$ 10,000,000	\$ 10,000,000
	8	2021-2022	2021	\$0.00	\$103,102,372.92	\$0.00	\$103,102,372.92	\$ 10,000,000	\$ 10,000,000
	9	2022-2023	2022	\$0.00	\$97,675,932.24	\$0.00	\$97,675,932.24	\$ 10,000,000	\$ 10,000,000
	10	2023-2024	2023	\$0.00	\$92,249,491.56	\$0.00	\$92,249,491.56	\$ 10,000,000	\$ 10,000,000
Credit Settle-Up Period	11	2024-2025	2024	\$0.00	\$86,823,050.88	\$0.00	\$86,823,050.88	\$ 86,823,051	\$ 86,823,051
	12	2025-2026	2025	\$0.00	\$81,396,610.20	\$0.00	\$81,396,610.20	\$ 81,396,610	\$ 81,396,610
	13	2026-2027	2026	\$0.00	\$75,970,169.52	\$0.00	\$75,970,169.52	\$ 75,970,170	\$ 75,970,170
Post- Settle-Up Period	14	2027-2028	2027	\$0.00	\$70,543,728.84	\$0.00	\$70,543,728.84	\$ 70,543,729	\$ 70,543,729
	15	2028-2029	2028	\$0.00	\$65,117,288.16	\$0.00	\$65,117,288.16	\$ 65,117,288	\$ 65,117,288

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.

9 JUL 13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Amendment No. 001
Attachment 19

Schedule C- Application: Employment Information

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

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of 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						
	1	2014-2015	2014	100 FTE	\$50,000.00				
	2	2015-2016	2015			5	\$50,000.00	5	\$50,000.00
	3	2016-2017	2016			5	\$50,000.00	5	\$50,000.00
	4	2017-2018	2017			5	\$50,000.00	5	\$50,000.00
	5	2018-2019	2018			5	\$50,000.00	5	\$50,000.00
	6	2019-2020	2019			5	\$50,000.00	5	\$50,000.00
	7	2020-2021	2020			5	\$50,000.00	5	\$50,000.00
	8	2021-2022	2021			5	\$50,000.00	5	\$50,000.00
	9	2022-2023	2022			5	\$50,000.00	5	\$50,000.00
	10	2023-2024	2023			5	\$50,000.00	5	\$50,000.00
	11	2024-2025	2024			5	\$50,000.00	5	\$50,000.00
	12	2025-2026	2025			5	\$50,000.00	5	\$50,000.00
	13	2026-2027	2026			5	\$50,000.00	5	\$50,000.00
	14	2027-2028	2027			5	\$50,000.00	5	\$50,000.00
	15	2028-2029	2028			5	\$50,000.00	5	\$50,000.00
Tax Credit Period (with 50% cap on credit)		Complete tax years of qualifying time period							
Value Limitation Period									
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.

1-21-13

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DATE

Schedule D: (Rev. May 2010): Other Tax Information

Form 50-296

Groom ISD

Other Property Tax Abatements Sought

Grandview Wind Farm, LLC

ISD Name

Applicant Name

Applicant Name	Sales Tax Information				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
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	\$0.00	\$0.00	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	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
	1	2014-2015	2014	\$7,308,028.00	\$27,064.00	\$0.00	70%	0%	0%	0%
	2	2015-2016	2015	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	3	2016-2017	2016	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	4	2017-2018	2017	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	5	2018-2019	2018	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
	6	2019-2020	2019	\$0.00	\$0.00	\$0.00	30%	0%	0%	0%
	7	2020-2021	2020	\$0.00	\$0.00	\$118,000.00	30%	0%	0%	0%
	8	2021-2022	2021	\$0.00	\$0.00	\$129,000.00	30%	0%	0%	0%
	9	2022-2023	2022	\$0.00	\$0.00	\$149,000.00	30%	0%	0%	0%
	10	2023-2024	2023	\$0.00	\$0.00	\$163,000.00	30%	0%	0%	0%
	11	2024-2025	2024	\$0.00	\$0.00	\$172,000.00	0%	0%	0%	0%
	12	2025-2026	2025	\$0.00	\$0.00	\$177,000.00	0%	0%	0%	0%
	13	2026-2027	2026	\$0.00	\$0.00	\$200,000.00	0%	0%	0%	0%
	14	2027-2028	2027	\$0.00	\$0.00	\$216,000.00	0%	0%	0%	0%
	15	2028-2029	2028	\$0.00	\$0.00	\$232,000.00	0%	0%	0%	0%

9/26/13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*For planning, construction and operation of the facility.

Attachment 2



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

Michael Williams
Commissioner

September 27, 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 Grandview Wind Farm LLC project for the Groom Independent School District (GISD). 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 Grandview Wind Farm LLC project on GISD 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 Williams
Commissioner

September 27, 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 Grandview Wind Farm LLC project on the number and size of school facilities in Groom Independent School District (GISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the GISD superintendent, Jay Lamb, the TEA has found that the Grandview Wind Farm LLC project would not have a significant impact on the number or size of school facilities in GISD.

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Groom ISD Financial Impact of Chapter 313 Agreement

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

Prepared by

Randy McDowell, RTSBA

&

Neal Brown

School Finance Consultants

Groom ISD Financial Impact of Chapter 313 Agreement

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

Introduction

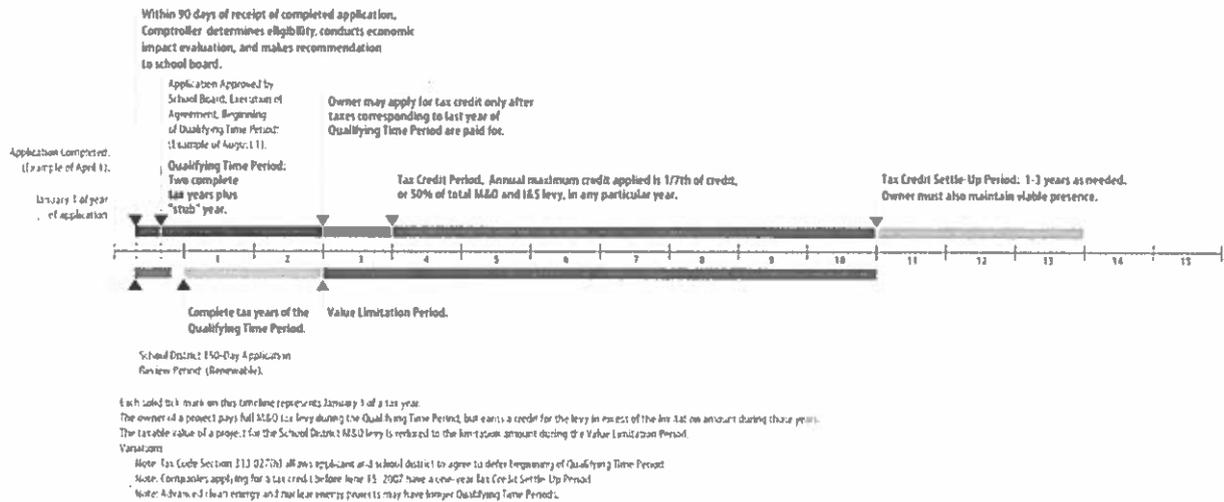
Grandview Wind Farm, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 9, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm, LLC ("Grandview 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.

Groom 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. Groom 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 Groom ISD

Groom ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be 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 Groom 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 Grandview 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 Groom ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Grandview Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	0	n/a	0	0
Jan. 1, 2015	135,661,017	n/a	0	135,661,017
Jan. 1, 2016	130,234,576	(10,000,000)	120,234,576	10,000,000
Jan. 1, 2017	124,808,135	(10,000,000)	114,808,135	10,000,000
Jan. 1, 2018	119,381,694	(10,000,000)	109,381,694	10,000,000
Jan. 1, 2019	113,955,254	(10,000,000)	103,955,254	10,000,000
Jan. 1, 2020	108,528,813	(10,000,000)	98,528,813	10,000,000
Jan. 1, 2021	103,102,372	(10,000,000)	93,102,372	10,000,000
Jan. 1, 2022	97,675,932	(10,000,000)	87,675,932	10,000,000
Jan. 1, 2023	92,249,491	(10,000,000)	82,249,491	10,000,000
Jan. 1, 2024	86,823,050	n/a	0	86,823,050
Jan. 1, 2025	81,396,610	n/a	0	81,396,610
Jan. 1, 2026	75,970,169	n/a	0	75,970,169

Groom ISD Financial Impact of Chapter 313 Agreement

Grandview Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind is \$10.58 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.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2015-2016 and 2024-2025 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.232 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.1700	0.213	0	0	n/a	0	0
2015-2016	1.0400	0.074	1,410,875	0	n/a	0	0
2016-2017	1.1700	0.076	1,523,745	1,406,745	n/a	(115,675)	1,291,069
2017-2018	1.1700	0.078	1,460,255	1,343,255	107,175	(27,825)	1,422,605
2018-2019	1.1700	0.080	1,396,766	1,279,766	108,253	(29,952)	1,356,066
2019-2020	1.1700	0.082	1,333,276	1,216,276	105,222	(11,758)	1,309,740
2020-2021	1.1700	0.084	1,269,787	1,152,787	104,082	(9,160)	1,247,709
2021-2022	1.1700	0.086	1,206,298	1,089,298	102,834	(3,573)	1,188,559
2022-2023	1.1700	0.087	1,142,808	1,025,808	100,989	0	1,126,797
2023-2024	1.1700	0.090	1,079,319	962,319	100,012	0	1,062,331
2024-2025	1.0400	0.092	902,980	0	580,308	0	580,308
2025-2026	1.1700	0.095	952,340	0	0	0	0
2026-2027	1.1700	0.098	888,851	0	0	0	0
Totals			14,567,280	9,476,254	1,306,875	(197,944)	10,585,185

Groom ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Groom ISD. First, a 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 increase of 1.0% 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 .5% per year for the life of the agreement.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Grandview Wind:

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	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	73,032,403	730,324	443,877	1,575	1,172,626	163,601	1,336,227
2016-2017	73,762,727	737,627	431,430	2,773	1,166,285	163,972	1,330,257
2017-2018	74,500,354	745,004	418,905	3,976	1,159,932	164,352	1,324,285
2018-2019	75,245,358	752,454	401,168	5,185	1,148,436	164,744	1,313,180
2019-2020	75,997,811	759,978	388,450	6,401	1,142,028	165,145	1,307,173
2020-2021	76,757,789	767,578	375,747	7,622	1,135,703	165,557	1,301,260
2021-2022	77,525,367	775,254	362,925	8,849	1,129,329	165,979	1,295,308
2022-2023	78,300,621	783,006	350,030	10,083	1,122,953	166,412	1,289,365
2023-2024	79,083,627	790,836	337,054	11,323	1,116,566	166,855	1,283,422
2024-2025	79,874,463	798,745	323,997	12,570	1,110,171	167,309	1,277,481
2025-2026	80,673,208	806,732	310,855	13,823	1,103,764	167,774	1,271,538
2026-2027	81,479,940	814,799	297,695	15,063	1,097,411	168,250	1,265,661

Groom ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	M&O Taxes			Recapture Amount	Hold	M&O	Total District Revenue
	Total Taxable Value	Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	2,675,736
2016-2017	203,997,303	2,039,973	80,490	1,105,387	1,015,096	344,635	1,359,731
2017-2018	199,308,489	1,993,085	80,619	1,059,723	1,013,982	336,744	1,350,725
2018-2019	194,827,052	1,946,271	80,768	1,014,150	1,012,889	328,865	1,341,754
2019-2020	189,953,065	1,899,531	65,736	968,652	996,615	320,999	1,317,613
2020-2021	185,266,602	1,852,866	66,275	923,231	995,911	313,145	1,309,058
2021-2022	180,627,739	1,806,277	63,832	877,889	992,221	305,304	1,297,525
2022-2023	175,976,553	1,759,766	62,942	832,630	990,077	297,476	1,287,553
2023-2024	171,333,118	1,713,331	62,060	787,456	987,935	289,661	1,277,596
2024-2025	166,697,513	1,666,975	61,560	742,371	986,164	281,860	1,268,023
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	1,258,332
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	1,248,760

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

Fiscal Year	Total Taxable Value	M&O Taxes		State Revenue	Recapture Amount	Hold Harmless Revenue	M&O	Payment	Total District Revenue
		Comp Rate	Taxes > Comp Rate				for District Losses		
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	0	1,341,420	
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	0	2,675,736	
2016-2017	83,762,727	837,627	718,350	454,202	1,101,776	142,280	115,675	1,359,731	
2017-2018	84,500,354	845,004	317,905	15,053	1,147,855	175,045	27,825	1,350,725	
2018-2019	85,245,358	852,454	300,168	16,259	1,136,362	175,439	29,952	1,341,754	
2019-2020	85,997,811	859,978	287,503	17,471	1,130,011	175,844	11,758	1,317,613	
2020-2021	86,757,789	867,578	274,747	18,889	1,123,636	176,260	9,160	1,309,058	
2021-2022	87,525,367	875,254	261,926	19,913	1,117,266	176,686	3,573	1,297,525	
2022-2023	88,300,621	883,006	249,030	21,144	1,110,892	177,122	0	1,288,014	
2023-2024	89,083,627	890,836	236,054	22,381	1,104,510	177,569	0	1,282,078	
2024-2025	166,697,513	1,666,975	216,277	0	1,883,252	97,733	0	1,980,986	
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	0	1,258,332	
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	0	1,248,760	

Groom ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. 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.

Groom ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Grandview Wind, the projected amount of these payments over the life of the agreement is \$160,691 of the \$10.585 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	Groom ISD Share \$100/ADA	Grandview Wind's Share
2014-2015	0	12,736	(12,736)
2015-2016	0	12,672	(12,672)
2016-2017	1,291,069	12,609	1,278,460
2017-2018	1,422,605	12,546	1,410,059
2018-2019	1,356,066	12,483	1,343,583
2019-2020	1,309,740	12,421	1,297,319
2020-2021	1,247,709	12,359	1,235,350
2021-2022	1,188,559	12,297	1,176,262
2022-2023	1,126,797	12,235	1,114,562
2023-2024	1,062,331	12,174	1,050,157
2024-2025	580,308	12,113	568,195
2025-2026	0	12,053	(12,053)
2026-2027	0	11,993	(11,993)
Totals	10,585,185	160,691	10,424,494

Groom ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
K-12	24	432	137	295
Total	24	432	137	295

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

Grandview Wind Farm, 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 five full-time employees are expected. It is not known whether these would be new employees to the Groom ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Grandview Wind Farm, 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, Grandview Wind is projected to benefit from a 85% tax savings over the first eleven year period of this agreement. Grandview 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.

Groom ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Grandview Wind 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

Carson County

Population

- Total county population in 2010 for Carson County: 6,008 , down 1.0 percent from 2009. State population increased 1.8 percent in the same time period.
- Carson County was the state's 194th largest county in population in 2010 and the 236 th fastest growing county from 2009 to 2010.
- Carson County's population in 2009 was 86.7 percent Anglo (above the state average of 46.7 percent), 1.8 percent African-American (below the state average of 11.3 percent) and 9.5 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Carson County:

Panhandle:	2,425	White Deer:	982
Skellytown:	569	Groom:	548

Economy and Income

Employment

- September 2011 total employment in Carson County: 3,099 , up 0.8 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 Carson County unemployment rate: 5.4 percent, up from 4.7 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

- Carson County's ranking in per capita personal income in 2009: 57th with an average per capita income of \$37,163, down 0.2 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 Carson County averaged \$66.85 million annually from 2007 to 2010. County total agricultural values in 2010 were up 42.1 percent from 2009. Major agriculture related commodities in Carson County during 2010 included:
 - Sorghum • Other Beef • Wheat • Cotton • Corn
- 2011 oil and gas production in Carson County: 158,747.0 barrels of oil and 8.8 million Mcf of gas. In September 2011, there were 1420 producing oil wells and 543 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 Carson County during the fourth quarter 2010: \$4.29 million, down 3.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Panhandle:	\$1.50 million, up 0.9 percent from the same quarter in 2009.
White Deer:	\$1.04 million, down 2.7 percent from the same quarter in 2009.
Skellytown:	\$133,132.00, up 0.3 percent from the same quarter in 2009.
Groom:	\$599,521.00, up 7.9 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 Carson County through the fourth quarter of 2010: \$15.97 million, down 1.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Panhandle:	\$5.72 million, up 3.5 percent from the same period in 2009.
White Deer:	\$3.17 million, up 0.9 percent from the same period in 2009.
Skellytown:	\$570,791.00, up 4.5 percent from the same period in 2009.
Groom:	\$2.12 million, up 9.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Carson County during 2010: \$15.97 million, down 1.8 percent from 2009.
- Carson County sent an estimated \$997,921.88 (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:

Panhandle:	\$5.72 million, up 3.5 percent from 2009.
White Deer:	\$3.17 million, up 0.9 percent from 2009.
Skellytown:	\$570,791.00, up 4.5 percent from 2009.
Groom:	\$2.12 million, up 9.3 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 Carson County based on the sales activity month of August 2011: \$28,536.32, down 4.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Panhandle:	\$13,979.14, up 21.0 percent from August 2010.
White Deer:	\$7,475.77, down 32.5 percent from August 2010.
Skellytown:	\$1,664.29, down 10.5 percent from August 2010.
Groom:	\$5,417.12, up 2.7 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 Carson County based on sales activity months from September 2010 through August 2011: \$359,245.74, down 1.6 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Panhandle:	\$167,505.02, up 10.0 percent from fiscal 2010.
White Deer:	\$101,473.36, up 0.3 percent from fiscal 2010.
Skellytown:	\$22,911.96, down 37.4 percent from fiscal 2010.
Groom:	\$67,355.40, down 10.3 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 Carson County based on sales activity months through August 2011: \$234,340.47, down 0.6 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Panhandle:	\$112,576.02, up 12.1 percent from the same period in 2010.
White Deer:	\$65,544.15, up 9.0 percent from the same period in 2010.
Skellytown:	\$14,312.38, down 47.1 percent from the same period in 2010.
Groom:	\$41,907.92, down 12.7 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 Carson County based on sales activity in the 12 months ending in August 2011: \$359,245.74, down 1.6 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Panhandle:	\$167,505.02, up 10.0 percent from the previous 12-month period.
White Deer:	\$101,473.36, up 0.3 percent from the previous 12-month period.
Skellytown:	\$22,911.96, down 37.4 percent from the previous 12-month period.
Groom:	\$67,355.40, down 10.3 percent from the previous 12-month period.

■ **City Calendar Year-To-Date (R.J 2011)**

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

Panhandle:	\$143,218.50, up 12.9 percent from the same period in 2010.
White Deer:	\$87,250.49, up 5.1 percent from the same period in 2010.
Skellytown:	\$19,342.17, down 38.9 percent from the same period in 2010.
Groom:	\$55,041.28, down 9.8 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 Carson County based on sales activity months in 2010: \$360,548.74, up 5.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Panhandle: \$155,380.52, up 2.4 percent from 2009.
 - White Deer: \$96,050.33, down 5.9 percent from 2009.
 - Skellytown: \$35,649.27, up 50.3 percent from 2009.
 - Groom: \$73,468.62, up 12.0 percent from 2009.

Property Tax

- As of January 2009, property values in Carson County: \$1.24 billion, up 14.1 percent from January 2008 values. The property tax base per person in Carson County is \$202,248, above the statewide average of \$85,809. About 43.7 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Carson County's ranking in state expenditures by county in fiscal year 2010: 206th. State expenditures in the county for FY2010: \$16.67 million, down 0.5 percent from FY2009.
- In Carson County, 8 state agencies provide a total of 39 jobs and \$402,980.00 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
 - Department of Aging and Disability Services
 - AgriLife Extension Service

Higher Education

- Community colleges in Carson County fall 2010 enrollment:
 - None.
- Carson County is in the service area of the following:
 - Amarillo College with a fall 2010 enrollment of 11,540. Counties in the service area include:
 - Carson County
 - Castro County
 - Deaf Smith County
 - Moore County
 - Oldham County
 - Parmer County
 - Potter County
 - Randall County
 - Swisher County
- Institutions of higher education in Carson County fall 2010 enrollment:
 - None.

School Districts

- Carson County had 3 school districts with 6 schools and 1,179 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.)
 - Groom ISD had 134 students in the 2009-10 school year. The average teacher salary was \$43,590. The percentage of students meeting the 2010 TAKS passing standard for all tests was 91 percent.
 - Panhandle ISD had 660 students in the 2009-10 school year. The average teacher salary was \$42,798. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - White Deer ISD had 385 students in the 2009-10 school year. The average teacher salary was \$42,681. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.

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

Prepared by

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&

Neal Brown

School Finance Consultants

Groom ISD Financial Impact of Chapter 313 Agreement

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

Introduction

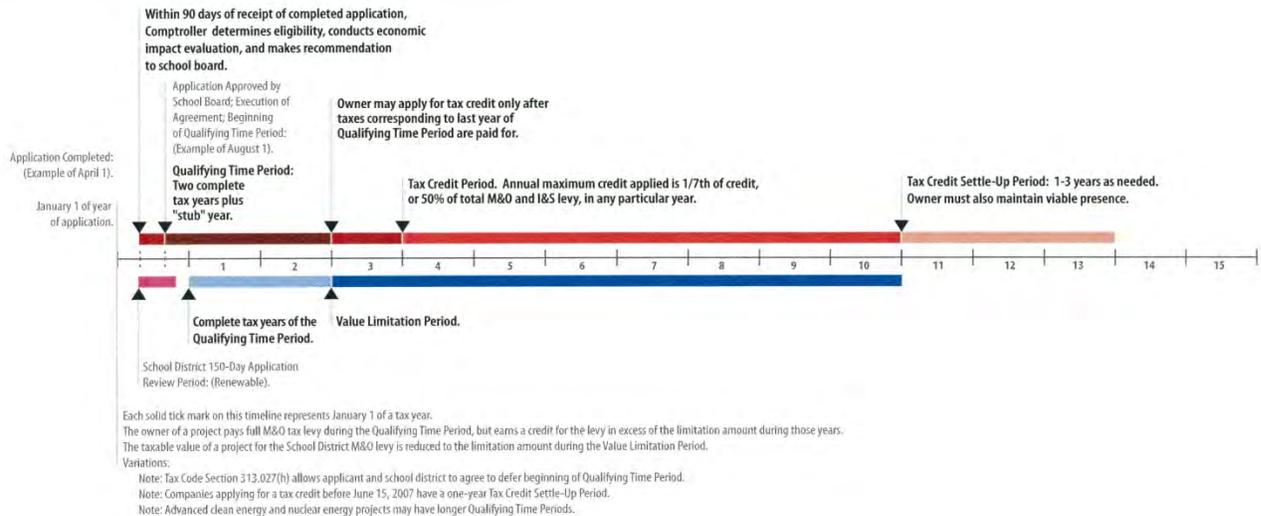
Grandview Wind Farm, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on July 9, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm, LLC (“Grandview 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.

Groom 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. Groom 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 Groom ISD

Groom ISD Financial Impact of Chapter 313 Agreement

has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be 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 Groom 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 Grandview 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 Groom ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Grandview Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	0	n/a	0	0
Jan. 1, 2015	135,661,017	n/a	0	135,661,017
Jan. 1, 2016	130,234,576	(10,000,000)	120,234,576	10,000,000
Jan. 1, 2017	124,808,135	(10,000,000)	114,808,135	10,000,000
Jan. 1, 2018	119,381,694	(10,000,000)	109,381,694	10,000,000
Jan. 1, 2019	113,955,254	(10,000,000)	103,955,254	10,000,000
Jan. 1, 2020	108,528,813	(10,000,000)	98,528,813	10,000,000
Jan. 1, 2021	103,102,372	(10,000,000)	93,102,372	10,000,000
Jan. 1, 2022	97,675,932	(10,000,000)	87,675,932	10,000,000
Jan. 1, 2023	92,249,491	(10,000,000)	82,249,491	10,000,000
Jan. 1, 2024	86,823,050	n/a	0	86,823,050
Jan. 1, 2025	81,396,610	n/a	0	81,396,610
Jan. 1, 2026	75,970,169	n/a	0	75,970,169

Groom ISD Financial Impact of Chapter 313 Agreement

Grandview Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind is \$10.58 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.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2015-2016 and 2024-2025 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.232 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.1700	0.213	0	0	n/a	0	0
2015-2016	1.0400	0.074	1,410,875	0	n/a	0	0
2016-2017	1.1700	0.076	1,523,745	1,406,745	n/a	(115,675)	1,291,069
2017-2018	1.1700	0.078	1,460,255	1,343,255	107,175	(27,825)	1,422,605
2018-2019	1.1700	0.080	1,396,766	1,279,766	106,253	(29,952)	1,356,066
2019-2020	1.1700	0.082	1,333,276	1,216,276	105,222	(11,758)	1,309,740
2020-2021	1.1700	0.084	1,269,787	1,152,787	104,082	(9,160)	1,247,709
2021-2022	1.1700	0.086	1,206,298	1,089,298	102,834	(3,573)	1,188,559
2022-2023	1.1700	0.087	1,142,808	1,025,808	100,989	0	1,126,797
2023-2024	1.1700	0.090	1,079,319	962,319	100,012	0	1,062,331
2024-2025	1.0400	0.092	902,960	0	580,308	0	580,308
2025-2026	1.1700	0.095	952,340	0	0	0	0
2026-2027	1.1700	0.098	888,851	0	0	0	0
Totals			14,567,280	9,476,254	1,306,875	(197,944)	10,585,185

Groom ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Groom ISD. First, a 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 increase of 1.0% 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 .5% per year for the life of the agreement.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

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

TABLE III – District Revenues *without* Grandview Wind:

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	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	73,032,403	730,324	443,877	1,575	1,172,626	163,601	1,336,227
2016-2017	73,762,727	737,627	431,430	2,773	1,166,285	163,972	1,330,257
2017-2018	74,500,354	745,004	418,905	3,976	1,159,932	164,352	1,324,285
2018-2019	75,245,358	752,454	401,168	5,185	1,148,436	164,744	1,313,180
2019-2020	75,997,811	759,978	388,450	6,401	1,142,028	165,145	1,307,173
2020-2021	76,757,789	767,578	375,747	7,622	1,135,703	165,557	1,301,260
2021-2022	77,525,367	775,254	362,925	8,849	1,129,329	165,979	1,295,308
2022-2023	78,300,621	783,006	350,030	10,083	1,122,953	166,412	1,289,365
2023-2024	79,083,627	790,836	337,054	11,323	1,116,566	166,855	1,283,422
2024-2025	79,874,463	798,745	323,997	12,570	1,110,171	167,309	1,277,481
2025-2026	80,673,208	806,732	310,855	13,823	1,103,764	167,774	1,271,538
2026-2027	81,479,940	814,799	297,695	15,083	1,097,411	168,250	1,265,661

Groom ISD Financial Impact of Chapter 313 Agreement

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

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	72,309,310	723,093	456,254	1,168	1,178,180	163,241	1,341,420
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	2,675,736
2016-2017	203,997,303	2,039,973	80,490	1,105,367	1,015,096	344,635	1,359,731
2017-2018	199,308,489	1,993,085	80,619	1,059,723	1,013,982	336,744	1,350,725
2018-2019	194,627,052	1,946,271	80,768	1,014,150	1,012,889	328,865	1,341,754
2019-2020	189,953,065	1,899,531	65,736	968,652	996,615	320,999	1,317,613
2020-2021	185,286,602	1,852,866	66,275	923,231	995,911	313,145	1,309,056
2021-2022	180,627,739	1,806,277	63,832	877,889	992,221	305,304	1,297,525
2022-2023	175,976,553	1,759,766	62,942	832,630	990,077	297,476	1,287,553
2023-2024	171,333,118	1,713,331	62,060	787,456	987,935	289,661	1,277,596
2024-2025	166,697,513	1,666,975	61,560	742,371	986,164	281,860	1,268,023
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	1,258,332
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	1,248,760

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

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2014-2015	72,309,310	723,093	456,254	1,168	1,178,180	163,241	0	1,341,420
2015-2016	208,693,420	2,086,934	431,272	0	2,518,206	157,530	0	2,675,736
2016-2017	83,762,727	837,627	718,350	454,202	1,101,776	142,280	115,675	1,359,731
2017-2018	84,500,354	845,004	317,905	15,053	1,147,855	175,045	27,825	1,350,725
2018-2019	85,245,358	852,454	300,168	16,259	1,136,362	175,439	29,952	1,341,754
2019-2020	85,997,811	859,978	287,503	17,471	1,130,011	175,844	11,758	1,317,613
2020-2021	86,757,789	867,578	274,747	18,689	1,123,636	176,260	9,160	1,309,056
2021-2022	87,525,367	875,254	261,926	19,913	1,117,266	176,686	3,573	1,297,525
2022-2023	88,300,621	883,006	249,030	21,144	1,110,892	177,122	0	1,288,014
2023-2024	89,083,627	890,836	236,054	22,381	1,104,510	177,569	0	1,282,078
2024-2025	166,697,513	1,666,975	216,277	0	1,883,252	97,733	0	1,980,986
2025-2026	162,069,818	1,620,698	60,941	697,378	984,261	274,071	0	1,258,332
2026-2027	157,450,109	1,574,501	60,443	652,481	982,464	266,296	0	1,248,760

Groom ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. 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.

Groom ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Grandview Wind, the projected amount of these payments over the life of the agreement is \$160,691 of the \$10.585 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	Groom ISD Share \$100/ADA	Grandview Wind's Share
2014-2015	0	12,736	(12,736)
2015-2016	0	12,672	(12,672)
2016-2017	1,291,069	12,609	1,278,460
2017-2018	1,422,605	12,546	1,410,059
2018-2019	1,356,066	12,483	1,343,583
2019-2020	1,309,740	12,421	1,297,319
2020-2021	1,247,709	12,359	1,235,350
2021-2022	1,188,559	12,297	1,176,262
2022-2023	1,126,797	12,235	1,114,562
2023-2024	1,062,331	12,174	1,050,157
2024-2025	580,308	12,113	568,195
2025-2026	0	12,053	(12,053)
2026-2027	0	11,993	(11,993)
Totals	10,585,185	160,691	10,424,494

Groom ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
K-12	24	432	137	295
Total	24	432	137	295

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

Grandview Wind Farm, 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 five full-time employees are expected. It is not known whether these would be new employees to the Groom ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

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

Groom ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Grandview Wind Farm, 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, Grandview Wind is projected to benefit from a 85% tax savings over the first eleven year period of this agreement. Grandview 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.

Groom ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Grandview Wind 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

006/Armstrong

033-901/Groom ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	76,610	N/A	76,610	76,610
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	0	N/A	0	0
D. Rural Real(Taxable)	1,279,560	N/A	1,279,560	1,279,560
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	102,460	N/A	102,460	102,460
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,458,630		1,458,630	1,458,630

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
Less Total Deductions	16,800		16,800	16,800
Total Taxable Value	1,441,830		1,441,830	1,441,830 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	416,760	N/A	416,760
Prod Value Qualified Acres	862,800	N/A	862,800
Taxable Value	1,279,560		1,279,560

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
1,451,830	1,441,830	1,451,830	1,441,830	1,441,830	1,441,830

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

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,451,830	1,441,830	1,451,830	1,441,830	1,441,830	1,441,830

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

033/Carson

033-901/Groom ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	14,129,520	.9815	14,395,843	14,129,520
B. Multi-Family Residences	24,570	N/A	24,570	24,570
C. Vacant Lots	84,710	N/A	84,710	84,710
D. Rural Real(Taxable)	20,495,070	.7472	27,429,891	20,495,070
F1. Commercial Real	1,750,810	N/A	1,750,810	1,750,810

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
F2. Industrial Real	1,765,530	N/A	1,765,530	1,765,530
G. Oil, Gas, Minerals	15,785,100	1.0205	15,468,006	15,785,100
J. Utilities	3,751,960	.9500	3,949,432	3,751,960
L1. Commercial Personal	1,907,740	N/A	1,907,740	1,907,740
L2. Industrial Personal	121,370	N/A	121,370	121,370
M. Other Personal	231,250	N/A	231,250	231,250
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	748,100	N/A	748,100	748,100
Subtotal	60,795,730		67,877,252	60,795,730
Less Total Deductions	5,968,621		6,073,714	5,968,621
Total Taxable Value	54,827,109		61,803,538	54,827,109 T2*

* This district is in year 1 of the grace period.

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	7,120,200	.9164	7,769,751
Prod Value Qualified Acres	13,374,870	.6803	19,660,140
Taxable Value	20,495,070		27,429,891

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
57,000,639	54,827,109	57,000,639	54,827,109	54,827,109	54,827,109

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,173,530	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
57,000,639	54,827,109	57,000,639	54,827,109	54,827,109	54,827,109

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 invalid, but local value was certified because your school district is in year one of the grace period.

065/Donley

033-901/Groom ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	0	N/A	0	0
D. Rural Real(Taxable)	3,216,872	N/A	3,216,872	3,216,872
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	76,000	N/A	76,000	76,000
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	3,292,872		3,292,872	3,292,872
Less Total Deductions	75,862		75,862	75,862
Total Taxable Value	3,217,010		3,217,010	3,217,010 T2

Category D Detail	Local Tax	Ratio	PTAD
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	Roll		Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	358,561	N/A	358,561
Prod Value Qualified Acres	2,858,311	N/A	2,858,311
Taxable Value	3,216,872		3,216,872

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
3,247,010	3,217,010	3,247,010	3,217,010	3,217,010	3,217,010

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
30,000	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
3,247,010	3,217,010	3,247,010	3,217,010	3,217,010	3,217,010

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

090/Gray

033-901/Groom ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	95,510	N/A	95,510	95,510
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	69,820	N/A	69,820	69,820
D. Rural Real(Taxable)	5,620,700	.7726	7,275,262	7,275,262
F1. Commercial Real	72,620	N/A	72,620	72,620
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	3,591,440	1.0231	3,510,351	3,510,351
J. Utilities	1,862,530	.9324	1,997,565	1,997,565
L1. Commercial Personal	27,180	N/A	27,180	27,180

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
L2. Industrial Personal	9,891	N/A	9,891	9,891
M. Other Personal	0	N/A	0	0
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
Subtotal	11,349,691		13,058,199	13,058,199
Less Total Deductions	267,456		267,456	267,456
Total Taxable Value	11,082,235		12,790,743	12,790,743 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	2,940,780	.9572	3,072,273
Prod Value Qualified Acres	2,679,920	.6376	4,202,989
Taxable Value	5,620,700		7,275,262

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
12,881,804	12,790,743	12,881,804	12,790,743	12,790,743	12,790,743

Loss To the Additional	50% of the loss to the Local Optional
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\$10,000 Homestead Exemption	Percentage Homestead Exemption
91,061	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
12,881,804	12,790,743	12,881,804	12,790,743	12,790,743	12,790,743

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 taxable value to be invalid, and state value was certified because your local value:

- 1) was invalid in one or more of the previous two years or
- 2) is less than 90% of the lower end of the margin of error range or
- 3) The appraisal district that appraises property for the school district was not in compliance with the scoring requirement of the Comptroller's most recent review of the appraisal district conducted under

section 5.102, Tax Code (MAP Review)

033-901/Groom ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	14,301,640	.9817	14,567,963	14,301,640
B. Multi-Family Residences	24,570	N/A	24,570	24,570
C. Vacant Lots	154,530	N/A	154,530	154,530
D. Rural Real(Taxable)	30,612,202	.7809	39,201,585	32,266,764
F1. Commercial Real	1,823,430	N/A	1,823,430	1,823,430
F2. Industrial Real	1,765,530	N/A	1,765,530	1,765,530
G. Oil, Gas, Minerals	19,376,540	1.0210	18,978,357	19,295,451
J. Utilities	5,792,950	.9457	6,125,457	5,927,985
L1. Commercial Personal	1,934,920	N/A	1,934,920	1,934,920
L2. Industrial Personal	131,261	N/A	131,261	131,261
M. Other Personal	231,250	N/A	231,250	231,250
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	748,100	N/A	748,100	748,100
Subtotal	76,896,923		85,686,953	78,605,431
Less Total Deductions	6,328,739		6,433,832	6,328,739
Total Taxable Value	70,568,184		79,253,121	72,276,692 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch	10,836,301	.9328	11,617,345

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Imp			
Prod Value Qualified Acres	19,775,901	.7169	27,584,240
Taxable Value	30,612,202		39,201,585

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

**LIMITATION ON APPRAISED
VALUE AGREEMENT**

GROOM INDEPENDENT SCHOOL DISTRICT

and

GRANDVIEW WIND FARM, LLC

Comptroller Application Number 312

December 12, 2013

THIS LIMITATION ON APPRAISED VALUE AGREEMENT, (“Agreement”) is executed and delivered by and between Groom Independent School District (the ”District”), with its central administrative office located in Carson 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 Grandview Wind Farm, LLC, a Delaware 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 Board of Trustees for the District (“Board of Trustees”) received from Applicant an Application for an Appraised Value Limitation on Qualified Property on or about July 9, 2013 (“Application”). The Superintendent of schools for the District, acting as the duly authorized agent for the Board of Trustees, deemed the Application complete on or about July 11, 2013, pursuant to 34 Texas Administrative Code §9.1053 (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 July 11, 2013; and,

WHEREAS, the District timely delivered the requisite number of copies of the Application to the Texas Comptroller of Public Accounts (“Comptroller”) on or about July 11, 2013, for its review pursuant to §313.025(a-1) and (b) of the Code. On behalf of the Applicant, the District submitted Amendment No. 001 to update wage data information on about August 5, 2013. The Comptroller deemed the Application complete and thereafter began its analysis of the Application on August 21, 2013 (the “Application Review Start Date”). On behalf of the Applicant, the District submitted Amendment No. 002 to correct page 10 of the application on or about August 26, 2013; and, Amendment No. 003 to submit the Resolution Authorizing the Reinvestment Zone, the related map and Guidelines, on or about September 12, 2013.; 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 October 31, 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.*, and that the Application be approved (the “Recommendation”); and,

WHEREAS, on December 4, 2013, the District received written notice of the Comptroller's review and approval of the form of this Agreement, pursuant to 34 TAC § 9.1055 (e)(2)(A); and,

WHEREAS, the Board of Trustees conducted a public hearing on the Application at its Board meeting held on December 12, 2013, at which time it solicited input from all interested parties, 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(e) of the Code, the Board of Trustees at its Board meeting held on December 12, 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-1) of the Code, the Board of Trustees at its Board meeting held on December 12, 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(f) of the Code, the Board of Trustees at its Board meeting held on December 12, 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 (e) the relevant job creation requirement set forth in Chapter 313 of the Code should be waived; and,

WHEREAS, the Board of Trustees, at its Board meeting on December 12, 2013, approved the form of this Agreement for a Limitation on Appraised Value of Property and authorized the execution and delivery of such Agreement to Applicant by the District's duly designated representative.

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 December 12, 2013, the date this Agreement was approved by the District's Board of Trustees and executed by the District's authorized representative, 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.

1.2.2 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 the tenth (10th) full calendar year 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 is entirely within that certain Reinvestment Zone, as set out in Schedule 2.1, and so designated by the Carson County Commissioner's Court under Chapter 312 of the Code. The description of the Reinvestment Zone and maps showing the location thereof are attached to this Agreement as Schedule 2.1, which is incorporated herein by reference.

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

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.

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 specifically 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 as allowed by law, which at the time of execution of this Agreement includes: (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 Completed Application Date 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 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. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

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. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

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. 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.

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 Carson 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 all amounts determined to be due and owing to the District (subject to final settle up), all amounts 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 the maximum amount of payments in lieu of taxation as allowed by law, which is currently 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, commencing in Year 3 of this Agreement, 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 forty percent (40%) of Applicant's Net Tax Savings under this Agreement in 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, as determined for that particular school year, exceed the greater of: (a) forty percent (40%) of the Net Tax Savings, or (b) One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA).

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, subject to any limitation or reduction required by law.

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 in the District as defined in this Agreement 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 (i.e. recapture for prior tax years only – no anticipatory / prospective recapture on future taxes); 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 or has undertaken commercially reasonable steps to cure 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 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 become operational, 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, provided, however, subsequent changes of fact such as discussed in Section 9.10 shall not constitute a breach.
- (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: Groom Independent School District
Attn: Jay Lamb, Superintendent
(or the successor superintendent)
Address: P.O. Box 598
City/Zip: Groom, Texas 79068
Phone #: (806) 248-7557
Fax #: (806) 248-7474
Email: jay.lamb@region16.net

To the Applicant:

Name: Sean Logsdon, Vice President
Address: 601 Brazos Street, Suite 1400
City/Zip: Austin, TX 78701
Phone #: (512)482-4021
Fax #: (512)482-9581
Email: sean.logsdon@eon.com

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

With a copy to:

E.ON Climate & Renewables, NA
353 N. Clark Street, Floor 30
Chicago, IL 60654
Attn: General Counsel

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 judicial district where the District's central administrative office is located.

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 and in Schedule 2.3, which was provided to the District subsequent to the Application. Applicant warrants that all information, facts, and representations contained in the Application 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 as set out in the Schedules attached herein, 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 12th day of December, 2013.

GRANDVIEW WIND FARM, LLC
Texas Taxpayer ID No. 32051221722

By: _____ Date: _____

Printed Name: _____

GROOM INDEPENDENT SCHOOL DISTRICT
AUTHORIZED REPRESENTATIVE

By _____ Date: _____
Signature

Printed Name and Title

Attest:

By _____
Signature

Printed Name and Title

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.

“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. The term includes all Amendments and Supplements thereto submitted by Application and provided to the Comptroller.

“Appraisal District” means the Carson County Appraisal District.

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

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

“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 Groom 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 five (5) New Jobs Applicant committed to in the Application, which New Jobs shall be Qualifying Jobs, to be located and performed within the entire project, either in the District or in other school districts in which the project is located, it being specifically acknowledged and agreed by the Parties that the Board of Trustees has waived the job creation requirement set forth in Texas Tax Code §313.051(b), as authorized by and pursuant to the provisions of Texas Tax Code §313.025(f-1). Other than the requirement for the five (5) New Jobs/Qualifying Jobs in order to Maintain Viable Presence as defined herein, 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 entire project either in the District or in other school districts in which the project is located, and which is the subject of its Application; provided, however, it is specifically acknowledged and agreed by the Parties that the Board of Trustees has waived the job creation requirement set forth in Texas Tax Code § 313.051(b), as authorized by and pursuant to the provisions of Texas Tax Code §313.025(f-1). 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); provided, however, it is specifically acknowledged and agreed by the Parties that the Board of Trustees has waived the job creation requirement set forth in Texas Tax Code § 313.051(b), as authorized by and pursuant to the provisions of Texas Tax Code §313.025(f-1).

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

“Reinvestment Zone” means the Carson County Reinvestment Zone 9 created pursuant to Code §312.0025 by action of 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

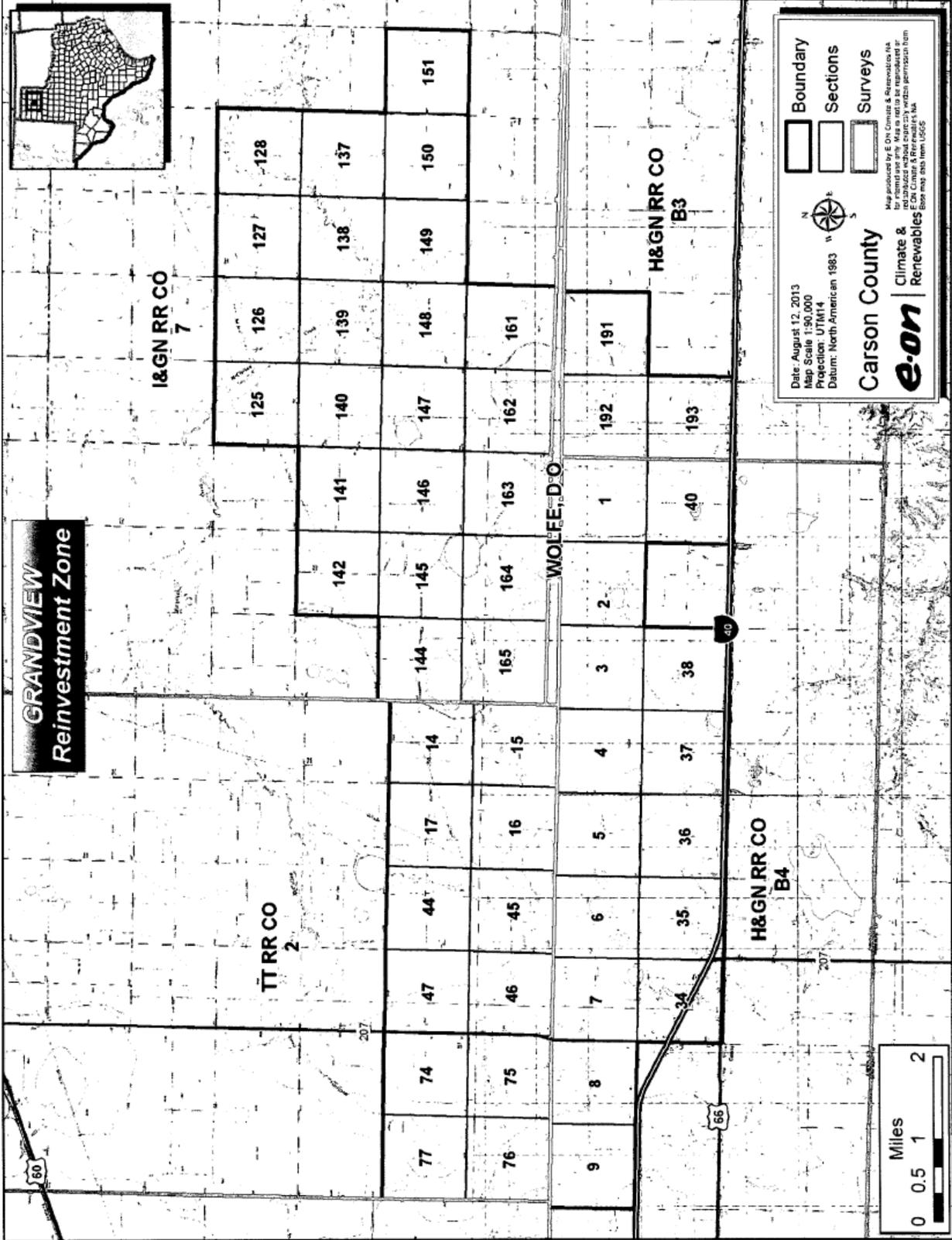
The real property in Carson County being all of Sections 191, 192, and 193 Block B3, H&GN RR Co. Survey, Carson County, Texas

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

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

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

All of DO WOLFE, Carson County, Texas.



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, all Qualified Property owned by the Applicant and located within the boundaries of both the School District and the Reinvestment Zone will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the Reinvestment Zone, except any such property that would otherwise be Qualified Property of the Applicant that is located on any such real property outside the boundaries of the School District, is included, specifically including the following:

Grandview Wind Farm, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200.6 megawatts located entirely within Carson County, Texas, and across two (2) different school districts: Panhandle Independent School District and Groom Independent School District (the "Grandview Project"). The exact number of wind turbines (including without limitation the towers, nacelles, rotors, and reinforced concrete foundations) and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Approximately 58% of the Qualified Investment/Qualified Property of the Project is currently anticipated to be located within the boundaries of Groom Independent School District.

The additional improvements for the Grandview Project located in the District may include but are not limited to:

- Roadwork, sloped for drainage, with turnouts from public roads
- Fencing to control livestock and to protect substations and other equipment as needed for safety and security.
- wind turbine generator foundations, with anchor bolt embeds and template rings
- Wind turbine obstruction lighting per FAA requirements
- Telephone system
- ECRNA will construct one 345:34.5kV collection substation, including two 140 MVA power transformers with OLTC's, as well as associated circuit breakers, switches, reactive power compensation equipment and control building.
- The collection substation will be connected to the utility interconnection through a single-circuit, double 795 ACSR conductor 345kv transmission line approximately 4.5 miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- O&M building with offices and warehouse, with standard utilities

- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

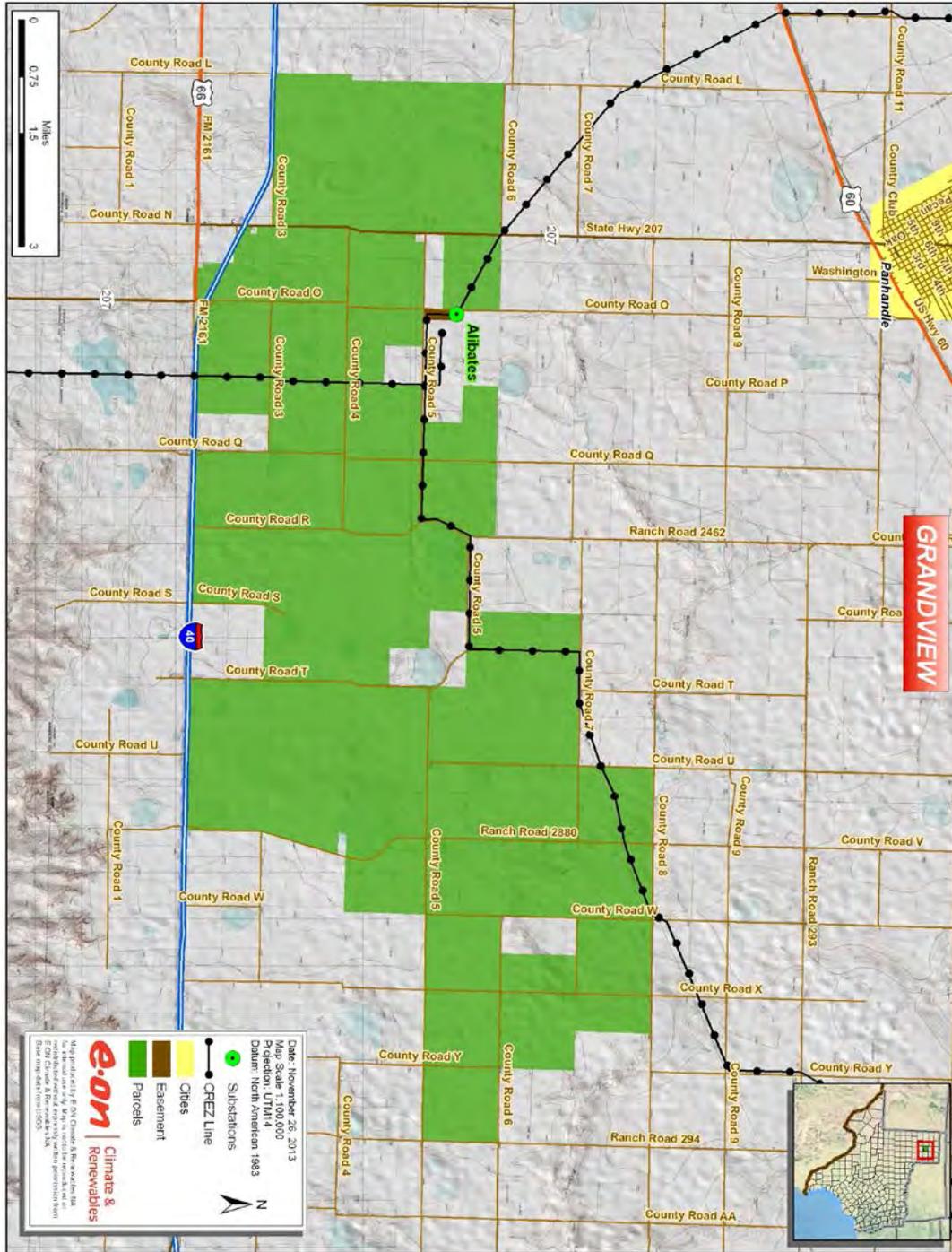
All of the improvements that make up the Qualified Investment and/or Qualified Property for this Agreement will be made within the project area, which is completely within the Reinvestment Zone as shown in Schedule 2.1 and located entirely within the boundaries of the District.

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.

EXHIBIT A
to
SCHEDULE 2.3

MAP OF QUALIFIED PROPERTY/PROJECT AREA



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.

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 4, 2013

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

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

Dear Superintendent Lamb:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Groom Independent School District and Grandview Wind Farm, LLC" (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R. B. Wood".

Robert B. Wood
Director
Economic Development & Analysis

cc: Fred Stormer, Underwood Law Firm, P.C.
Paul Bowman, EC&R Development, LLC

July 9, 2013

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

Re: Chapter 313 Job Waiver Request

Dear Mr. Lamb,

Grandview Wind Farm, LLC, requests that the Groom Independent School District's Board of Trustees waive the job requirement provision as allowed 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.

Grandview Wind Farm, LLC, requests that the Groom 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, Grandview Wind Farm LLC has committed to create 10 total jobs for the project, 5 of which will be in Groom 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 fluctuate depending on the operations and maintenance requirements of the turbine selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition, to the onsite employees, there may be managers or technicians who support the project from offsite locations.

With kind regards,



Paul Bowman
Sr. Vice President, Development