

Attachment A

Application

# O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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AUSTIN, TEXAS 78701

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FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

**LESLIE MCCOLLOM**

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

July 29, 2013

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the Midway Independent School District from Horn Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Midway Independent School District is notifying the Applicant Horn Wind, LLC of its intent to consider Horn Wind, LLC's application for appraised value limitation on qualified property. The Applicant submitted the application to the school district on July 23, 2013. The Board voted at a properly posted Board meeting to accept the application on July 23, 2013. The application was determined complete by the school district on July 26, 2013. Please prepare the economic impact report.

The Applicant has provided detailed maps and project descriptions that show only the qualified property that is the subject of this application. Also, the qualified property that is the subject of the application does not include land.

Please note, no construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement. There is no existing property for this project.

The applicant has requested that the County create the reinvestment zone for this project. The legal description and a final executed copy of the reinvestment zone are included in the application. The Applicant has provided both a detailed map of the reinvestment zone location and description, as well as a map of the project within the reinvestment zone boundaries.

Letter to Local Government Assistance & Economic Analysis Division  
July 29, 2013  
Page 2 of 2

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application, including the newly published 2012 Regional Wage Information. The wage the Applicant has committed to paying on this project is above the required statutory minimums.

A paper copy of the application will be hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Clay County Appraisal District.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written over a horizontal line.

Kevin O'Hanlon  
School District Consultant

Cc: Chief Appraiser  
Clay County Appraisal District

Horn Wind, LLC

Hollis Adams, Midway ISD



# 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

<b>Authorized School District Representative</b>		Date application received by district <b>07/25/2013</b>
First Name <b>Hollis</b>	Last Name <b>Adams</b>	
Title <b>Superintendent</b>		
School District Name <b>Midway ISD</b>		
Street Address <b>12142 STATE HWY 148 S</b>		
Mailing Address <b>12142 STATE HWY 148 S</b>		
City <b>HENRIETTA</b>	State <b>TX</b>	ZIP <b>76365-7210</b>
Phone Number <b>(940) 476-2215</b>	Fax Number <b>(940) 476-2226</b>	
Mobile Number (optional)	E-mail Address <b>Hollis.Adams@esc9.net</b>	

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 <b>Kevin</b>	Last Name <b>O'Hanlon</b>	
Title <b>Attorney</b>		
Firm Name <b>O'Hanlon, McCollom &amp; Demerath, PC</b>		
Street Address <b>808 West Avenue</b>		
Mailing Address <b>808 West Avenue</b>		
City <b>Austin</b>	State <b>TX</b>	ZIP <b>78701</b>
Phone Number <b>(512) 494-9949</b>	Fax Number <b>(512) 494-9919</b>	
Mobile Number (Optional)	E-mail Address <b>kohanlon@808west.com, mhanley@808west.com,</b>	

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

Signature (Authorized School District Representative) 	Date <b>7-23-12</b>
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Has the district determined this application complete? .....  Yes  No

If yes, date determined complete. 7-26-12

Have you completed the school finance documents required by TAC 9.1054(c)(3)? .....  Yes  No  
will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

**APPLICANT INFORMATION - CERTIFICATION OF APPLICATION**

**Authorized Business Representative (Applicant)**

First Name <b>Jimmy</b>		Last Name <b>Horn</b>	
Title <b>Manager</b>			
Organization <b>South Clay Wind Farm, LLC and Shannon-1 Wind Farm, LLC</b>			
Street Address <b>219 Virgie Ln</b>			
Mailing Address <b>219 Virgie Ln</b>			
City <b>Windthorst</b>		State <b>TX</b>	ZIP <b>76389</b>
Phone Number <b>(940) 642-9781</b>		Fax Number	
Mobile Number (optional)		Business e-mail Address <b>horn.wind@yahoo.com</b>	

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

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

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

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

Will consultant be primary contact?  Yes  No

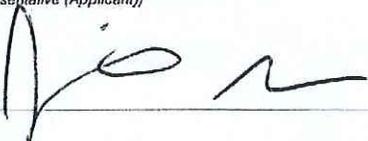
**APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)**

**Authorized Company Consultant (If Applicable)**

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

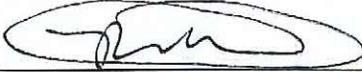
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge 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
	07-03-2013

GIVEN under my hand and seal of office this 3 day of July, 2013



  
 Notary Public, State of TEXAS

My commission expires July 20, 2016

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

Horn Wind, LLC and its Affiliates South Clay Wind Farm, LLC and Shannon-1 Wind Farm, LLC

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

32028268780; 32041118301; 32039528115

NAICS code

221115 (2012 NAICS) [221119 1997 NAICS CODE]

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

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

Archer City ISD-2008 and 2011 & Midway ISD-2010 (Midway agreement expired for lack of qualified investment)

**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.)

Limited Liability Company

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? [X] 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 [X] No
(2) research and development [ ] Yes [X] No
(3) a clean coal project... [ ] Yes [X] No
(4) an advanced clean energy project... [ ] Yes [X] No
(5) renewable energy electric generation [X] Yes [ ] No
(6) electric power generation using integrated gasification... [ ] Yes [X] No
(7) nuclear electric power generation [ ] Yes [X] No
(8) a computer center that is used as an integral part or as a necessary auxiliary part...

Are you requesting that any of the land be classified as qualified investment? [ ] Yes [X] No
Will any of the proposed qualified investment be leased under a capitalized lease? [ ] Yes [X] No
Will any of the proposed qualified investment be leased under an operating lease? [ ] Yes [X] No
Are you including property that is owned by a person other than the applicant? [ ] Yes [X] 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 [X] 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)

See Appendix B, C-E appendices for other relevant information

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

The company is able to relocate and this ability is described in Appendix B

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- [X] New Jobs [X] 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 July 2014 Begin Hiring New Employees July 2014
Construction Complete March 2015 Fully Operational April 2015
Purchase Machinery & Equipment Nov 2013 - Nov 2014

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)? [X] 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? March 2015



**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
_____	_____
_____	_____
_____	_____
Total	_____

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

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

See Schedule D for details

**THE PROPERTY**

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

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

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: Clay County (100%) City: N/A  
(Name and percent of project) (Name and percent of project)

Hospital District: N/A Water District: N/A  
(Name and percent of project) (Name and percent of project)

Other (describe): N/A Other (describe): N/A  
(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.



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? 5 million

What is the amount of appraised value limitation for which you are applying? 5 million

What is your total estimated qualified investment? 300,300,000

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? December 2013

What is the anticipated date of the beginning of the qualifying time period? December 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? 300,300,000

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? [X] Yes [ ] No

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

Will the applicant own the land by the date of agreement execution? [ ] Yes [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. N/A  
(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)? 0

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?  
0

**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. N/A

Total number of new jobs that will have been created when fully operational 8

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? 7

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

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

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

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



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is 683.65

110% of the county average weekly wage for manufacturing jobs in the county is 904.20

110% of the county average weekly wage for manufacturing jobs in the region is 784.30

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? 40,783.60

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? 42,000

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

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

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

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

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

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

If yes, what percent?

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

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

See Appendix D

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	N/A
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	N/A
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	N/A
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	N/A
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

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

# Schedule A (Rev. Jan. 2010): Investment

## 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 qualify- ing time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete appli- cation with district (neither qualified property nor eligible to become qualified investment)					X		
	Investment made after filing complete ap- plication 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	1					X		
	2							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3				X		
		4						
		5						
		6						
		7						
		8						
		9						
		10						
Credit Settle-Up Period	Continue to Maintain Viable Presence	11				X		
		12						
		13						
Post- Settle-Up Period		14						
Post- Settle-up Period		15						

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

**Column A:** This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.  
 [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].  
 Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

**Column B:** The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).  
 For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

**Column D:** Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value – for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.  
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



## Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name \_\_\_\_\_

ISD Name \_\_\_\_\_

						Qualified Property		Reductions From Market Value	Estimated Taxable Value	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O - after all reductions
		pre- year 1								
	Complete tax years of qualifying time period	1								
		2								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_



## Schedule C - Application: Employment Information

Applicant Name

ISD Name

		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 quali- fying jobs appli- cant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre- year 1								
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualify- ing time period	1								
		2								
	Value Limitation Period	3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



### Schedule D: (Rev. Jan. 2010): Other Tax Information

Applicant Name \_\_\_\_\_

ISD Name \_\_\_\_\_

					Sales Tax Information		Franchise Tax	Other Property Tax Abatelements Sought				
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
		Year	School Year (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	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	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)												
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	1										
		2										
		3										
		4										
		5										
		6										
		7										
		8										
		9										
		10										
Credit Settle-Up period	Continue to Maintain Viable Presence	11										
		12										
		13										
Post- Settle-Up Period		14										
Post- Settle-Up Period		15										

\*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

Applicant Name: Horn Wind, LLC (South Clay-Shannon-1 Project)  
 MIDWAY ISD

PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put the year preceding the first complete tax year of the qualifying time period (assuming no deferrals))	Year	School Year (YYYY-YYYY)	Tax Year (actual tax year below) YYYY	Column A: Personal Property amount of new investment (original cost) placed in service during this year	Tangible The	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of Investment (during the qualifying time period)	Column D: Investment that is not qualified investment but investment affecting economic impact and total value	Other Investment (A+B+D)	Total Investment (A+B+D)
Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)				\$0		\$0		\$0		\$0
Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)				\$0		\$0		\$0		\$0
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)	2013/2014	2013		\$0		\$0		\$0		\$0
Complete tax years of qualifying time period	1	2014/2015	2014	\$0	\$200,000,000	\$300,000	\$0	\$0	\$0	\$500,300,000
	2	2015/2016	2015	\$0	\$100,000,000	\$0	\$200,300,000	\$0	\$0	\$500,300,000
Value Limitation Period	3	2016/2017	2016	\$0	\$0	\$0	\$100,000,000	\$0	\$0	\$100,000,000
	4	2017/2018	2017	\$0	\$0	\$0		\$0	\$0	\$0
	5	2018/2019	2018	\$0	\$0	\$0		\$0	\$0	\$0
	6	2019/2020	2019	\$0	\$0	\$0		\$0	\$0	\$0
	7	2020/2021	2020	\$0	\$0	\$0		\$0	\$0	\$0
	8	2021/2022	2021	\$0	\$0	\$0		\$0	\$0	\$0
	9	2022/2023	2022	\$0	\$0	\$0		\$0	\$0	\$0
	10	2023/2024	2023	\$0	\$0	\$0		\$0	\$0	\$0
Continue to Maintain Viable Presence	11	2024/2025	2024	\$0	\$0	\$0		\$0	\$0	\$0
	12	2025/2026	2025	\$0	\$0	\$0		\$0	\$0	\$0
	13	2026/2027	2026	\$0	\$0	\$0		\$0	\$0	\$0
	14	2027/2028	2027	\$0	\$0	\$0		\$0	\$0	\$0
	15	2028/2029	2028	\$0	\$0	\$0		\$0	\$0	\$0

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: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified.

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility.

Column D: The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: TIMMY HORN DATE: 06-25-2013

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

Applicant Name: Horn Wind, LLC (South Clay--Shannon-1 Project)  
 ISD Name: Midway ISD

Form 50-296

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) (YYYY)	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	Exempted Value	Final taxable value for I&S - after all reductions	Estimated Taxable Value	Final taxable value for M&O - after all reductions
pre-year 1	2013/2014	2013	\$0	\$0	\$0	\$0	\$0	\$0	0
1	2014/2015	2014	\$0	\$0	\$0	\$0	\$0	\$0	0
2	2015/2016	2015	\$0	\$200,000,000	\$0	\$0	\$200,000,000	\$200,000,000	\$200,000,000
3	2016/2017	2016	\$0	\$300,000,000	\$0	\$0	\$300,000,000	\$300,000,000	\$5,000,000
4	2017/2018	2017	\$0	\$270,000,000	\$0	\$0	\$270,000,000	\$270,000,000	\$5,000,000
5	2018/2019	2018	\$0	\$255,000,000	\$0	\$0	\$255,000,000	\$255,000,000	\$5,000,000
6	2019/2020	2019	\$0	\$240,000,000	\$0	\$0	\$240,000,000	\$240,000,000	\$5,000,000
7	2020/2021	2020	\$0	\$225,000,000	\$0	\$0	\$225,000,000	\$225,000,000	\$5,000,000
8	2021/2022	2021	\$0	\$210,000,000	\$0	\$0	\$210,000,000	\$210,000,000	\$5,000,000
9	2022/2023	2022	\$0	\$195,000,000	\$0	\$0	\$195,000,000	\$195,000,000	\$5,000,000
10	2023/2024	2023	\$0	\$180,000,000	\$0	\$0	\$180,000,000	\$180,000,000	\$5,000,000
11	2024/2025	2024	\$0	\$165,000,000	\$0	\$0	\$165,000,000	\$165,000,000	\$165,000,000
12	2025/2026	2025	\$0	\$150,000,000	\$0	\$0	\$150,000,000	\$150,000,000	\$150,000,000
13	2026/2027	2026	\$0	\$135,000,000	\$0	\$0	\$135,000,000	\$135,000,000	\$135,000,000
14	2027/2028	2027	\$0	\$120,000,000	\$0	\$0	\$120,000,000	\$120,000,000	\$120,000,000
15	2028/2029	2028	\$0	\$105,000,000	\$0	\$0	\$105,000,000	\$105,000,000	\$105,000,000

Tax Credit Period (with 50% cap on credit)

Credit Settle-Up Period (Continue to Maintain Viable Presence)

Post-Settle-Up Period

Post-Settle-Up Period

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: *JAMES HARRY MORGAN* DATE: 06-25-2013

**Schedule C- Application: Employment Information**

Applicant Name ISD Name		Horn Wind, LLC (South Clay-Shannon-1 Project) Midway ISD		Form 50-296 Qualifying Jobs			
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction Column A: Number of Construction FTE's or man-hours (specify)	New Jobs 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	0	0	\$0	0	\$0
1	2014/2015	2014	30,000 man-hours	0	\$0	0	\$0
2	2015/2016	2015	70,000 man-hours	8	\$42,000	9	\$42,000
3	2016/2017	2016		8	\$42,000	9	\$42,000
4	2017/2018	2017		8	\$42,000	9	\$42,000
5	2018/2019	2018		8	\$42,000	9	\$42,000
6	2019/2020	2019		8	\$42,000	9	\$42,000
7	2020/2021	2020		8	\$42,000	9	\$42,000
8	2021/2022	2021		8	\$42,000	9	\$42,000
9	2022/2023	2022		8	\$42,000	9	\$42,000
10	2023/2024	2023		8	\$42,000	9	\$42,000
11	2024/2025	2024		8	\$42,000	9	\$42,000
12	2025/2026	2025		8	\$42,000	9	\$42,000
13	2026/2027	2026		8	\$42,000	9	\$42,000
14	2027/2028	2027		8	\$42,000	9	\$42,000
15	2028/2029	2028		8	\$42,000	9	\$42,000
Tax Credit Period (with 50% cap on credit)							
Continue to Maintain Viable Presence							
Credit Settle-Up Period							
Post-Settle-Up Period							
Post-Settle-Up Period							

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

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

*[Signature]*  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE  
 TAMM HORN  
 MANAGER

06-25-2013  
 DATE

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

Taxpayer Name	Sales Tax Information		Sales Taxable Expenditures		Franchise Tax	Other Property Tax Abatements Sought			Form 50-296
	School Year (YYYY-YYYY)	Tax/Calendar Year (YYYY-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	
Horn Wind, LLC (South Clay-Shannon-1 Project)									
	Year								
	2013/2014	2013	0	0	0	0%	0	0	0
	2014/2015	2014	0	200,000,000	0	0%	0	0	0
	2015/2016	2015	0	100,000,000	0	90%	0	0	0
	2016/2017	2016	0	0	0	80%	0	0	0
	2017/2018	2017	0	0	0	70%	0	0	0
	2018/2019	2018	0	0	0	60%	0	0	0
	2019/2020	2019	0	0	0	50%	0	0	0
	2020/2021	2020	0	0	0	40%	0	0	0
	2021/2022	2021	0	0	22,500	30%	0	0	0
	2022/2023	2022	0	0	22,500	20%	0	0	0
	2023/2024	2023	0	0	22,500	10%	0	0	0
	2024/2025	2024	0	0	22,500	0%	0	0	0
	2025/2026	2025	0	0	22,500	0%	0	0	0
	2026/2027	2026	0	0	22,500	0%	0	0	0
	2027/2028	2027	0	0	22,500	0%	0	0	0
	2028/2029	2028	0	0	22,500	0%	0	0	0
1 year period beginning the complete tax year of the qualifying time period summing no amounts)									
Complete tax years of qualifying time period	1								
Value Limitation Period	2								
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06-25-2013

TIMMY POLES  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE  
 DATE

or planning, construction and operation of the facility.

Horn Wind, LLC  
219 Virgie Lane  
Windthorst, TX 76389

July 01, 2013

Dear Mr. Adams and Midway ISD School Board:

Horn Wind, LLC request on behalf of the South Clay--Shannon-1 project a waiver for the minimum jobs creation requirement as provided under Tax Code 313.0025 for our Application for Appraisal Value Limitation-Texas Tax Form 50-296.

Page 9 of Form 50-296 allows for the submission of a minimum jobs waiver request. Industry standards show the need for only 8 jobs for the wind project of 200 Megawatt. This standard is documented on the attached letter from FPL, a wind industry leader. The South Clay--Shannon-1 project job breakdown is outlined below.

Project: 200MW-nameplate (118 turbines)

Positions

- 6 Jobs Turbine Technicians
- 1 Jobs HV and Plant Technician
- 1 Job Site Manager

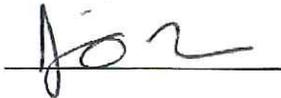
The project will include 118 wind turbines to reach the 200MW capacity rating. The jobs will be created as full time positions and will continue through the full project life. The above positions are based on the industry standard of 1 Turbine Technician for every 15-20 wind turbines plus a Site Manager and a High Voltage/Plant Technician.

Please, consider this request for your governing body to waive the minimum job creation requirement for the South Clay--Shannon-1 Project's Application for Appraisal Value Limitation.

Thank you for your time.

Please denote decision to accept or decline below.

Sincerely,



Jimmy Horn  
President  
Horn Wind, LLC

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Decision (circle):    Approved    Disapproved

## Appendix A

### Appendix A2: Number of Jobs Necessary for Industry Standard Operation

Summary: This appendix specifies the standards number of jobs required to operate an industrial wind farm based on the number of turbines installed. It will be used as a basis for the request for a governing body waiver for the minimum job creation amount.

South Clay--Shannon-1 wind project specifications are as follows:

200 megawatt-nameplate

This will include 118 1.7 wind turbines depending upon turbine size to reach the 200 megawatt maximum capacity rating. The following jobs will be created as full time positions and will continue throughout the full 20+ years of the project life. Some overlapping of duties may occur, but a minimum of 8 jobs will always exist during the projects life.

South Clay--Shannon-1 Wind Farm Salaries starting Yr 2015

	<u>Position</u>	<u>Salary</u>	<u>Industry Standard</u>
6 Jobs	Turbine Technicians	\$42,000/yr (\$800/wk)	\$28K to \$38K w/exp
1 Job	HV / Plant Technician	\$45,000/yr	\$45K-\$65K
1 job	Site Manager	>\$50,000	>\$50K

Total jobs created with at least 80% meeting the 110% wage rate requirement will be created. In addition, a number of temporary jobs will exist during the initial construction period.

The above positions are based on the industry standard of 1 maintenance technician for every 15-20 wind turbines plus a Site Manager and a High Voltage and Plant Technician.

For this Appraisal Value Limitation Form 50-296, the **South Clay--Shannon-1 project is applying for a Minimum Job Waiver based on the industry standard job creation number.** Eight permanent jobs are needed to operate the 200 megawatt wind farm which is less the 10 jobs for rural school districts requirements.

BORDEN WIND, LLC  
MIDWAY ISD-VALUE LIMIT 50-296  
APPENDIX A-3

FPL Energy, 700 Universe Boulevard, Juno Beach, FL 33408



**FPL Energy**

October 22, 2007

VIA E-MAIL

Amalia Hanley  
O'HANLON, McCOLLOM & DEMERATH  
Attorneys-at-law  
808 West Ave.  
Austin, Texas 78701

Dear Mali,

Included in our Applications for Appraised Value Limitation on Qualified Property, Texas Form HB-1200, for Coyote Wind, LLC ("Coyote") and Wolf Ridge Wind, LLC ("Wolf") was a statement in Step 5: Economic Impact, Question 3 - Estimate the average weekly wage rate for qualifying jobholders that declared Coyote and Wolf's average weekly wage rate was "Greater than 110% of the average weekly manufacturing wages." This statement was included because the weekly wages for both Coyote and Wolf are estimated to be greater than the Texas Tax Code, Chapter 313 requirement of wages greater than 110% of the county average weekly wage for manufacturing jobs in the county where the jobs are located.

At the time of completion of Form HB-1200, Coyote and Wolf had obsolete information as to the current average weekly wage for both Borden County (Coyote) and Cooke County (Wolf). Therefore, the statement was added so that the applications would not be rejected on account of the obsolete number that would have been included on the Form.

As to the number of qualifying full-time jobs, wind farm projects typically involve a considerable number of part-time jobs during the construction phase. Once construction is complete, a lesser number of highly-skilled technicians are required for the long-term operation of the wind farm. Coyote and Wolf typically estimate, that after completion of construction of the wind farm, approximately one full-time skilled technician may support approximately fifteen turbines.

In addition to the technicians discussed above, other project related full-time employees include a site leader, a plant technician, and a high voltage technician.

Note that these are only estimates and these figures may vary based on location, site conditions, the size of the turbines and the size of the wind farm, and manufacturer service and support levels.

Please contact me if you have any additional questions with respect to the applications for Coyote and Wolf.

Best regards,

Kevin O'Steen, CPA

# **Appendix B**

## **Investment**

1. Description of Property
2. Improvements
3. Project Layout and Vicinity Map
  - a. Detailed Project Layout Map (Turbines)
  - b. Vicinity Map of Project
4. Company's Ability to Relocate
5. Scope of Project
6. Construction Timeline
7. Proof of Application Fee

# Appendix B

## Appendix B1 & B2: Description the Property and Proposed Improvements

### B1 - Description of all property as defined by tax code 303.021(2)

Per Tax Form 50-296, the following will describe the property and the assets to be placed in service on said property of a project to install and operate a 200 Megawatt industrial wind farm for a minimum of 20 year project life for the purpose of profitably generating electricity for sell. All assets will reside on said property for the duration of the project life.

For purposes of simplification, the below terms described in full, hereafter will fully carry the meaning denoted below but will be referred to in their shorted form.

'Wind Farm': The 200 MW-nameplate capacity Industrial Wind Farm located in Clay County Reinvestment Zone no. 1. Designation: South Clay--Shannon-1.

'Reinvestment Zone' the Southwest Clay County Wind Power Reinvestment Zone which was established by the Commissioners Court of Clay County on August 23, 2010. Zone establishment is in accordance with Tex. Tax Code 312.401.

'Land Property(s)': the designated land tracts leased from land owners by Horn Wind, LLC and used in the South Clay--Shannon-1 Wind Farm Project. This term will refer to the any existing improvements to the land prior to the lease and use in South Clay--Shannon-1 project will be included in this term 'land property'.

'Improvements' the additions of proposed and installed improvements to the land as well as any other personal property to be added and reside on the land for the soul use in the operation of the project. This term will include new roads, other infrastructure, transmission and the wind mills (towers and turbines).

South Clay--Shannon-1 Wind Farm project is a 200 MW capacity industrial wind farm located in the Southwest Clay County Wind Power Reinvestment Zone. The Land Property(s) used for the Wind Farm are leased land comprised entirely of rural farm land.

This project, the Wind Farm, comprised of Land Property(s) and Improvements meets the requirements of Tax Code 313.021(2): Qualified property as denoted below.

- a) i. The land is located in a reinvestment zone created under chapter 312.
- ii. The new improvements do/did not exist before the date owner applied for a limitation of appraised value under subchapter for code section 313.
- iii. The project is not subject to any other tax abatements entered into by a school district under chapter 312.
- iv. The new improvements will at least meet the minimum amount required for the qualifying investment for Section 312.023 of \$5 million, urban, Category IV. And a new job creation quantity waiver is being filed to lower the number of new jobs

required based on the industry standards for wind farm operation. The project will meet this Category IV requirement with the waiver approval.

- b) & c) The new Improvements (including tangible personal property) are not subject to a tax abatement agreement entered into by a school district under Chapter 312. In addition all new Improvements (including new equipment) will be placed in service for the first time on this project.

## **The Land**

The Land (Land Property(s)) is described as rural farm land bases about. There are no major structures on the land with the exception of a few houses and barns.

Each piece of leased land used in the Wind Farm project is within the reinvestment zone.

- A map of the reinvestment zone is included in Appendix C.
- Documentation on the reinvestment zone is presented in Appendix C.
- Order establishing the Clay County Reinvestment Zone in appendix C.
- All land leases are filed in Appendix F.

## **Land Legal Descriptions**

Detailed Legal Land Descriptions are presented in Appendix C-4. Also, the Land Legal Description of each piece of land included in the South Clay--Shannon-1 Wind Farm Project is filed in Appendix F on the two pages after the signature pages of each land Surface Lease for each piece of leased land. See Appendix F.

## **B2 - Proposed Improvement and Personal Property**

For this items classification, all turbines will be classified as Business Personal Property. All other assets and structures including towers, roads, transmission equipment and lines will be classified as proposed improvements and specified as permanent fixtures.

Installation of the above items is scheduled as follows:

Gravel roads to each tower installation location will be built and current roads will be upgraded in the 6 month period immediately prior to the beginning of turbine installation.

Towers and turbines will be installed during a 6 to 9 month window immediately preceding the testing and Commercial Operation Date. At this time, the Commercial Operation Date is set for December, 2014. This date may change due to unforeseen delays.

At the actual Commercial Operation date, all construction will be complete on the South Clay--Shannon-1 Project. All turbines will be installed by the end of the qualifying time period, currently set for the end of 2015.

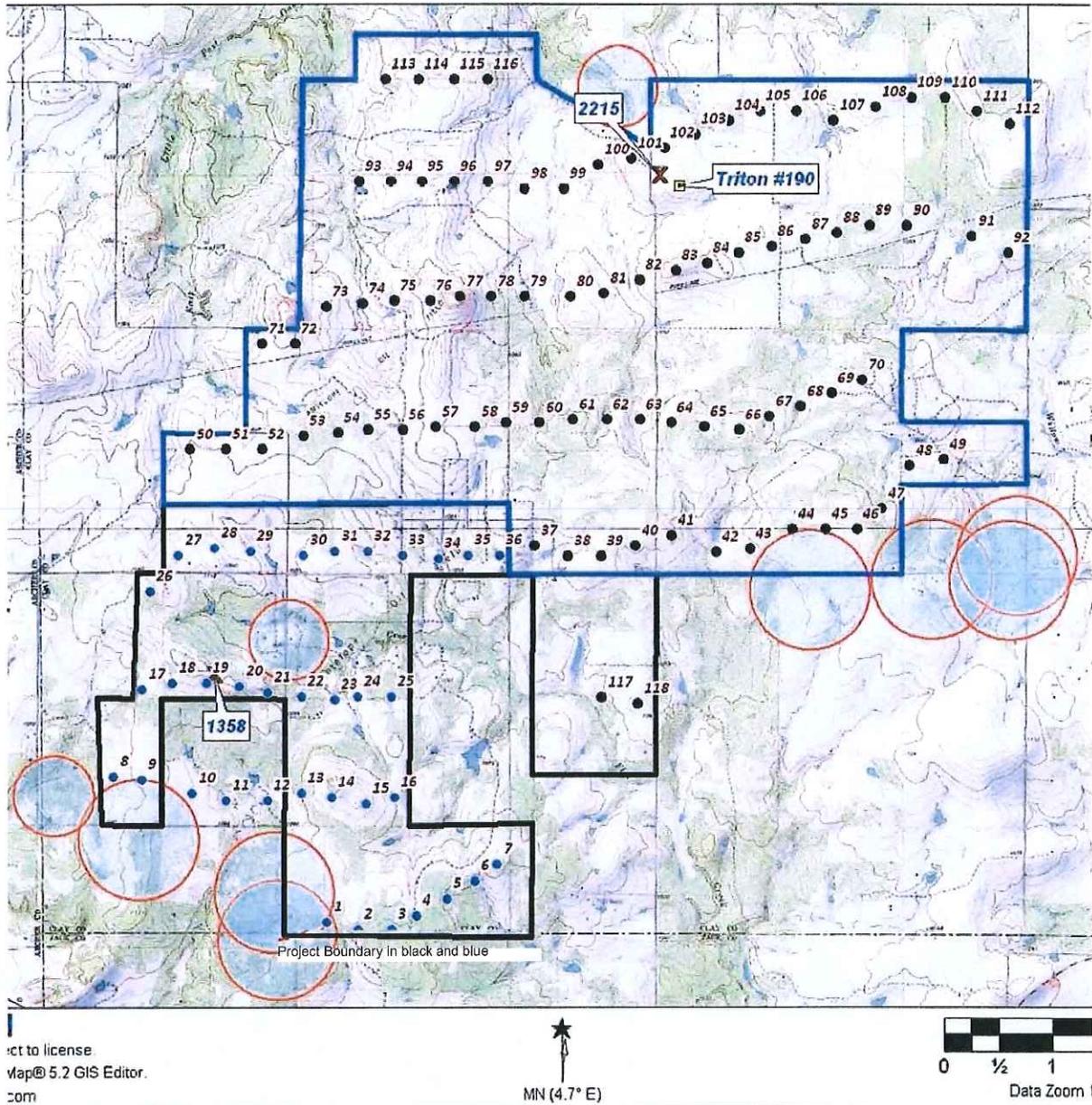
With all turbines installed, the project will be rates at 200MW-nameplate and have a market value of about \$300 million. The project life is expected at 25 years.

Turbines will constitute approximately \$250 million of the project value. All other improvements are estimated at \$50 million in value for a total value of \$300 million. Each asset is defined and timed in form 50-296 Schedules A, B, and C.

**Detailed maps of the actual or proposed location of the land and proposed improvements**

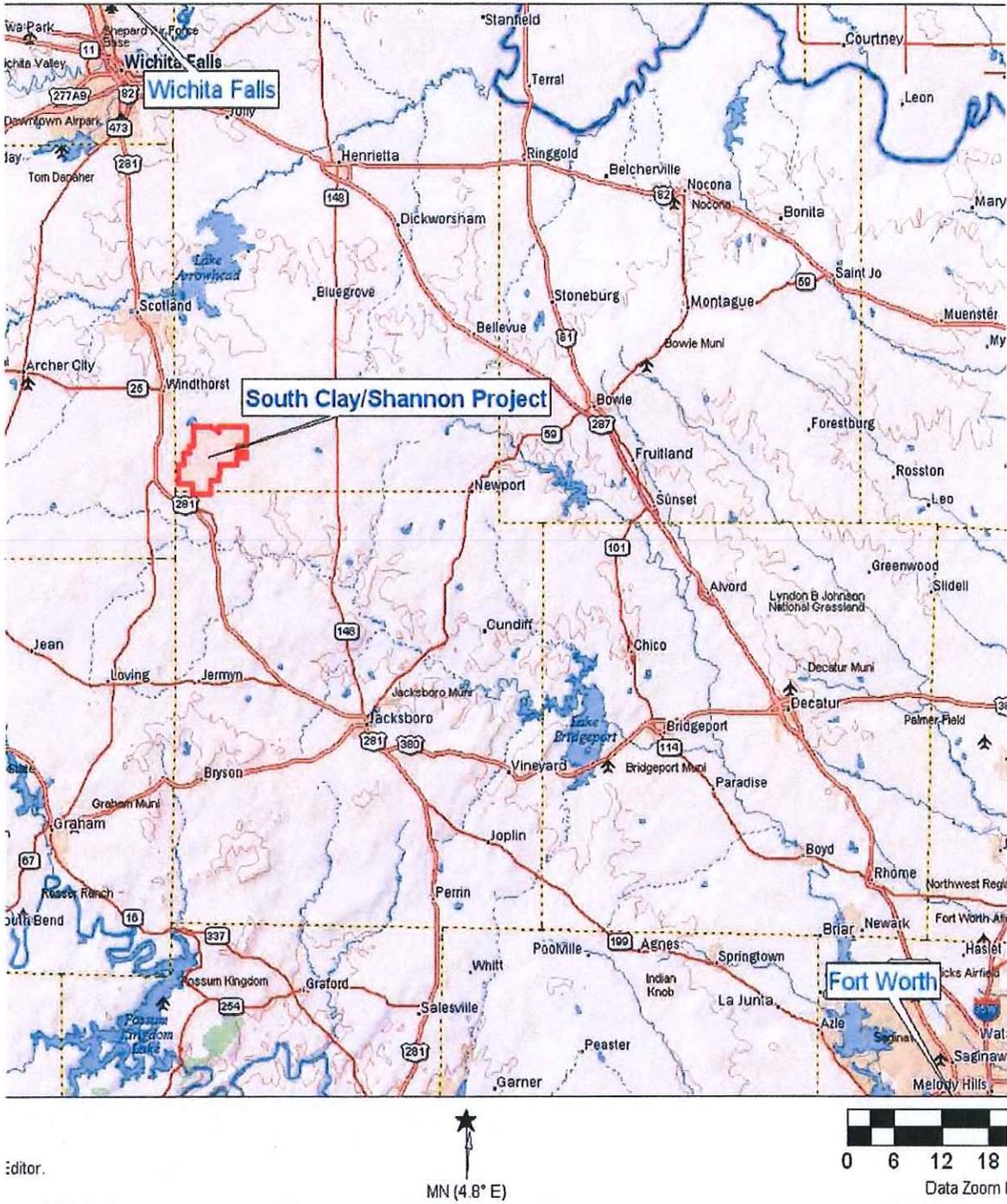
Detailed maps of the land, improvements and reinvestment zone are filed in Appendix C.

### B3 – Local Map of the South Clay-Shannon Wind Project with Turbine Sites



Please see attachment C-6 for map of project in relation to reinvestment zone boundaries

### B3 – Regional Map around the South Clay-Shannon Wind Project



## **B4 – Company’s Ability to Relocate**

The ability of the company to relocate to another state or another region of the state: Horn Wind, LLC is a Texas company. We have the ability to be relocated to other wind development regions in the United States or to other regions of Texas. The project will create permanent jobs in the region where it is built this wind project. But until the project is financed and then built, Horn Wind is able to move this project and our company to any other region of the United States. Once built, the project will have a permanent 20+ year life, will be located only on the assigned property designated and will create and sustain the jobs denoted in Appendix D.

## **B5 - Scope of Project**

Per Tax Form 50-296 the following will describe in detail the scope of the proposed project including the type and planned use of real and tangible personal property, the nature of the business, and a timeline for construction (also found in Schedule A, B, & C), and any other relevant information.

Shortened terms will be used from formal long descriptions denoted above. Much of the below information is taken from the statements filed in the South Clay--Shannon-1, LLC Tax Abatement Agreement with Clay County. (Appendix C)

The Project, hereafter referred to as a the Wind Farm, will consist of a wind powered electric generating facility to be located entirely within the Reinvestment Zone and shall consist of buildings and structures and other improvements, fixed machinery, equipment and process units including one or more electrical substations, underground and overhead electrical distribution and transmission facilities, wind turbine generators, electric transformers, appurtenant electric equipment, communication cables, data collection facilities, meteorological towers, and roads to be installed, added upgraded or used on the Subject Tracts, referred to as the Land Property(s), by or for the owner.

The Project will have a total of operating capacity of approximately 200 megawatts. The Project will include 118 1.7 megawatt wind turbine generators or similar equipment capable of producing the approximate generating capacity referred to above.

The nature of the South Clay--Shannon-1 project (Wind Farm) and the parent company Horn Wind, LLC construct and operate industrial level wind farm for the purpose of generating and selling electricity for a profit. This Wind Farm will create permanent jobs for Clay County and will be the source of tax dollar generation for the county and school district.

The timing for construction is as follows. Schedules A, B, and C have the best estimate capital investment schedule for the Wind Farm construction and operation. Construction on the Wind Farm Project is expected to be substantially complete between December 2014 and June 2015. These completion deadlines could be extended into late-2015 or year 2016 if necessity requires.

Plans and Specifications, Governmental Requirements and Workmanship. All improvements to the real property which are a part of the Project, an all equipment and personal property installed as a part of the Project, shall be constructed and installed in accordance with plans and specifications prepared and certified by an engineer or architect licensed within one of the states of the United States of America and in accordance with all regulations of any governmental agency or entity having jurisdiction over any aspect of the construction of the project or its operations.

All facilities and equipment related to the Project shall be located in Clay County. South Clay--Shannon-1 agrees to create not less than 8 new jobs in connection with the construction of the Wind Farm; either through direct employment or through employment by contractors or service providers engaged to provide goods or services in connection with the project.

A majority of the above information has been directly extracted from the official "Tax Abatement Agreement between Clay County and South Clay--Shannon-1, LLC" This information was submitted by South Clay--Shannon-1 and agreed upon in this signed agreement to be binding for this county tax abatement in conjunction with the reinvestment zone.

## **B6 - Investment - Project Outlay and Timeline**

This Investment schedule is our best estimate for the timing and amounts of capital outlays. The tower and housing for the turbine is considered a permanent fixture/structure. The turbines and related equipment is classified as business/tangible personal property Values in Millions of Dollars (\$ mil).

<b>\$ Millions</b>	<b>Price per Unit (\$ Mil)</b>	<b>Qty</b>	<b>Permanent Fixture-New Building, Etc</b>	<b>Tangible Personal Property</b>	<b>Timing</b>
Turbines	1.5	118		177.00	Jan 2014 to Mar 2015
Towers	0.6	118	70.80		Jun 2014 to Mar 2015
Transmission	8.00	All	8.00		Aug 2014 to Jan 2015
Substation	7.00	All	7.00		Aug 2014 to Jan 2015
Roads/Access	8.50	All	8.50		Aug 2014 to Jan 2015
Erect/Install	27.0	All	27.00		Aug 2014 to Jan 2015
Misc.	1.00	All	1.00		Jan 2014 to Mar 2015
Leases/Contracts	0.70	All	0.70		Jan 2014 to Mar 2015
			<b>123.00</b>	<b>177.00</b>	

**Total Value: \$300 million**

# Midway Independent School District

*"Excellence in Education"*

12142 State Highway 148 S.  
Henrietta, Texas 76365

Hollis Adams  
Superintendent

Cherry Johnston  
Principal

Phone: 940-476-2215  
Fax: 940-476-2226

Horn Wind, LLC  
219 Virgie Lane  
Windthorst, Texas 76389

Mr. Horn,

As the authorized representative of the Midway Independent School District, please be advised that the District has considered your request to defer the immediate payment of the application fee for the application submitted by Horn Wind, LLC. The Board has determined that it will accept the payment of the application fee in installments. Payments will be due as follows:

1. An initial payment of \$5,000 to be made on or before July 31, 2013 to the Midway Independent School District.
2. A second payment of \$20,000 to be made upon the later of final action of the Board of Trustees to approve the application submitted by Horn Wind, LLC or December 31, 2013.

Sincerely,



Hollis Adams, Jr.  
Superintendent, Midway ISD

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)*

## **Appendix C**

# **Qualified Property**

1. Description of Qualified Property - See Appendix B-1
2. Proposed Improvements - See Appendix B-2
3. Map of Qualified Property - See Appendix B-3
4. Land Information
  - a. Legal Description of Land
  - b. Appraisal Parcel Number
  - c. Owner
  - d. Tax Value of the Land
5. Vicinity Map of Project
6. Reinvestment Zone Map
7. Reinvestment Zone Order (Establishment)
  - a. Order Establishing the Zone
  - b. Guidelines and Criteria for Reinvestment Zone

## Appendix C

### Appendix B1, B2 & B3: Description the Property and Improvements

C1 - Description of Qualified Property - See Appendix B-1

C2 - Proposed Improvements - See Appendix B-2

C3 - Map of Qualified Property - See Appendix B-3

# Appendix C

## Appendix C4: Land Information

### C4- Land Legal Information

Below is the legal description of the land included within the South Clay--Shannon-1 Project. The following page also includes the Legal Description of the Land along with Appraisal Parcel Number, Landowner, Acreage and the Tax Value of the Land.

Tex. Em. & Land Co. Survey	All of Abstracts 462 through 468
	All of Abstracts 471 through 477
	All of Abstracts 480 through 495
	All of Abstracts 498 through 505
	All of Abstracts 506 through 510
	All of Abstracts 523
McKinney & Williams Survey	All of Abstracts 359
W Wells Survey	All of Abstracts 711
B Cobb Survey	All of Abstracts 978
W Forris Survey	All of Abstracts 148
P Gilliland Survey	All of Abstracts 162
B.B.B. & C.C.R. Company	Abstract 1002

**Detailed Land Legal Information**

- a. Legal Description of Land
- b. Parcel Number
- c. Owner and Acreage
- d. Current Taxable Value

<b><u>Parcel (a &amp; b)</u></b>	<b><u>Owner (c)</u></b>	<b><u>Acreage (c)</u></b>	<b><u>Taxable Value (d)</u></b>
<u>Tex. Em. &amp; Land Co.</u>			
A-462	Edward Moer	137.5/91.5/90 acres	\$21,860/\$14,550/\$12,700
A-463	Praire Grove Ranch (Garrett)	308.415 acres	\$19,250
A-464	Lloyd Wolf	100 acres	\$13,000
A-464 (cont.)	Praire Grove Ranch (Garrett)	220 acres	\$2,530
A-465	Lloyd Wolf	319 acres	\$29,560
A-466	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-467	Praire Grove Ranch (Garrett)	320 acres	\$19,980
A-468	David Jackson	85 acres	\$5,307
A-471	David Jackson	80 acres	\$4,995
A-472	Praire Grove Ranch (Garrett)	320 acres	\$19,980
A-473	Praire Grove Ranch (Garrett)	320 acres	\$19,980
A-474	Bobby Steinberger	320 acres	\$28,180
A-475	Bobby Steinberger	320 acres	\$46,050
A-476	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-477	Praire Grove Ranch (Garrett)	91 acres	\$5,680
A-477 (cont.)	Edward Moer	44.07 acres	\$2,750
A-483	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-485	Mike Jackson	200/98.54 acres	\$12,490/\$6,150
A-486	Doug Wolf	160 acres	\$18,220
A-486 (cont.)	Jimmy/Joey Horn	155 acres	\$12,710
A-487	Kevin Horn	80 acres	\$4,990
A-488	Jerry/Kevin Horn	150 acres	\$16,780
A-489	Doug Wolf	220 acres	\$14,980
A-489 (cont.)	Wayman Oliver	100 acres	\$6,240
A-490	Bob/Kaye Schreiber	320 acres	\$20,400

Tex. Em. & Land Co. (cont.)

A-492	Praire Grove Ranch (Garrett)	160/60 acres	\$9,990/\$3,750
A-502	Ferry Schroeder	280 acres	\$18,380
A-503	Cletus Schroeder	192 acres	\$11,980
A-503 (cont.)	Robert Schroeder	88 acres	\$11,860
A-506	Arthur Litteken	320 acres	\$19,970
A-507	Arthur Litteken	320 acres	\$19,970
A-508	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-509	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-510	Praire Grove Ranch (Garrett)	320 acres	\$19,970
A-523	Praire Grove Ranch (Garrett)	273.34/46.66 acres	\$17,070/\$2,920

McKinney & Williams Survey

A-359	Arthur Litteken	320 acres	\$19,970
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W Wells Survey

A-711	Arthur Litteken	189 acres	\$11,790
A-711 (cont.)	Edward Moer	128 acres	\$20,350

B Cobb Survey

A-978	Praire Grove Ranch (Garrett)	160 acres	\$9,990
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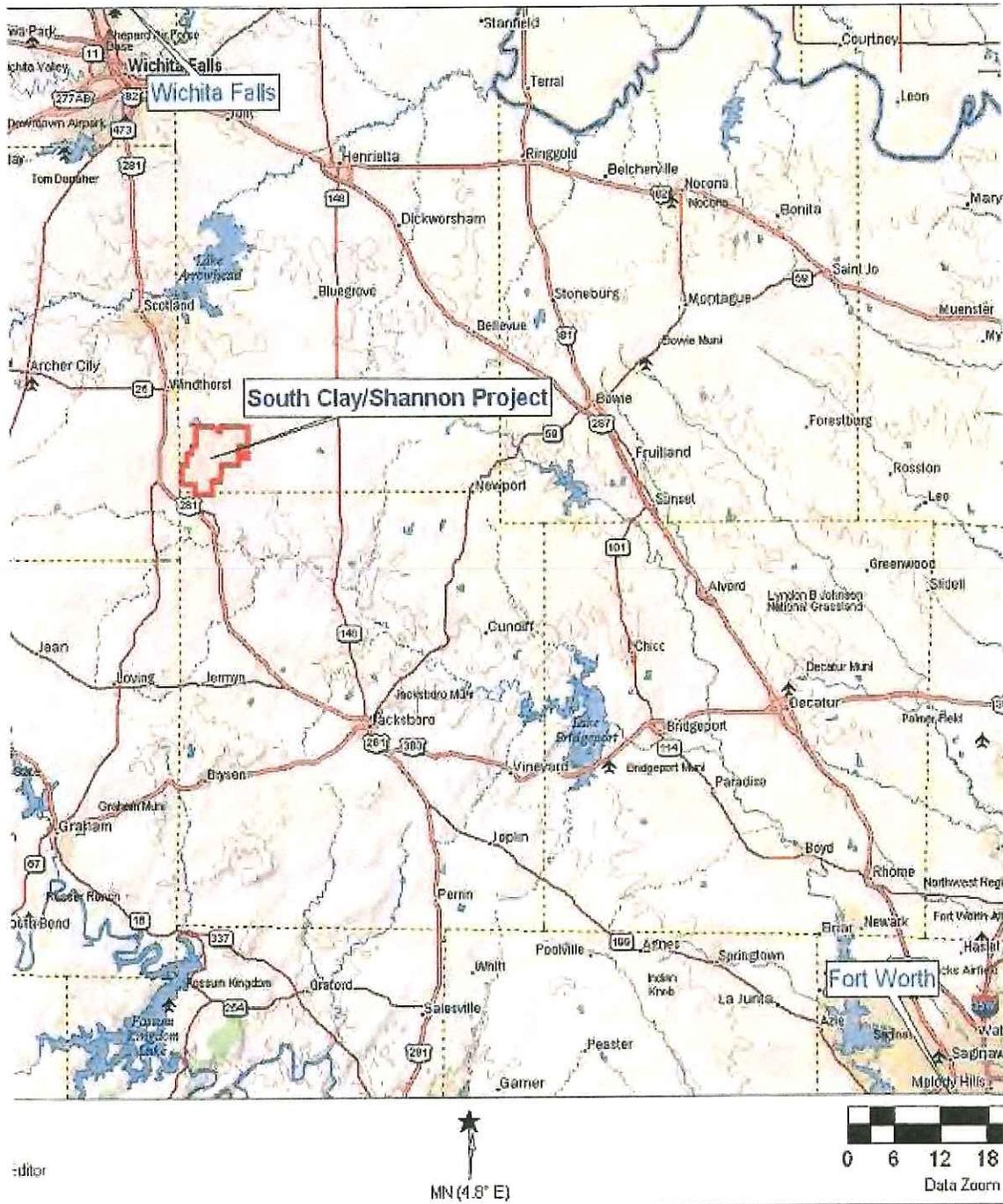
W Forris Survey

A-148	Arthur Litteken	148.55/387.81 acres	\$43,300
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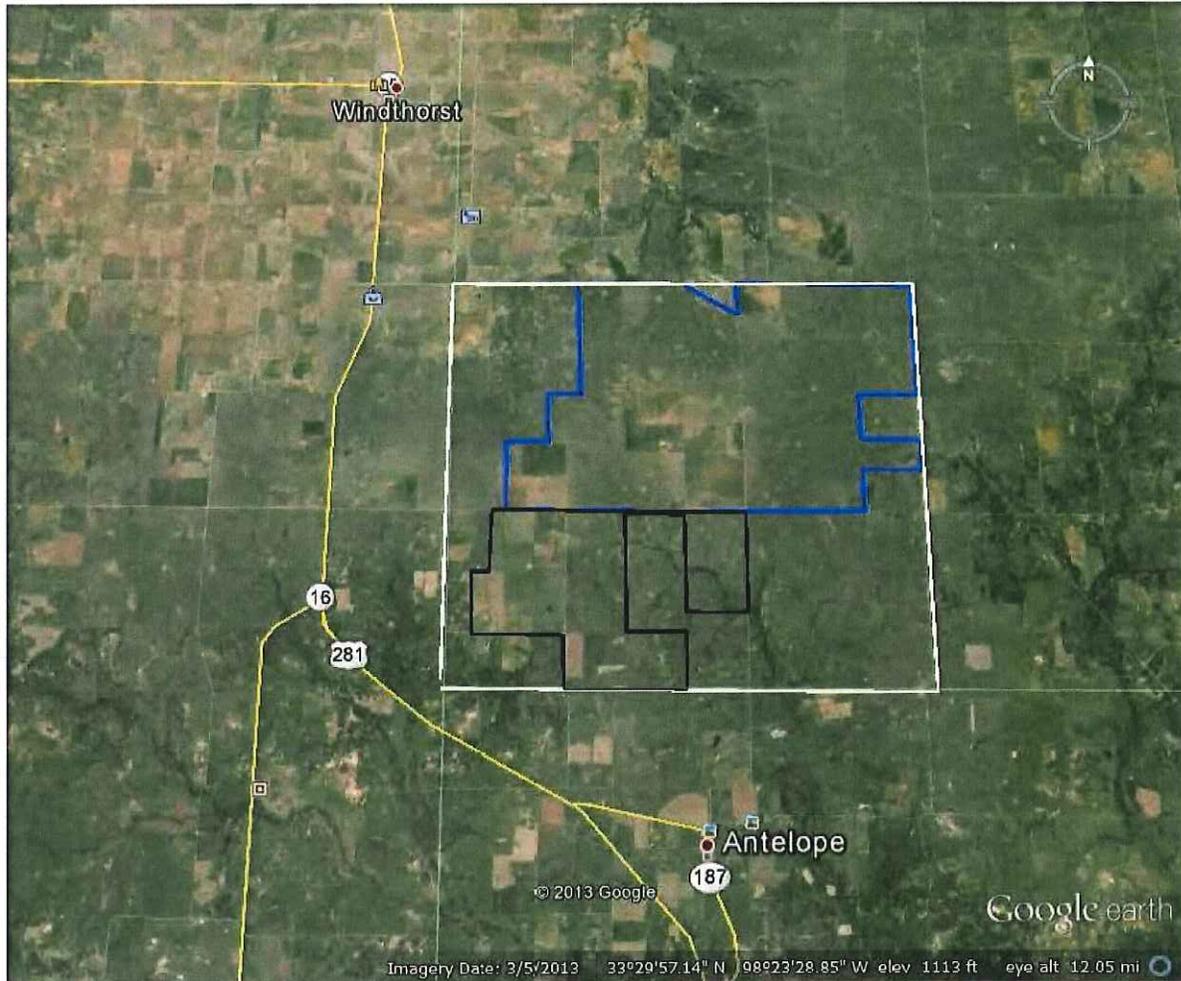
P Gilliland Survey

A-162	Praire Grove Ranch (Garrett)	307 acres	\$19,160
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**Appendix C5: Vicinity Map around the South Clay-Shannon Wind Project**



**Appendix C6: Reinvestment Zone Map with Project Map Inside**



White Boundary-Reinvestment Zone Boundary  
Black and Blue Boundary-Project Location within reinvestment zone



YURN WIND, LLC  
MIDWAY ISD - VALUE LIMIT - 50-256  
APPENDIX C-7, Pg A

**ORDER DESIGNATING THE SOUTHWEST  
CLAY COUNTY WIND POWER REINVESTMENT ZONE**

**August 23, 2010**

AN ORDER OF THE COMMISSIONERS COURT OF CLAY COUNTY, TEXAS MAKING CERTAIN FINDINGS OF FACT AND DESIGNATING THE SOUTHWEST CLAY COUNTY WIND POWER REINVESTMENT ZONE.

WHEREAS, on May 10, 2010 the Commissioners Court of Clay County, Texas (sometimes hereinafter referred to as the "Commissioners Court") adopted a resolution electing to participate in tax abatement and adopted guidelines and criteria for any tax abatement that is granted by the Commissioners Court; and

WHEREAS, on July 27, 2010 the Commissioners Court convened a public hearing with respect to the advisability of designating the following lands (sometimes hereinafter referred to as the "Subject Lands") as a reinvestment zone pursuant to TEX. TAX CODE §312.401, to-wit:

BEGINNING at a point on the Clay County and Archer County Line where Schreiber Road intersects the County Line which is the Northwest corner of the B.B.B. & C.R.R. Company Survey, Abstract 1002;

THENCE, South with the Clay-Archer County Line to the Southwest corner of Texan Emigration and Land Company Survey 2646, Abstract 505, which is the Northern boundary for Jack County which is the Southwest corner of this tract;

THENCE, East with the Jack County Line to Southeast corner of the Texan Emigration and Land Company Survey 2639, Abstract 498, which is the Southeast corner of this tract;

THENCE, North with Watson Road to the Northeast corner of Texan Emigration and Land Company Survey 2690, Abstract 523, which is the Northeast corner of this tract; and

THENCE, West to the Northwest corner of B.B.B. & C.R.R. Company Survey, Abstract 1002, which is the place of beginning for the Northwest corner of this tract;

WHEREAS, said public hearing was adjourned to, and completed on, August 23, 2010;

WHEREAS, not later than the seventh day before July 27, 2010, notice of the public hearing was (1) published in the Clay County Leader, a newspaper having a general circulation in Clay County, Texas and (2) delivered in writing to the presiding officer of Midway Independent School District and the presiding officer of the Windthorst Independent School District, said school districts being the only other taxing units that include the Subject Lands in their boundaries;

WHEREAS, the Subject Lands are not in the taxing jurisdiction of a municipality;

HORN WIND, LLC  
MIDWAY ISD - UDLME LIMIT-50-296  
APPENDIX C-7, Pg 6

WHEREAS, based upon the information available to it, including information presented at the public hearing referred to above and at prior meetings of the Commissioners Court, the Commissioners Court has determined, and hereby finds and concludes:

(1) that the erection of wind powered electric generating facilities on the Subject Lands is feasible and practical and would be a benefit to the Subject Lands and to Clay County, Texas after the expiration of a tax abatement agreement entered by Clay County, Texas pursuant to Chapter 312 of the Texas Tax Code;

(2) that the designation of the Subject Lands as a reinvestment zone will attract major investment in the zone that will be a benefit to the Subject Lands and will contribute to the economic development of Clay County, Texas;

(3) that the designation of the Subject Lands as a reinvestment zone is consistent with the tax abatement guidelines and criteria adopted by the Commissioners Court on May 10, 2010;

(4) that this order was approved by a majority of the Commissioners Court at a meeting held on August 23, 2010 which was open to the public, was preceded by proper notice, as required by Chapter 551 of the Texas Government Code (the Open Meetings Act), and at which a quorum of the members of the Commissioners Court were present;

(5) that the action of the Commissioners Court in approving this order followed the public hearing on the advisability of designating the Subject Lands as a reinvestment zone referred to above; and

(6) that the following orders should be entered:

IT IS ORDERED, BY THE COMMISSIONER'S COURT OF CLAY COUNTY, TEXAS:

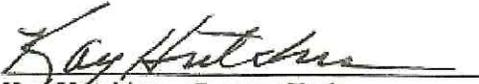
1. That the Subject Lands located in Clay County, Texas be, and such tracts hereby are, designated as the Southwest Clay County Wind Power Reinvestment Zone and are hereby declared eligible for property tax abatement as authorized by the tax abatement guidelines and criteria heretofore adopted by the Commissioner's Court on May 10, 2010.

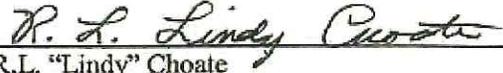
2. That the foregoing designation shall be effective for a period of five years from the date of this order; provided that such designation may be renewed by appropriate action of the Commissioners Court at a future date.

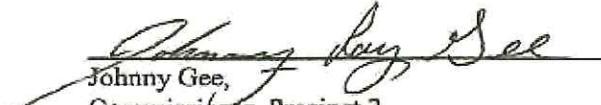
PASSED AND APPROVED on the 23<sup>rd</sup> day of August, 2010.

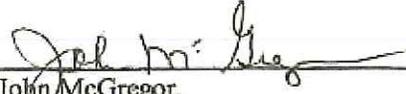
  
Kenneth Liggett, County Judge

ATTEST:

  
Kay Hutchison, County Clerk

  
R.L. "Lindy" Choate  
Commissioner, Precinct 1

  
Johnny Gee,  
Commissioner, Precinct 2

  
John McGregor,  
Commissioner, Precinct 3

  
Brice Jackson,  
Commissioner, Precinct 4

12012 WIND, LLC  
MIDWAY 130 VAPOR UNIT 30-296  
APPENDIX C-7, Pg 4

(B)

# COUNTY OF CLAY

## STATE OF TEXAS

### A RESOLUTION OF THE CLAY COUNTY COMMISSIONERS' COURT RENEWING GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT AGREEMENTS BY THE COUNTY OF CLAY, TEXAS

WHEREAS, Texas Tax Code Section 312.002 provides that no municipality or county may designate an area as a reinvestment zone, and that no taxing unit may execute a tax abatement agreement under Texas Tax Code chapter 312, unless it first (i) establishes guidelines and criteria for tax abatement agreements and (ii) adopts a resolution stating that the taxing unit elects to become eligible to participate in tax abatement; and

WHEREAS, the County of CLAY, Texas, desires to be eligible to participate in tax abatement under certain circumstances; now therefore,

BE IT RESOLVED BY THE COMMISSIONERS' COURT OF CLAY COUNTY, TEXAS THAT

#### ARTICLE I.

CLAY County, Texas elects to be eligible to participate in tax abatement.

#### ARTICLE II

The following guidelines and criteria were previously established, are hereby established and shall hereafter govern tax abatement agreements by the County of CLAY, Texas:

1. Improvements proposed as part of a tax abatement agreement for property located within a duly designated reinvestment zone shall be commenced within 2 years of the date of said agreement.

2. All construction proposed, as part of any such improvements, shall meet applicable County of CLAY, Texas, Codes and Zoning requirements.
3. All property included in a tax abatement shall be maintained in accordance with all applicable County of CLAY, Texas, Codes and Zoning requirements during the term of the tax abatement agreement.
4. Throughout tax abatement agreement, the owner(s) or persons in possession and control of the improvements located thereon which is included within an area which is the subject of a tax abatement agreement shall pay all lawfully assessed ad valorem taxes levied on such property before the same shall become delinquent.
5. For property located in a commercial and/or industrial reinvestment zone, and proposed as the subject of a tax abatement agreement, the following criteria shall apply:
  - a. The proposed improvements must have the effect of increasing the value of the real property upon which they are located; and,
  - b. The proposed improvements shall have the effect of adding to the available number of jobs and/or retaining existing jobs in the greater CLAY County, Texas area.
6. For residential property located in a residential reinvestment zone, and proposed as the subject of a tax abatement agreement, the following criteria shall apply:
  - a. The proposed improvements shall address the blighting or deteriorating influences on the subject property;
  - b. The proposed improvements shall address building safety, unsanitary or unsafe conditions, or property deterioration; and
  - c. Where applicable, the improvements shall address faulty lot layout with respect to size, accessibility, or usefulness.
7. All improvements proposed, as part of a tax abatement agreement, shall further the purposes established by the Legislature of the State of Texas in Chapter 312 of the Texas Tax Code.
8. In accordance with Texas Tax Code section 312.002, these guidelines and criteria shall not limit the discretion of the County to decide whether to enter into a specific tax abatement agreement. Accordingly, the County may enter into a particular tax abatement agreement whenever it determines that it is in the best interests of the County to enter into such agreement and provide such abatement with respect to a particular applicant, in doing so, the County may vary from the

provisions of this Tax Abatement Policy Statement in any respect that is not contrary to state law.

ARTICLE III

This resolution shall be effective from its adoption on May 10, 2010, for the full period authorized by law.

PASSED, APPROVED, RATIFIED, AND ADOPTED THIS 10 day of May 2010

COUNTY OF CLAY

Kenneth Liggett  
Kenneth Liggett,  
County Judge of CLAY County, Texas

R. L. "Lindy" Choate  
R. L. "Lindy" Choate,  
County Commissioner, Prec. 1, CLAY County

Johnny Gee  
Johnny Gee,  
County Commissioner, Prec. 2, CLAY County

John McGregor  
John McGregor,  
County Commissioner, Prec. 3, CLAY County

Brian Jackson  
Brian Jackson,  
County Commissioner, Prec. 4, CLAY County

ATTEST:

Kay Hutchison  
Kay Hutchison,  
County Clerk of CLAY County, Texas

## Appendix D

### Appendix D1: - Condition Requirements for 'Qualifying Jobs'.

#### **Texas Work Force - New jobs meet qualification**

Summary: This appendix is information about and the meeting of qualifications for the 'Qualifying Jobs' requirement on Form 50-296, page 9 & 10.

To meet specification for 'Qualifying Jobs', the below requirements must be met:

(X) "Qualifying job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a **group health benefit plan** (as defined by Section 481.151, Government Code) for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) **pays at least 110 percent of the county average weekly wage for manufacturing jobs in the region designated for the regional planning commission, council of governments** where the job is located per Tax Code Section 313.051 (b).

(Ref: Tax Code Section 313.021)

#### Requirements A, B & C:

The 200MW wind farm will create at least 8 full-time jobs. At least 80% of these jobs will meet the qualifications of 'Qualifying Jobs'. The project is a permanent fixture with a 20 year expected life. The required number and specifications for these wind project jobs are detailed in Appendix C: Number of jobs necessary for industry. Also, Appendix C: Minimum Job Waiver and the following two support letters document industry operating standards from wind industry leaders.

All of the newly created jobs will be full-time (at least 1600 hours) and will have been created in the area. None of these new jobs will be created to replace previous employees. No jobs will be transferred in from other areas of the state.

#### Requirements D & E: Group Health Benefits Plan and Wage Requirement

Government Code 481.151 specifies the requirements to meet a 'Qualifying Job'.

Specifications from Gov Code 481.151:

(Item 6) "Group Health Benefit Plan" means:

- (A) a health plan provided by a health maintenance organization established under the Texas Health Maintenance Organization Act (Chapter 20A, Vernon's Texas Insurance Code);
- (B) a health benefit plan approved by the commissioner of insurance; or

(C) a self-funded or self-insured employee welfare benefit plan that provides health benefits and is established in accordance with the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.), as amended.

(Item 17) "Qualified job" means a job for which an application has been submitted and that:

(A) pays at least 100 of the county average weekly wage; and

(B) is covered by a group health benefit plan for which the business offers to pay at least 50 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive coverage.

(Ref: Gov Code , 481.151, item 6 & 17)

Tax Form 50-296 (Ref: Tax Code Section 313.021) is more stringent than Gov Code 481.151 but both requirements are met as defined below.

Requirement D, Health Benefits Plan, will be fulfilled as specified in Form 50-296, Page 10.

Requirement E, the 110 percent of Manufacturing Wage rate requirements is fulfilled as specified per Form 50-296, Page 10. The NORTEX RPC and Clay County wage rates are detailed below and on the following attachments. The 2011 Manufacturing Wage COG wage summary and four quarters of 2011 Clay County Total Industry and Manufacturing wage rates are following:

**NORTEX Average Weekly Wage (Manufacturing):** 784.30weekly  
 $40,783.60/52 = 784.30$   $\$37,076 \times 110\% = \$40,783.60$

Clay County Average weekly wage (Manufacturing): \$822  
 $\$822/\text{weekly} \times 52 = \$42,744$   $\$42,744 \times 110\% = \$47,018 (\$904/\text{wk})$

Clay County Average weekly wage (All Industries): \$621  
 $\$621/\text{weekly} \times 52 = \$32,318$   $\$32,318 \times 110\% = \$35,550 (\$684/\text{wk})$

South Clay—Shannon-1 Project Salaries starting Yr 2015:

6 jobs	Turbine Technicians	\$42,000/yr (\$800/wk)	\$28K to \$38K with/exp
1 job	HV and Plant Technician	\$45,000/yr	\$45K to \$65K
1 job	Site Manager	\$60,000/yr	>50K

As shown here, a total of 8 jobs will be created with at least 80% meeting the 110% wage rate requirement and fulfilling the Health Benefit Plan requirement.

**2011 Manufacturing Wages - NORTEX Region Attached**  
**Quarterly Employment and Wages (QCEW) Attached**

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

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

## Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Clay County	Private	00	0	10	Total, All Industries	\$606
2012	2nd Qtr	Clay County	Private	00	0	10	Total, All Industries	\$601
2012	3rd Qtr	Clay County	Private	00	0	10	Total, All Industries	\$583
2012	4th Qtr	Clay County	Private	00	0	10	Total, All Industries	\$696
2012	4th Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$1,327
2012	3rd Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$621
2012	2nd Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$712
2012	1st Qtr	Clay County	Private	31	2	31-33	Manufacturing	\$628

2012 Total, all industries:  $2486/4 = 621 * 52 \text{ weeks} = 32,318 \times 110\% = 35,550 = 684/\text{wk}$

2012 Manufacturing:  $3288/4 = 822 * 52 \text{ weeks} = 42,744 \times 110\% = 47,018 = 904/\text{wk}$

2012 Manufacturing Wages by COG:  $37,733/52 \text{ weeks} = 725 * 110\% = 41,506 = 798/\text{wk}$

## **Appendix E**

### **Other Applicable Info**

1. Major Land Lease Cover & Signature Pages
2. Other Applicable Info

**SURFACE LEASE**

This SURFACE LEASE (this "Lease") is made and entered into effective as of the Effective Date (hereinbelow defined) by and between Prairie Grove Ranch Partnership, a Texas general partnership, as attorney-in-fact for J. Patrick Garrett, Michael L. Garrett, Kelly Garrett Abbott and Meredith Garrett Landin (such individuals, together with their heirs and assigns, are collectively referred to herein as "Owner") and South Clay Wind Farm, LLC, a Texas limited liability company (together with its successors and its permitted transferees and assigns, the "Lessee").

**RECITALS**

A. Owner is the owner of that certain property containing approximately 3,966 acres of land described on Exhibit "A" attached hereto and made a part hereof for all purposes (together with all wind rights and air space rights above, over and across the land, the "Premises").

B. Lessee desires to develop, construct and operate a commercial Wind Energy Project (as defined herein below), which Wind Energy Project will include wind-powered turbines and generators and other related equipment and facilities, including, without limitation, power lines and roadways, all of the foregoing to be located in, on, over and under the Premises.

C. Owner and Lessee desire to enter into this Lease on the terms and conditions hereinafter set forth.

1. Basic Lease Information/Definitions.

- "Affiliate:" An "Affiliate" of an entity is any other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such entity. "Control" as used in this definition means the ability to control the management and policies of an entity, through the ownership of voting securities, by contract or otherwise.
- "Affiliate Sale:" Defined in Section 3.c.(i)B.
- "Annual Site Payments:" Defined in Section 3a.(iii)B.
- "Beginning Index:" Defined in Section 3.h.
- "Claims:" Defined in Section 21.a.

HORN WIND, LLC  
MIDWAY ISD-VALLE LIMIT 50-296  
APPENDIX E-1, Pg 2

Surface Lease  
Page 33

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of (although not necessarily on) the Effective Date set forth in Section 1 above.

EXECUTED by Owner on this 29 day of JANUARY, 2010.

**OWNER:**

*Prairie Grove Ranch Partnership,  
as attorney-in-fact for J. Patrick Garrett,  
Michael L. Garrett, Kelly Garrett Abbott  
and Meredith Garrett Landin*

By:   
Name: MICHAEL L. GARRETT  
Title: MANAGING PARTNER

EXECUTED by Lessee on this 29 day of JAN, 2010.

**LESSEE:**

*South Clay Wind Farm, LLC*

By:   
Jerry T. Horn Jimmy Horn  
Manager PRESIDENT

[EXHIBITS "A", "B", "C" and "D" TO SURFACE LEASE FOLLOW]

