

**FINDINGS OF THE WEBB CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
JAVELINA WIND ENERGY, LLC**



December 23, 2013

FINDINGS
OF THE
WEBB CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
JAVELINA WIND ENERGY, LLC

DECEMBER 23, 2013

Board Findings of the Webb Consolidated Independent School District

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INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES UNDER THE
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STATE OF TEXAS

§

COUNTY OF WEBB

§

On the 23rd day of December, 2013, a public meeting of the Board of Trustees of the Webb Consolidated Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the Javelina Wind Energy, LLC (Javelina Wind) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Webb Consolidated Independent School District makes the following findings with respect to the application of Javelina Wind, and the economic impact of that application:

On August 23, 2013, the Texas Comptroller of Public Accounts received an Application from Javelina Wind for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Javelina Wind (Texas Taxpayer Id. 32046817048), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

The Board of Trustees has acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

Board Findings of the Webb Consolidated Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Webb County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on October 17, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Webb Consolidated Independent School District. A copy of a report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Webb Consolidated Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District entered into negotiations with Javelina Wind, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

Board Findings of the Webb Consolidated Independent School District

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.

In support of Finding 1, the economic impact evaluation states:

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

Board Finding Number 2.

The economic condition of Webb County, Texas is in need of long-term improvement.

Based on information provided by the Comptroller's Office, Webb County is the 19th largest in the state in terms of population. Population growth in Webb County is positive and was the state's 31st fastest growing county from 2009 to 2010. The state population grew by 1.8 percent between 2009 and 2010, while the population of Webb County increased by 2.2 percent over the same period.

September 2011 employment for Webb County was up 2.7 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Webb County was 8.4 percent in September 2011, lower than the current state average of 8.5 percent.

Board Findings of the Webb Consolidated Independent School District

While recent population growth and employment trends are relatively positive, Webb County continues to have a substantially lower per capita personal income than the state as a whole. In terms of per capita income, Webb County's \$23,294 in 2009 ranked 245th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

Webb County will benefit from economic activity like that associated with the Javelina Wind project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$35,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Javelina Wind indicates that total employment will be approximately 10 new jobs, of which 8 will be qualifying jobs.

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create 10 new jobs when fully operational. Eight of these jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Texas Development Council of Governments Region, where Webb County is located was \$28,170 in 2012. The annual average manufacturing wage for 2012-2013 for Webb County is \$31,759. That same year, the county annual average wage for all industries was \$33,618. In addition to an annual average salary of \$35,000 each qualifying position will receive benefits such as employee-only health insurance coverage in compliance with the Affordable Care Act, 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$45.29 million on the basis of the goal of 8 new qualifying positions for the entire Javelina Wind project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$362.3 million, resulting in a relative level of investment per qualifying job of \$45.29 million.

Board Finding Number 5.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Javelina Wind Energy, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	5	5	10	\$175,000	\$191,000	\$366,000
2014	100	92	192	\$3,500,000	\$6,876,000	\$10,376,000
2015	10	8	18	\$320,000	\$1,267,000	\$1,587,000
2016	10	14	24	\$320,000	\$1,633,000	\$1,953,000
2017	10	18	28	\$320,000	\$1,999,000	\$2,319,000
2018	10	15	25	\$320,000	\$1,755,000	\$2,075,000
2019	10	19	29	\$320,000	\$1,877,000	\$2,197,000
2020	10	19	29	\$320,000	\$2,243,000	\$2,563,000
2021	10	21	31	\$320,000	\$2,243,000	\$2,563,000
2022	10	19	29	\$320,000	\$2,366,000	\$2,686,000
2023	10	17	27	\$320,000	\$2,366,000	\$2,686,000
2024	10	17	27	\$320,000	\$1,999,000	\$2,319,000
2025	10	19	29	\$320,000	\$2,121,000	\$2,441,000
2026	10	13	23	\$320,000	\$1,633,000	\$1,953,000
2027	10	13	23	\$320,000	\$1,877,000	\$2,197,000
2028	10	13	23	\$320,000	\$1,877,000	\$2,197,000

Source: CPA, REMI, Javelina Wind Energy, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Webb CISD's ad valorem tax base in 2012-2013 was \$1.3 billion. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Webb CISD's estimated wealth per WADA was \$2,117,133. The impact on the facilities and finances of the district are presented in Attachment 2.

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

Board Findings of the Webb Consolidated Independent School District

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Webb CISD I&S Levy	Webb CISD M&O Levy	Webb CISD M&O and I&S Tax Levies (Before Credit Credited)	Webb CISD M&O and I&S Tax Levies (After Credit Credited)	Webb County	Estimated Total Property Taxes
			Tax Rate ¹	0.0645	0.8033			0.4058	
2014	\$9,058,875	\$9,058,875		\$5,847	\$72,770	\$78,617	\$78,617	\$14,705	\$93,322
2015	\$347,866,800	\$347,866,800		\$224,513	\$2,794,414	\$3,018,927	\$3,018,927	\$564,691	\$3,583,618
2016	\$320,069,500	\$10,000,000		\$206,573	\$80,330	\$286,903	\$286,903	\$519,568	\$806,470
2017	\$294,495,300	\$10,000,000		\$190,067	\$80,330	\$270,397	\$135,199	\$478,053	\$613,252
2018	\$270,966,500	\$10,000,000		\$174,882	\$80,330	\$255,212	\$127,606	\$439,859	\$567,465
2019	\$249,319,000	\$10,000,000		\$160,910	\$80,330	\$241,240	\$120,620	\$607,078	\$727,698
2020	\$229,402,900	\$10,000,000		\$148,057	\$80,330	\$228,387	\$114,193	\$558,583	\$672,777
2021	\$211,079,100	\$10,000,000		\$136,230	\$80,330	\$216,560	\$108,280	\$513,966	\$622,246
2022	\$194,220,600	\$10,000,000		\$125,350	\$80,330	\$205,680	\$102,840	\$472,916	\$575,756
2023	\$178,709,400	\$10,000,000		\$115,339	\$80,330	\$195,669	\$97,835	\$435,147	\$532,982
2024	\$164,438,500	\$164,438,500		\$106,129	\$1,320,934	\$1,427,063	\$0	\$667,331	\$667,331
2025	\$151,308,900	\$151,308,900		\$97,655	\$1,215,464	\$1,313,119	\$832,671	\$614,048	\$1,446,719
2026	\$139,228,600	\$139,228,600		\$89,858	\$1,118,423	\$1,208,281	\$1,208,281	\$565,023	\$1,773,305
2027	\$128,114,600	\$128,114,600		\$82,685	\$1,029,145	\$1,111,830	\$1,111,830	\$519,920	\$1,631,750
2028	\$117,888,900	\$117,888,900		\$76,085	\$947,002	\$1,023,087	\$1,023,087	\$478,421	\$1,501,508
						Total	\$8,366,889	\$7,449,309	\$15,816,198
Assumes School Value Limitation and Tax Abatement with the County.									

Source: CPA, Javelina Wind Energy, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Webb CISD I&S Levy	Webb CISD M&O Levy		Webb CISD M&O and I&S Tax Levies	Webb County	Estimated Total Property Taxes
			Tax Rate ¹	0.0645	0.8033			0.4058	
2014	\$9,058,875	\$9,058,875		\$5,847	\$72,770		\$78,617	\$36,763	\$115,380
2015	\$347,866,800	\$347,866,800		\$224,513	\$2,794,414		\$3,018,927	\$1,411,727	\$4,430,654
2016	\$320,069,500	\$320,069,500		\$206,573	\$2,571,118		\$2,777,691	\$1,298,919	\$4,076,610
2017	\$294,495,300	\$294,495,300		\$190,067	\$2,365,681		\$2,555,748	\$1,195,133	\$3,750,881
2018	\$270,966,500	\$270,966,500		\$174,882	\$2,176,674		\$2,351,556	\$1,099,647	\$3,451,203
2019	\$249,319,000	\$249,319,000		\$160,910	\$2,002,780		\$2,163,690	\$1,011,796	\$3,175,486
2020	\$229,402,900	\$229,402,900		\$148,057	\$1,842,793		\$1,990,850	\$930,972	\$2,921,822
2021	\$211,079,100	\$211,079,100		\$136,230	\$1,695,598		\$1,831,829	\$856,610	\$2,688,439
2022	\$194,220,600	\$194,220,600		\$125,350	\$1,560,174		\$1,685,524	\$788,194	\$2,473,718
2023	\$178,709,400	\$178,709,400		\$115,339	\$1,435,573		\$1,550,912	\$725,246	\$2,276,157
2024	\$164,438,500	\$164,438,500		\$106,129	\$1,320,934		\$1,427,063	\$667,331	\$2,094,394
2025	\$151,308,900	\$151,308,900		\$97,655	\$1,215,464		\$1,313,119	\$614,048	\$1,927,167
2026	\$139,228,600	\$139,228,600		\$89,858	\$1,118,423		\$1,208,281	\$565,023	\$1,773,305
2027	\$128,114,600	\$128,114,600		\$82,685	\$1,029,145		\$1,111,830	\$519,920	\$1,631,750
2028	\$117,888,900	\$117,888,900		\$76,085	\$947,002		\$1,023,087	\$478,421	\$1,501,508
						Total	\$26,088,724	\$12,199,749	\$38,288,473

Source: CPA, Javelina Wind Energy, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

The Javelina Wind project remains fully taxable for debt services taxes, with WCISD currently levying a \$0.065 I&S tax rate. While the value of the Javelina Wind project is expected to depreciate over the life of the agreement and beyond, full access to the additional project value is expected to increase the District's I&S tax base and assist it in meeting its future debt service needs.

Board Finding Number 7.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Javelina Wind project.

The Javelina Wind project is not expected to affect WCISD in terms of enrollment. Ten permanent positions are anticipated once the Javelina Wind facility begins operations. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Webb CISD as stated in **Attachment D**.

Board Finding Number 8.

The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Finding 8, the economic impact evaluation states:

According to Javelina Wind Energy, LLC's application, "Multiple MAP funds have invested approximately \$4,500,000,000 in wind entities and successfully developed

Board Findings of the Webb Consolidated Independent School District

multiple wind farms in different states around the United States of America totaling over 3000 MW of wind generating projects. Depending on the ability to generate cost-effective electricity for regional consumers, these companies ultimately have the ability to locate or relocate in another state, another region of Texas, or another region of the world. Javelina Wind Energy believes, however, that the proposed site in Webb County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas.”

Board Finding Number 9.

During the past two years, there has been one application for value limitations under Tax Code, Chapter 313 submitted in the South Texas Development Council Region.

Board Finding Number 10.

The Board of Trustees hired consultants to review and verify the information in the Application from Javelina Wind. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant is true and correct.

Board Finding Number 11.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Ten Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).

According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Webb CISD is \$61.7 million. Webb CISD is categorized as Subchapter C, or a “rural” district, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Given that the value of industrial property

Board Findings of the Webb Consolidated Independent School District

in Webb CISD is more than \$1 million but less than \$90 million, it is classified as a Category III district which can offer a minimum value limitation of \$10 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32046817048) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 13.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss under current law in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

Board Finding Number 14.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Webb Consolidated Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Webb Consolidated Independent School District.

Board Findings of the Webb Consolidated Independent School District

Dated the 23rd day of December 2013.

WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 
Patricia Mata, President, Board of Trustees

ATTEST:

By: 
Santiago Salinas, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 10, 2013

President and Members
Board of Trustees
Webb Consolidated Independent School District
619 Ave F
Bruni, Texas 78344

Re: Recommendations and Findings of the firm Concerning Application of Javelina Wind Energy, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Mata and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Webb Consolidated Independent School District, with respect to the pending Application of Javelina Wind Energy, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Javelina Wind Energy, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, MCCOLLOM & DEMERATH

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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

December 10, 2013

President and Members
Of the Board of Trustees
Webb Consolidated Independent School District
619 Ave F
Bruni, Texas 78344

*Re: Recommendations and Findings of the Firm Concerning Application of Javelina
Wind Energy LLC for Limitation on Appraised Value of Property for School
District Maintenance and Operations Taxes, first qualifying year 2014*

Dear President Matta and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Webb Consolidated Independent School District, with respect to the pending Application of Javelina Wind Energy LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2014. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Javelina Wind Energy LLC Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Javelina Wind Energy LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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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 Webb Consolidated Independent School District from Javelina
Wind Energy, 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 Webb Consolidated Independent School District is notifying the Applicant Javelina Wind Energy, LLC of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the application to the school district on July 23, 2013. The Board voted to accept the application July 23, 2013. The application was determined completed on July 29, 2013. Please prepare the economic impact report.

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. Javelina Wind is constructing approximately 33 miles, in total, of generation transmission tie line, of which approximately 28.4 miles will be located in Webb CISD and subject to this application. Approximately 4.6 miles of the line are in United ISD and are specifically excluded from this application. Further, no Chapter 313 Application will be filed in United ISD for this portion of the generation transmission tie line.

As you are aware, regional wage information is published annually and based upon the Texas Workforce Commission (TWC) OES data. According to the TWC, the new OES survey information will not be available until the end of June or July. A new publication will only be created if the information is available and at the request of your office. Therefore, the school district has determined that the wage information included in the application represents the most

**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? \$30,000,000

What is the amount of appraised value limitation for which you are applying? \$30,000,000

What is your total estimated *qualified* investment? \$362,355,000

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 17, 2013

What is the anticipated date of the beginning of the qualifying time period? December 17, 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? \$362,355,000

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? ☐ Yes ☐ No

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? September 30, 2013

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

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

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

JAVELINA WIND ENERGY, LLC

Applicant Name
ISD Name

WEBB CUSD

Form 50-296

					Qualified Property			Reductions from Market Value	Estimated Taxable Value							
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions						
					Tax Year (Fill in actual tax year) YYYY	School Year (YYYY-YYYY)	pre- year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -			
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period						1	2014-2015	2014	\$ -	\$ -	\$ 9,058,875	\$ -	\$ 9,058,875	\$ 9,058,875	
							2	2015-2016	2015	\$ -	\$ 582,000	\$ 347,284,800	\$ -	\$ 347,866,800	\$ 347,866,800	
							3	2016-2017	2016	\$ -	\$ 567,500	\$ 319,502,000	\$ -	\$ 320,069,500	\$ 10,000,000	
							4	2017-2018	2017	\$ -	\$ 553,300	\$ 293,942,000	\$ -	\$ 294,495,300	\$ 10,000,000	
							5	2018-2019	2018	\$ -	\$ 539,500	\$ 270,427,000	\$ -	\$ 270,966,500	\$ 10,000,000	
	Value Limitation Period							6	2019-2020	2019	\$ -	\$ 526,000	\$ 248,793,000	\$ -	\$ 249,319,000	\$ 10,000,000
								7	2020-2021	2020	\$ -	\$ 512,900	\$ 228,890,000	\$ -	\$ 229,402,900	\$ 10,000,000
								8	2021-2022	2021	\$ -	\$ 500,100	\$ 210,579,000	\$ -	\$ 211,079,100	\$ 10,000,000
								9	2022-2023	2022	\$ -	\$ 487,600	\$ 193,733,000	\$ -	\$ 194,220,600	\$ 10,000,000
								10	2023-2024	2023	\$ -	\$ 475,400	\$ 178,234,000	\$ -	\$ 178,709,400	\$ 10,000,000
	Credit Settle-Up Period	Continue to Maintain Viable Presence						11	2024-2025	2024	\$ -	\$ 463,500	\$ 163,975,000	\$ -	\$ 164,438,500	\$ 164,438,500
								12	2025-2026	2025	\$ -	\$ 451,900	\$ 150,857,000	\$ -	\$ 151,308,900	\$ 151,308,900
								13	2026-2027	2026	\$ -	\$ 440,600	\$ 138,788,000	\$ -	\$ 139,228,600	\$ 139,228,600
	Post- Settle-Up Period							14	2027-2028	2027	\$ -	\$ 429,600	\$ 127,685,000	\$ -	\$ 128,114,600	\$ 128,114,600
								15	2028-2029	2028	\$ -	\$ 418,900	\$ 117,470,000	\$ -	\$ 117,888,900	\$ 117,888,900

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.

Daniel R. King

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

10-Sep-13

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

recent wage data available at the time of the application. 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 tomorrow morning. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Webb 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 in a cursive style.

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Webb County Appraisal District

Severita Sanchez, Webb CISD



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

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

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

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

This notice must include:

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district July 18, 2013	
First Name Severita		Last Name Sanchez	
Title Superintendent			
School District Name Webb CISD			
Street Address 619 Ave F			
Mailing Address same			
City Bruni		State TX	ZIP 78344
Phone Number (361) 747-5415		Fax Number (361) 747-5202	
Mobile Number (optional)		E-mail Address severita.sanchez@webbcisd.com	

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

Will consultant be primary contact? ☒ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Daniel T.		Last Name Casey	
Title Partner			
Firm Name Moak, Casey & Associates LLP			
Street Address 400 W. 15th Street, Suite 1410			
Mailing Address same			
City Austin		State TX	ZIP 78701-1648
Phone Number (512)-485-7878		Fax Number (512)-485-7888	
Mobile Number (Optional)		E-mail Address dcasey@moakcasey.com	

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

Signature (Authorized School District Representative) 	Date 7-23-13
--	------------------------

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

If yes, date determined complete. **July 29, 2013**

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name	Dan		Last Name	King	
Title	Manager				
Organization	Javelina Wind Energy, LLC				
Street Address	3000 El Camino Real, 5 Palo Alto Square, Suite 700				
Mailing Address	same				
City	Palo Alto	State	CA	ZIP	94306
Phone Number	(650) 324-9095		Fax Number	(650) 324-9098	
Mobile Number (optional)	(713) 501-4319		Business e-mail Address	dking@maproyalty.com	

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

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

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

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

Will consultant be primary contact? ☒ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Wes

Title

Partner

Firm Name

Cummings Westlake LLC

Street Address

12837 Louetta Road, Suite 201

Mailing Address

same

City

Cypress

Phone Number

713-266-4456 X-2

Business email Address

wjackson@cwlp.net

Last Name

Jackson

State

TX

Fax Number

713-266-2333

ZIP

77429-5611

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.

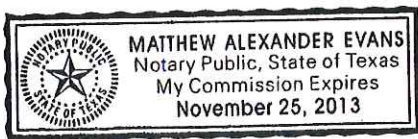
Signature (Authorized Business Representative (Applicant))

Darl R. K.

Date

7/15/13

GIVEN under my hand and seal of office this 15th day of July, 2013



(Notary Seal)

Matthew Alexander Evans
Notary Public, State of TX

My commission expires 11/25/2013

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

Javelina Wind Energy, LLC

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

32046817048

NAICS code

221119

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

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

n/a

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? ☒ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

- (1) manufacturing ☐ Yes ☒ No
- (2) research and development ☐ Yes ☒ No
- (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
- (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
- (5) renewable energy electric generation ☒ Yes ☐ No
- (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
- (7) nuclear electric power generation ☐ Yes ☒ No
- (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ NoAre you including property that is owned by a person other than the applicant? ☐ Yes ☒ NoWill any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No**PROJECT DESCRIPTION**

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

See attached project description - Attachment 4

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

See attached project description - Attachment 4A**PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)**

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

PROJECTED TIMELINEBegin Construction Q4 - 2013 Begin Hiring New Employees Q4 - 2014Construction Complete Q4 - 2014 Fully Operational Q4 - 2014Purchase Machinery & Equipment Q4 - 2013Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No**Note:** Improvements made before that time may not be considered qualified property.When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2014

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source

Amount

none

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.)

Applicant intends to apply for Chapter 312 tax abatement agreement with Webb County.

THE PROPERTYIdentify county or counties in which the proposed project will be located WebbCentral Appraisal District (CAD) that will be responsible for appraising the property Webb CADWill 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: Webb County 100%

(Name and percent of project)

City: none

(Name and percent of project)

Hospital District: none

(Name and percent of project)

Water District: none

(Name and percent of project)

Other (describe): none

(Name and percent of project)

Other (describe): none

(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.

Webb County and Webb CISD 100%; (United ISD negligible and not subject to a Value Limitation Agreement) please see attachment 5

**INVESTMENT**

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$10,000,000

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

What is your total estimated *qualified* investment? \$362,355,000

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 17, 2013

What is the anticipated date of the beginning of the qualifying time period? December 17, 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? \$362,355,000

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? ☐ Yes ☐ No

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? September 30, 2013

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

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

**QUALIFIED PROPERTY (CONTINUED)**

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. N/A (Market Value) N/A (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 10

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? 8

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 \$711

110% of the county average weekly wage for manufacturing jobs in the county is \$672

110% of the county average weekly wage for manufacturing jobs in the region is \$596

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? \$30,987

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? \$35,000

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? estimated 75%

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.)

Medical Insurance. company pays at least 80% of medical premiums for employee only coverage. Paid holidays and vacation, Retirement Savings Plan

ECONOMIC IMPACT

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

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

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

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

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

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 1

See executed application attached.

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 2

Proof of Payment of Application Fee

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

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

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 3

Not Applicable

ATTACHMENT 4

Detailed Description of the Project

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

Javelina Wind Energy, LLC (Javelina Wind) is requesting an appraised value limitation from Webb Consolidated Independent School District (ISD) for the Javelina Wind Project (the "Project"), a proposed wind powered electric generating facility in Webb County. The proposed Webb CISD Project (this application) will be constructed within a reinvestment zone to be established by Webb County. A map showing the location of the project is included as Attachment 7.

The proposed Project is anticipated to have a total capacity of approximately 250 MW, located wholly within Webb CISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 1.7 MW GE turbines with an estimated 147 turbines located wholly within Webb CISD. Javelina Wind is also constructing approximately 33 miles, in total, of generation transmission tie line, of which approximately 28.4 miles will be located in Webb CISD and subject to this application. Approximately 4.6 miles of the line are in United ISD and are specifically excluded from this application. Further, no Chapter 313 Application will be filed in United ISD for this portion of the generation transmission tie line. The Applicant requests a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, transmission line and associated towers, and interconnection facilities.

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

ATTACHMENT 4A

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

An investment fund managed by MAP Royalty, Inc ("MAP") provided the capital necessary for the development of Webb County's 150 MW Cedro Hill Wind Project, and the adjacent located 92MW Whitetail Wind Energy project; the construction of the facility resulted in a \$450 million investment in Webb county. Another MAP investment fund has continued to support local wind energy development and local economic growth through its interests in Bordas Wind Energy, LLC. The multi-year development process includes significant land option payments to local landowners, as well as environmental studies, surveys, wind resource assessment, and substantial transmission interconnection payments. Multiple MAP funds have invested approximately \$4,500,000,000 in wind entities and successfully developed multiple wind farms in different states around the United States of America totaling over 3000 MW of wind generating projects. Depending on the ability to generate cost-effective electricity for regional consumers, these companies ultimately have the ability to locate or relocate in another state, another region of Texas, or another region of the world. Javelina Wind Energy believes, however, that the proposed site in Webb County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential wind energy facilities that can be built in Texas given the newly constructed transmission capacity. Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project with other projects currently being developed in Texas by MAP and by others.

ATTACHMENT 5

List of districts and percentages where the project is located

The Javelina Wind Project is located in Webb County. The jurisdiction percentages of the total project are as follows:

Webb County	100%
Webb Consolidated Independent School District	100%
United ISD (negligible and not subject to a Value Limitation Agreement)	

ATTACHMENT 6

Description of Qualified Investment

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

Javelina Wind Energy, LLC plans to construct a 250 MW wind farm in Webb County. Approximately one hundred forty seven (147) wind turbines will be located wholly within Webb County and Webb CISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 1.7 MW turbines manufactured by GE, although final turbine selection may change. Javelina Wind is also constructing approximately 33 miles in total of generation transmission tie line, of which approximately 28.4 miles will be located in Webb CISD and included in this application. Approximately 4.6 miles of the line are in United ISD and are specifically excluded from this application. Further, no Chapter 313 Application will be filed in United ISD for this portion of the generation transmission tie line.

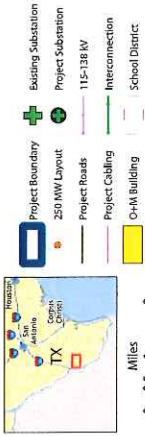
This application covers all qualified property within Webb CISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, , turbine transformers (pad-mounts), towers, foundations, underground collection systems, electrical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

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

ATTACHMENT 7

Map of qualified investment showing location of improvements with vicinity map

JAVELINA WIND PROJECT



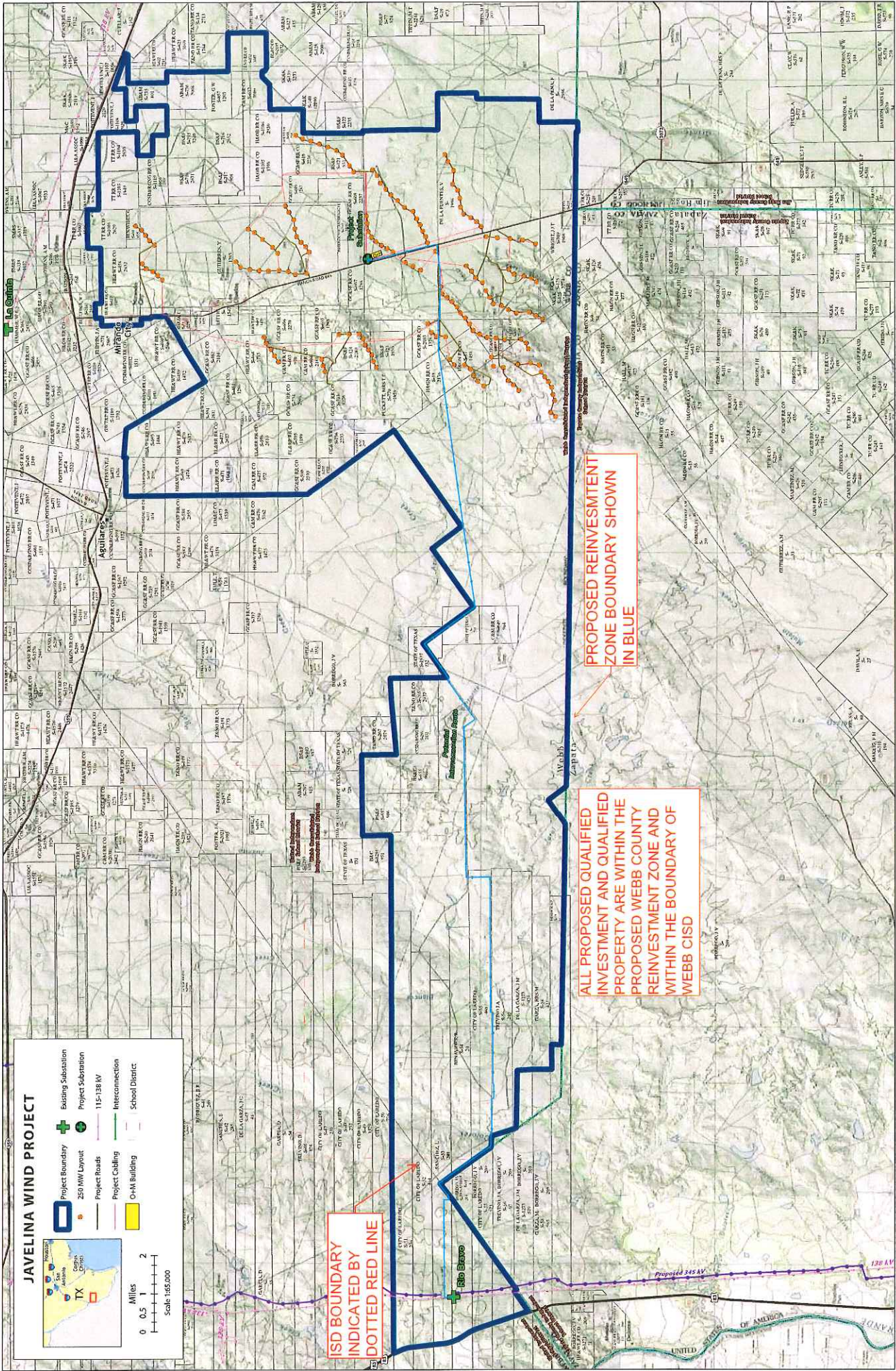
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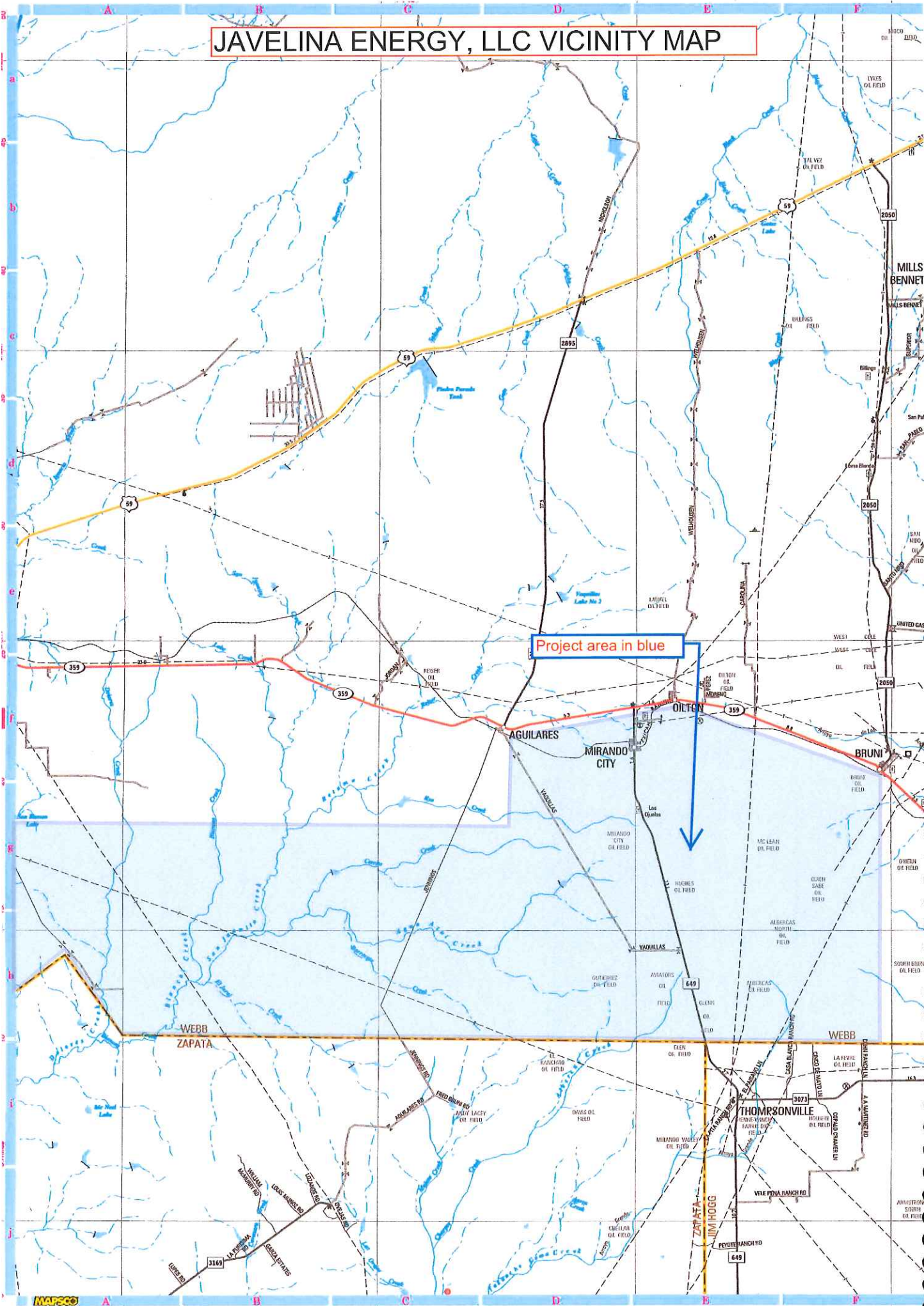
ISD BOUNDARY INDICATED BY DOTTED RED LINE

ALL PROPOSED QUALIFIED INVESTMENT AND QUALIFIED PROPERTY ARE WITHIN THE PROPOSED WEBB COUNTY REINVESTMENT ZONE AND WITHIN THE BOUNDARY OF WEBB CISD

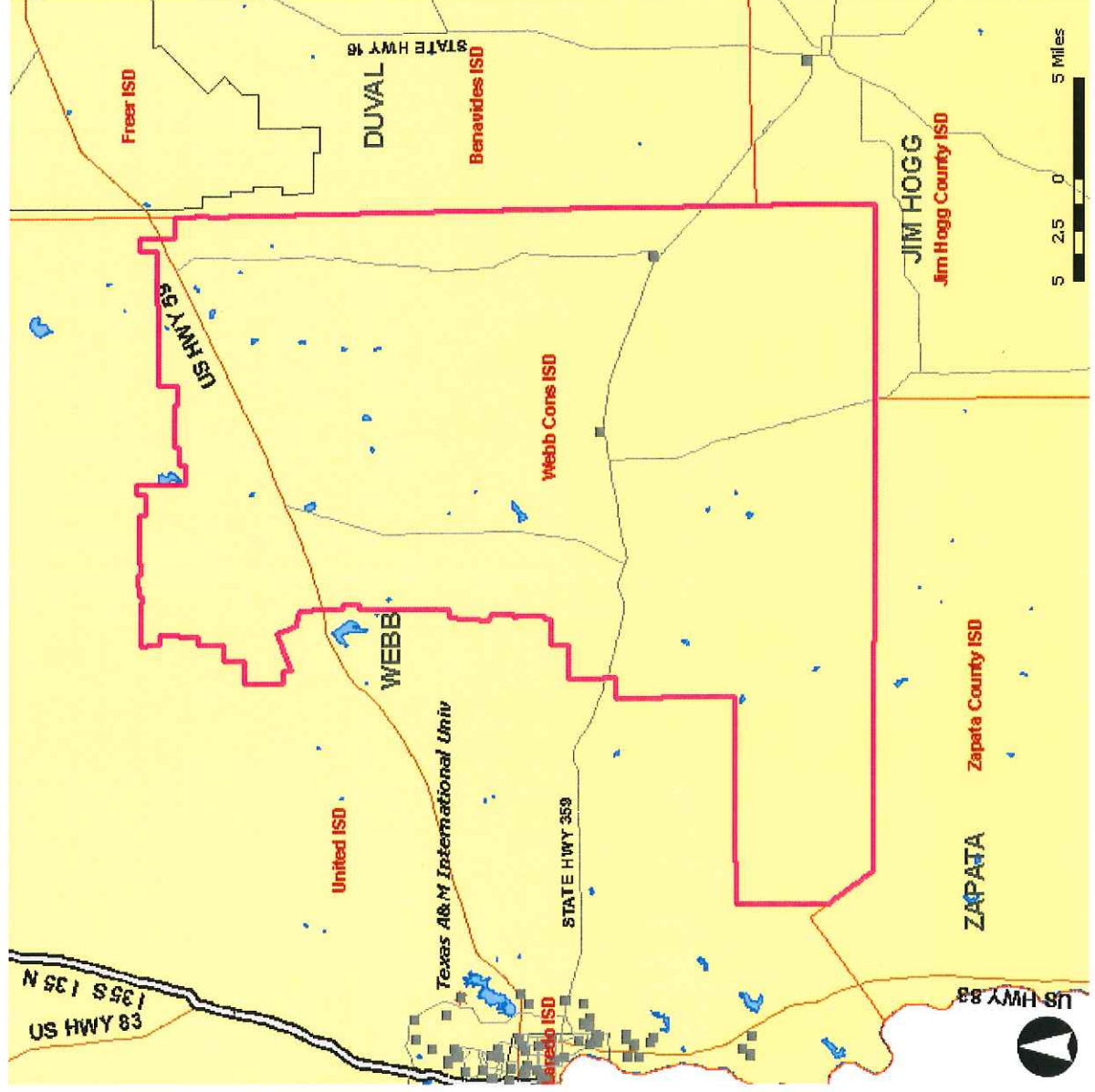
PROPOSED REINVESTMENT ZONE BOUNDARY SHOWN IN BLUE



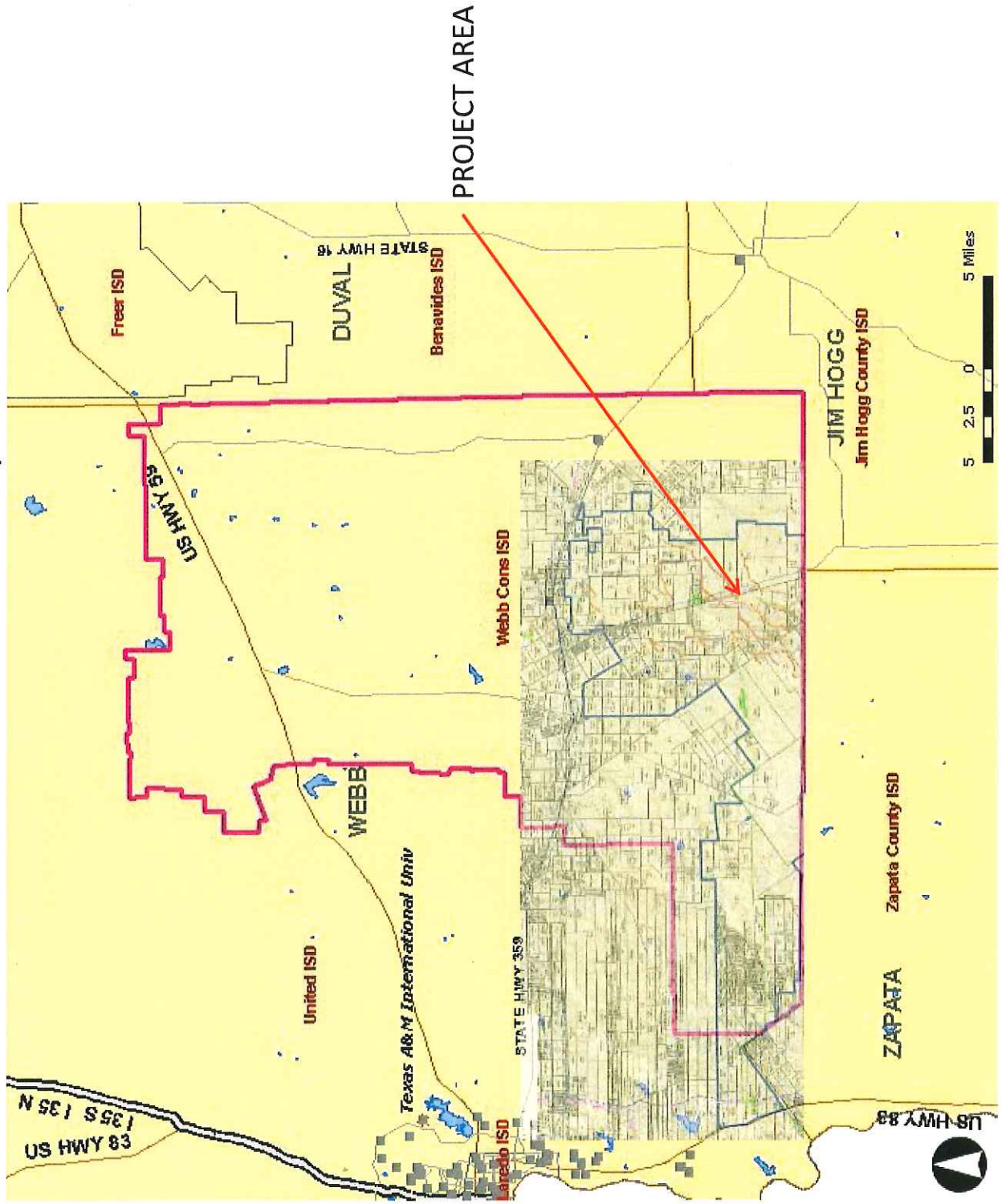
JAVELINA ENERGY, LLC VICINITY MAP



Webb Consolidated ISD Map



Webb Consolidated ISD Map



ATTACHMENT 8

Description of Qualified Property

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

Javelina Wind Energy, LLC plans to construct a 250 MW wind farm in Webb County. Approximately one hundred forty seven (147) wind turbines will be located wholly within Webb County and Webb CISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 1.7 MW turbines manufactured by GE, although final turbine selection may change. Javelina Wind is also constructing approximately 33 miles in total of generation transmission tie line, of which approximately 28.4 miles will be located in Webb CISD and included in this application. Approximately 4.6 miles of the line are in United ISD and are specifically excluded from this application. Further, no Chapter 313 Application will be filed in United ISD for this portion of the generation transmission tie line.

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

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

ATTACHMENT 9

See Attachment 7

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 10

See Attached List

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

Abstract Number	Survey Name	Block Number	Survey Number
4792667	FLIPPIN, J A		771
4791656	POITEVENT, J		1107
4792629	TT RR CO		1006
4792630	TT RR CO		1104
4791849	TT RR CO		1103
4792632	HE&WT RR CO		458
4792745	HE&WT RR CO		822
479727	STATE OF TEXAS		
479935	BENAVIDES, G		60
479945	BOYD, W H & J M		2252
479801	AB&M		735
4792628	CCSD&RGNG RR CO		1120
4791009	CCSD&RGNG RR CO		1119
4793194	GARCIA, A E		2369
4793008	AB&M		736
4791883	WARD, MRS A		2261
4793240	BS&F		715
4792631	BS&F		718
4793172	VILLAREAL, A R		2341
4791203	FOSTER, G W		857
4791872	VERA, A		2168
4792652	BS&F		716
479908	BS&F		717
4791170	DL&C CO		2193
4791473	HE&WT RR CO		463
4793171	GARCIA, E		2340
4791393	GUTIERRES, Y		
4791547	LITTIG, J W		
4791918	ZAPATA, E		61
4793009	C&M RR CO		612
4793170	GARCIA, E		2339
4792930	H&OB RR CO		1106
4791398	H&OB RR CO		1105
4791287	GC&SF RR CO		609
4793007	T&NO RR CO		132
479969	C&M RR CO		611
4792236	GC&SF RR CO		610
4792237	GC&SF RR CO		608
4792235	BS&F		122
479931	BS&F		121
4793181	THAXTON, W H / ANDERSON, J E		2363
4791288	GC&SF RR CO		607
4793177	THAXTON, W H		2344
4792996	DE LA PENA, F		
4791908	WRIGHT, J J T		309

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

4793274	SK&K		125
4791748	SK&K		125
4793167	BROWN, W		2336
4792656	TT RR CO		258
4793285	SK&K		126
4791363	GC&SF RR CO		837
4792666	RUTLEDGE, W P		2161
4791471	HE&WT RR CO		457
479?26	STATE OF TEXAS		
4791484	HE&WT RR CO		593
4792598	CCSD&RGNG RR CO	2	598
4792611	HE&WT RR CO		594
479946	BOYD, W H & J M		2253
4792612	HE&WT RR CO		470
4791474	HE&WT RR CO		469
4791225	GARZA, E		53
4791684	RODRIGUEZ, J		2136
4792104	GC&SF RR CO		462
4791671	RAMIREZ, F		54
4791672	RAMIREZ, J V		55
4792613	EL&RR RR CO		472
4791188	EL&RR RR CO		471
4791286	GC&SF RR CO		461
4791715	HE&WT RR CO		464
4791224	GARZA, A		56
4792610	EL&RR RR CO		596
479972	C&M RR CO		475
4791211	GAMBOA, D		57
4791888	WARD, MRS A		2267
4793335	FROST NATL BANK		2342
4792270	GC&SF RR CO		606
479970	C&M RR CO		603
4792901	GC&SF RR CO		734
4791189	EL&RR RR CO		595
4792599	GC&SF RR CO		590
4791285	GC&SF RR CO		605
4792181	C&M RR CO		604
4791276	GC&SF RR CO		733
4792233	GC&SF RR CO		736
4791322	GC&SF RR CO		735
4792180	BS&F		124
4792135	GC&SF RR CO		2084
4791361	GC&SF RR CO		781
4792997	GC&SF RR CO		782
4791959	PUCKETT, MRS T E		770
479906	BS&F		657
4791930	BS&F		123

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

4793556	HE&WT RR CO		780
4792077	T&NO RR CO		265
4792132	CCSD&RGNG RR CO	2	268
479907	BS&F		655
4792136	H&GN RR CO		18
4791376	GC&SF RR CO		2083
4793555	CELLUM, E J		832
479963	CELLUM, E J		831
4791458	H&GN RR CO		17
479?33	STATE OF TEXAS		
479964	C&M RR CO		849
4791364	GC&SF RR CO		835
4791996	DE LA FUENTES, V		
4793552	GC&SF RR CO		836
4793168	H&GN RR CO		9
4793553	GC&SF RR CO		838
479465	CITY OF LAREDO		55
479295	TREVINO J A		56
479424	DE LA GARZA, J M		1273
479563	BORREGO, J V		
47966	MINDIOLA P		59
479423	GARZA, HRS M		58
479236	CITY OF LAREDO		51
479464	CITY OF LAREDO		52
479281	SANCHEZ, L		53
47920	BENAVIDES, B		54

ATTACHMENT 11

See Attachment 7

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

ATTACHMENT 12

Description of all existing (if any) improvements

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 13

Javelina Wind Energy will create 10 new jobs and is not requesting a waiver of the job creation requirement

ATTACHMENT 14

Calculation of three possible wage requirements with TWC documentation

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

JAVELINA WIND ENERGY, LLC
ATTACHMENT 14 TO CHAPTER 313 APPLICATION

WEBB CISD - WEBB COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2012	\$ 635.00	\$ 33,020.00
THIRD	2012	\$ 636.00	\$ 33,072.00
FOURTH	2012	\$ 683.00	\$ 35,516.00
FIRST	2013	\$ 632.00	\$ 32,864.00
AVERAGE		\$ 646.50	\$ 33,618.00
X		110%	110%
		\$ 711.00	\$ 36,979.80

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2012	\$ 600.00	\$ 31,200.00
THIRD	2012	\$ 605.00	\$ 31,460.00
FOURTH	2012	\$ 635.00	\$ 33,020.00
FIRST	2013	\$ 603.00	\$ 31,356.00
AVERAGE		\$ 610.75	\$ 31,759.00
X		110%	110%
		\$ 672.00	\$ 34,934.90

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE










QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
	2012	\$ 541.73	\$ 28,170.00
X		110%	110%
		\$ 596.00	\$ 30,987.00

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	2nd Qtr	Webb County	Total All	00	0	10	Total, All Industries	\$635
2012	3rd Qtr	Webb County	Total All	00	0	10	Total, All Industries	\$636
2012	4th Qtr	Webb County	Total All	00	0	10	Total, All Industries	\$683

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Webb County	Total All	00	0	10	Total, All Industries	\$632

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	2nd Qtr	Webb County	Total All	31	2	31-33	Manufacturing	\$600
2012	3rd Qtr	Webb County	Total All	31	2	31-33	Manufacturing	\$605
2012	4th Qtr	Webb County	Total All	31	2	31-33	Manufacturing	\$635

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Webb County	Total All	31	2	31-33	Manufacturing	\$603

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

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

110% x \$28,170 =
\$30,987

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.

ATTACHMENT 15

Description of Benefits

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 16

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

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENTS 17

See attached Schedule A

Schedule A (Rev. January 2013): Investment

Form 50-296

Applicant Name
JAVELINA WIND ENERGY, LLC
ISD Name
WEBB CISD

PROPERTY INVESTMENT AMOUNTS

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

	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)			0			0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2013-2014		-			-
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)						
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	18,117,750	-	-		18,117,750
		2	343,637,250	600,000			344,237,250
		3	0	0			0
		4	0	0			0
		5	0	0			0
		6	0	0			0
		7	0	0			0
		8	0	0			0
		9	0	0			0
		10	0	0			0
		11	0	0			0
Credit Settle-Up Period	Continue to Maintain Viable Presence	12	0	0			0
		13	0	0			0
		14	0	0			0
		15	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.	Post-Settle-Up Period	2014-2015					
		2015-2016					
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	2016-2017					
		2017-2018					
		2018-2019					
		2019-2020					
		2020-2021					
		2021-2022					
		2022-2023					
		2023-2024					
		2024-2025					
		2025-2026					
		2026-2027					
Credit Settle-Up Period	Post-Settle-Up Period	2027-2028					
		2028-2029					

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

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

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

Daniel R. King

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

15-Jul-13

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 18

See attached Schedule B

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

JAVELINA WIND ENERGY, LLC

WEBB CISD

Form 50-296

Applicant Name
ISD Name

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for M&O--after all reductions	Final taxable value for M&O--after all reductions
	pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Credit Period (with 50% cap on credit)	1	2014-2015	2014	\$ -	\$ -	\$ 9,058,875	\$ -	\$ 9,058,875	\$ 9,058,875
	2	2015-2016	2015	\$ -	\$ 582,000	\$ 347,284,800	\$ -	\$ 347,866,800	\$ 347,866,800
	3	2016-2017	2016	\$ -	\$ 567,500	\$ 319,502,000	\$ -	\$ 320,069,500	\$ 30,000,000
	4	2017-2018	2017	\$ -	\$ 553,300	\$ 293,942,000	\$ -	\$ 294,495,300	\$ 30,000,000
	5	2018-2019	2018	\$ -	\$ 539,500	\$ 270,427,000	\$ -	\$ 270,966,500	\$ 30,000,000
	6	2019-2020	2019	\$ -	\$ 526,000	\$ 248,793,000	\$ -	\$ 249,319,000	\$ 30,000,000
	7	2020-2021	2020	\$ -	\$ 512,900	\$ 228,890,000	\$ -	\$ 229,402,900	\$ 30,000,000
	8	2021-2022	2021	\$ -	\$ 500,100	\$ 210,579,000	\$ -	\$ 211,079,100	\$ 30,000,000
	9	2022-2023	2022	\$ -	\$ 487,600	\$ 193,733,000	\$ -	\$ 194,220,600	\$ 30,000,000
	10	2023-2024	2023	\$ -	\$ 475,400	\$ 178,234,000	\$ -	\$ 178,709,400	\$ 30,000,000
	11	2024-2025	2024	\$ -	\$ 463,500	\$ 163,975,000	\$ -	\$ 164,438,500	\$ 164,438,500
	12	2025-2026	2025	\$ -	\$ 451,900	\$ 150,857,000	\$ -	\$ 151,308,900	\$ 151,308,900
	13	2026-2027	2026	\$ -	\$ 440,600	\$ 138,788,000	\$ -	\$ 139,228,600	\$ 139,228,600
	14	2027-2028	2027	\$ -	\$ 429,600	\$ 127,685,000	\$ -	\$ 128,114,600	\$ 128,114,600
	15	2028-2029	2028	\$ -	\$ 418,900	\$ 117,470,000	\$ -	\$ 117,888,900	\$ 117,888,900

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.

Daniel R. King

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

15-Jul-13

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 19

See attached Schedule C

Schedule C- Application: Employment Information

Applicant Name
ISD Name

JAVELINA WIND ENERGY, LLC
WEBB CISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	5 FTEs	\$35,000.00	0	\$0	0	\$0
	1	2014-2015	2014	100 FTEs	\$35,000.00	0	\$0	0	\$0
	2	2015-2016	2015						
	3	2016-2017	2016			10	\$32,000.00	8	\$35,000.00
	4	2017-2018	2017			10	\$32,000.00	8	\$35,000.00
	5	2018-2019	2018			10	\$32,000.00	8	\$35,000.00
	6	2019-2020	2019			10	\$32,000.00	8	\$35,000.00
	7	2020-2021	2020			10	\$32,000.00	8	\$35,000.00
	8	2021-2022	2021			10	\$32,000.00	8	\$35,000.00
	9	2022-2023	2022			10	\$32,000.00	8	\$35,000.00
	10	2023-2024	2023			10	\$32,000.00	8	\$35,000.00
	11	2024-2025	2024			10	\$32,000.00	8	\$35,000.00
	12	2025-2026	2025			10	\$32,000.00	8	\$35,000.00
	13	2026-2027	2026			10	\$32,000.00	8	\$35,000.00
	14	2027-2028	2027			10	\$32,000.00	8	\$35,000.00
	15	2028-2029	2028			10	\$32,000.00	8	\$35,000.00
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period								
	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence								
	Post- Settle-Up Period								
Post- Settle-Up Period									

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

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

Daniel R. King

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

15-Jul-13
DATE

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 20

See attached Schedule D

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

Applicant
Name

JAVELINA WIND ENERGY, LLC

ISD Name

WEBB CISD

Form 50-296

Sales Tax Information					Franchise Tax	Other Property Tax Abatements Sought			
Sales Taxable Expenditures					Franchise Tax	County	City	Hospital	Other
	Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	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
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2013	2,264,719	15,853,031		-	-	-
	1	2014-2015	2014	43,029,656	301,207,594	0	0%	n/a	n/a
	2	2015-2016	2015	120,000	240,000	0	TBD	n/a	TBD
	3	2016-2017	2016	120,000	240,000	0	TBD	n/a	TBD
	4	2017-2018	2017	120,000	240,000	0	TBD	n/a	TBD
	5	2018-2019	2018	120,000	240,000	0	TBD	n/a	TBD
	6	2019-2020	2019	120,000	240,000	80,000	TBD	n/a	TBD
	7	2020-2021	2020	120,000	240,000	80,000	TBD	n/a	TBD
	8	2021-2022	2021	120,000	240,000	80,000	TBD	n/a	TBD
	9	2022-2023	2022	120,000	240,000	80,000	TBD	n/a	TBD
	10	2023-2004	2023	120,000	240,000	80,000	TBD	n/a	TBD
	11	2024-2025	2024	120,000	240,000	80,000	TBD	n/a	TBD
	12	2025-2026	2025	120,000	240,000	80,000	0%	-	-
	13	2026-2027	2026	120,000	240,000	80,000	0%	-	-
	14	2027-2028	2027	120,000	240,000	80,000	0%	-	-
	15	2028-2029	2028	120,000	240,000	80,000	0%	-	-

*For planning, construction and operation of the facility.

Daniel R. King

15-Jul-13

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

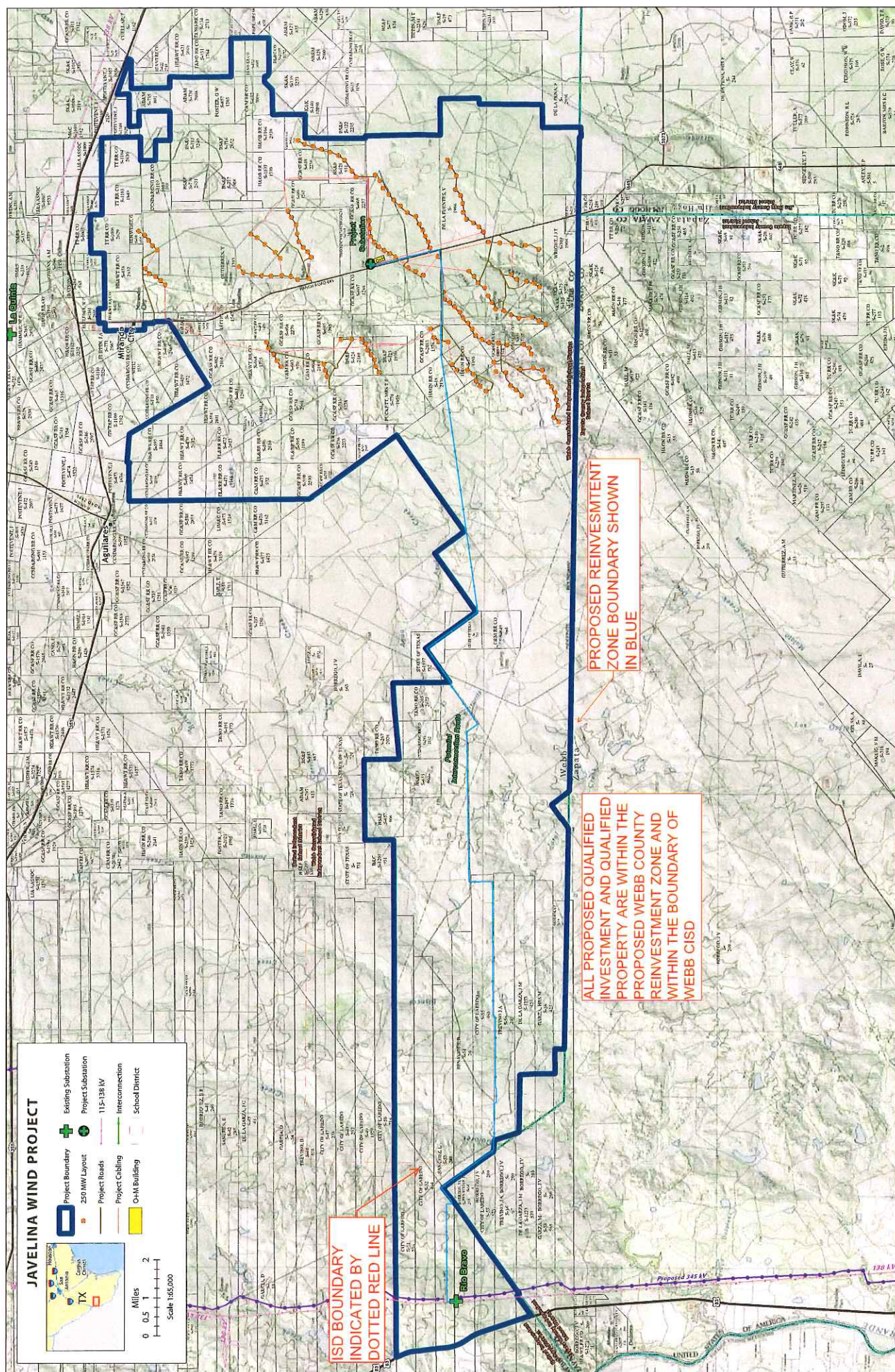
Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 21

See attached map of the proposed reinvestment zone



Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 22

Webb County Commissioners Court is expected to create the proposed reinvestment zone on or before September 30, 2013. The order, resolution, or ordinance establishing the zone will be furnished at a later date.

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 23

See attached legal description of Reinvestment Zone

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

Abstract Number	Survey Name	Block Number	Survey Number
4792667	FLIPPIN, J A		771
4791656	POITEVENT, J		1107
4792629	TT RR CO		1006
4792630	TT RR CO		1104
4791849	TT RR CO		1103
4792632	HE&WT RR CO		458
4792745	HE&WT RR CO		822
479?27	STATE OF TEXAS		
479935	BENAVIDES, G		60
479945	BOYD, W H & J M		2252
479801	AB&M		735
4792628	CCSD&RGNG RR CO		1120
4791009	CCSD&RGNG RR CO		1119
4793194	GARCIA, A E		2369
4793008	AB&M		736
4791883	WARD, MRS A		2261
4793240	BS&F		715
4792631	BS&F		718
4793172	VILLAREAL, A R		2341
4791203	FOSTER, G W		857
4791872	VERA, A		2168
4792652	BS&F		716
479908	BS&F		717
4791170	DL&C CO		2193
4791473	HE&WT RR CO		463
4793171	GARCIA, E		2340
4791393	GUTIERRES, Y		
4791547	LITTIG, J W		
4791918	ZAPATA, E		61
4793009	C&M RR CO		612
4793170	GARCIA, E		2339
4792930	H&OB RR CO		1106
4791398	H&OB RR CO		1105
4791287	GC&SF RR CO		609
4793007	T&NO RR CO		132
479969	C&M RR CO		611
4792236	GC&SF RR CO		610
4792237	GC&SF RR CO		608
4792235	BS&F		122
479931	BS&F		121
4793181	THAXTON, W H / ANDERSON, J E		2363
4791288	GC&SF RR CO		607
4793177	THAXTON, W H		2344
4792996	DE LA PENA, F		
4791908	WRIGHT, J J T		309

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

4793274	SK&K		125
4791748	SK&K		125
4793167	BROWN, W		2336
4792656	TT RR CO		258
4793285	SK&K		126
4791363	GC&SF RR CO		837
4792666	RUTLEDGE, W P		2161
4791471	HE&WT RR CO		457
479?26	STATE OF TEXAS		
4791484	HE&WT RR CO		593
4792598	CCSD&RGNG RR CO	2	598
4792611	HE&WT RR CO		594
479946	BOYD, W H & J M		2253
4792612	HE&WT RR CO		470
4791474	HE&WT RR CO		469
4791225	GARZA, E		53
4791684	RODRIGUEZ, J		2136
4792104	GC&SF RR CO		462
4791671	RAMIREZ, F		54
4791672	RAMIREZ, J V		55
4792613	EL&RR RR CO		472
4791188	EL&RR RR CO		471
4791286	GC&SF RR CO		461
4791715	HE&WT RR CO		464
4791224	GARZA, A		56
4792610	EL&RR RR CO		596
479972	C&M RR CO		475
4791211	GAMBOA, D		57
4791888	WARD, MRS A		2267
4793335	FROST NATL BANK		2342
4792270	GC&SF RR CO		606
479970	C&M RR CO		603
4792901	GC&SF RR CO		734
4791189	EL&RR RR CO		595
4792599	GC&SF RR CO		590
4791285	GC&SF RR CO		605
4792181	C&M RR CO		604
4791276	GC&SF RR CO		733
4792233	GC&SF RR CO		736
4791322	GC&SF RR CO		735
4792180	BS&F		124
4792135	GC&SF RR CO		2084
4791361	GC&SF RR CO		781
4792997	GC&SF RR CO		782
4791959	PUCKETT, MRS T E		770
479906	BS&F		657
4791930	BS&F		123

LEGAL DESCRIPTION OF LAND
JAVELINA WIND ENERGY, LLC

4793556	HE&WT RR CO		780
4792077	T&NO RR CO		265
4792132	CCSD&RGNG RR CO	2	268
479907	BS&F		655
4792136	H&GN RR CO		18
4791376	GC&SF RR CO		2083
4793555	CELLUM, E J		832
479963	CELLUM, E J		831
4791458	H&GN RR CO		17
479733	STATE OF TEXAS		
479964	C&M RR CO		849
4791364	GC&SF RR CO		835
4791996	DE LA FUENTES, V		
4793552	GC&SF RR CO		836
4793168	H&GN RR CO		9
4793553	GC&SF RR CO		838
479465	CITY OF LAREDO		55
479295	TREVINO J A		56
479424	DE LA GARZA, J M		1273
479563	BORREGO, J V		
47966	MINDIOLA P		59
479423	GARZA, HRS M		58
479236	CITY OF LAREDO		51
479464	CITY OF LAREDO		52
479281	SANCHEZ, L		53
47920	BENAVIDES, B		54

Javelina Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

ATTACHMENT 24

See attached Guidelines and Criteria for Webb County

**ORDER AND RESOLUTION OF WEBB COUNTY COMMISSIONERS COURT
ESTABLISHING GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENTS
BY WEBB COUNTY, TEXAS**

WHEREAS, the Laredo Development Foundation recommends that tax abatements be initiated in the County of Webb; and

WHEREAS, the Webb County Commissioners Court finds that tax abatements, in accordance with the "Guidelines and Criteria Governing Tax Abatements by Webb County, Texas," attached hereto as Exhibit "A" and incorporated herein for all purposes, contributes to the economic development of Webb County and is in **Exhibit "A"** of the policies and objectives of the County as authorized in Chapter 312 of the Texas Tax Code, and will assist the County in the achievement of its objectives to create jobs for the citizens of the County, build the tax base of the County, and provide an attractive environment for businesses to build capital intensive projects within Tax Abatement Reinvestment Zones; and

WHEREAS, state law requires re-adoption of guidelines governing tax abatements every two years.

WHEREAS, the Webb County Commissioners Court adopted Guidelines and Criteria Governing Tax Abatements by Webb County on April 28, 2008 and were amended on July 13, 2009; and later expired on July 13, 2011.

WHEREAS, the Webb County Commissioners Court believes it necessary to reinstate Tax Abatement Guidelines and Criteria for the County; and

NOW THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF WEBB COUNTY, TEXAS THAT:

Section 1. Guidelines and Criteria Governing Tax Abatements Adopted. In accordance with the requirements in Section 312.002 of the Texas Tax Code, the Webb County Commissioners Court hereby adopts the "Guidelines and Criteria Governing Tax Abatements by Webb County", attached hereto as **Exhibit "A"** and incorporated herein for all purposes as if set forth in full.

Section 2. No Limits. Adoption of the Guidelines and Criteria adopted in Section 1 herein does not:

- (1) Limit the discretion of the Webb County Commissioners Court to decide whether to enter into a specific tax abatement agreement;
- (2) Create, nor shall it be construed to create, any property, contract, or other legal right in any person or entity to have the Webb County Commissioners Court consider or grant a specific application or request for tax abatement.

Section 3. Effectiveness of Amended Guidelines. The Amended Guidelines and Criteria adopted in Section 1 herein shall be effective for two (2) years from the effective date of this Order. During that period, the said Amended Guidelines and Criteria Governing Tax Abatements

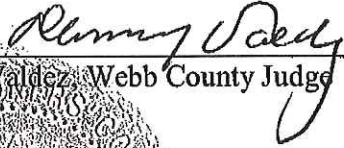
may be amended or repealed only by a vote of three-fourths of the members of the Webb County Commissioners Court.

Section 4. Effective Date. This Resolution and Order shall become effective upon passage and approval.

Section 5. Severability. If any provision, section, subsection, sentence, clause or phrase of this Resolution and Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid or for any reason unenforceable, the validity of the remaining portion of this Resolution and Order or its application to any person or set of circumstances shall not be affected thereby, it being the intent of the Commissioners Court of Webb County, Texas in adopting this Resolution and Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity, and all provisions are declared severable for that purpose.

PASSED and APPROVED this 26th day of September 2011.

WEBB COUNTY




Danny Valdez, Webb County Judge


ATTESTED:



Margie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:



Anna L. Cavazos Ramirez
Webb County Attorney*

*By Law, the County Attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorneys.

EXHIBIT A
GUIDELINES AND CRITERIA
GOVERNING TAX ABATEMENTS
WEBB COUNTY, TEXAS
September 26, 2011

SECTION 1: GENERAL PURPOSE AND OBJECTIVES

The County of Webb is committed to enhancing the competitiveness and the expansion potential of the County; to attracting and encouraging new industry and investment; to improving Webb County and its infrastructure which attracts and supports development; and to expanding the tax base, employment opportunities, and the overall quality of life for its citizens. This document describes the Guidelines and Criteria to opportunities Webb County may consider in attempts to assert positive economic development. Nothing herein shall imply or suggest that the County of Webb is under obligation to afford these opportunities to any applicant. All applicants shall be reviewed on a case-by case basis. The customized design of a total incentives package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling Webb County to respond to the changing needs of the County. Consideration will be given to applicants according to the criteria listed in this document and to Chapter 312 of the State Tax Code.

1.1 Purpose:

Chapter 312 of the Texas Tax Code allows, but does not obligate or require, the County to grant a tax abatement on the value added to a particular property on account of a specific development project that meets the eligibility requirements set forth in these Guidelines and Criteria. In order for the County to enter into tax abatement agreements, the County is required to establish guidelines and criteria governing tax abatements and to pass a resolution stating that the County elects to become eligible to participate in tax abatement.

1.2 Objective:

The County of Webb is committed to the promotion of high quality developments in all parts of Webb County and to ongoing improvement in the quality of life for all citizens. These objectives are generally served by the enhancement and expansion of the local economy, the County of Webb, will on a case-by-case determination, give consideration to providing tax abatement as stimulus for economic development within the boundaries of the County of Webb. It is herein proclaimed to be a policy of the County of Webb to make available tax abatement for both new facilities and for the expansion or modernization of existing structures. It is further recognized to be a policy of Webb County that the consideration of tax abatement will be made in accordance with the procedures and criteria set forth herein. Nothing herein shall imply, suggest or in any way be interpreted to obligate the County of Webb to provide a tax abatement to any applicant.

1.3 General Eligibility Criteria:

A tax abatement can only be granted to persons or entities eligible for tax abatement pursuant to Section 312.402 of the Texas Tax Code, which persons or entities as of the effective date of these Amended Guidelines and Criteria are:

- (i) the owner of taxable real property located in a reinvestment zone;
- (ii) the owner of a leasehold interest in tax-exempt real property located in a tax abatement reinvestment zone;
- (iii) the owner of a leasehold interest in real property located in a tax abatement reinvestment zone; or
- (iv) the owner of tangible personal property located in a reinvestment zone.

1.4 General Exclusions and Limitations:

1.4.1 Leases of Real Property

A person or entity seeking tax abatement on real property that is leased from a third party should be advised that, pursuant to state law, the County of Webb can only abate taxes on the increased value of the taxable leasehold interest in the real property, if any, and the increase in value of taxable improvements and tangible personal property located on the real property and subject to the leasehold interest, if any. Before applying for a tax abatement from the County of Webb, such persons or entities should seek professional and legal guidance, and may wish to consult with the appraisal district having jurisdiction over the property in question, as to whether their development projects will result in a taxable leasehold interest in the property and, if so, the anticipated value of that leasehold interest.

SECTION 2: DEFINITIONS.

As used within these Guidelines and criteria, the following words or phrases shall have the following meanings:

2.1 "Abatement" or "Tax Abatement" means the temporary, full or partial exemption from ad valorem taxes of certain eligible taxable real and in some cases tangible personal property and/or improvements located in a Reinvestment Zone designated for economic development purposes.

2.2. "Added Value" means the increase in the assessed value, as compared to base year value, of an eligible property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility." It does not mean or include "deferred mainytainance".

2.3 "Agreement" means a contractual agreement between an owner and/or lessee of eligible property and the County of Webb for the purposes of tax abatement.

2.4 "Base Year Value" means the assessed value of eligible property as determined by the Webb County Appraisal District located in a reinvestment zone on January 1 of the year in which the agreement is executed.

2.5 "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

2.6 "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing production capacity.

2.7 "Affected Jurisdiction" means Webb County and every other taxing unit that includes within its boundaries property located within a proposed or existing reinvestment zone.

2.8 "Economic Life" means the number of years a property improvement is expected to be in service in a reinvestment zone.

2.9 "Expansion" means the addition of buildings, structures, machinery, or equipment for purposes of increasing production capacity.

2.10 "Facility" means property improvements completed or in the process of construction which together compromise an integral whole.

2.11 "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

2.12 "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of deferred maintenance.

2.13 "New Facility" means a property previously undeveloped, which is placed into service by means other than or in conjunction with an expansion or modernization.

2.14 "Other Basic Industry" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Webb County, Texas. Corporate Home Office is included in this definition.

2.15 "Other Basic Industry Facility" means property, previously undeveloped, which is placed into service by means other than or in conjunction with expansion or modernization.

2.16 "Owner" means the owner of property subject to abatement. If the eligible property is constructed or located on a leased property, the owner shall be the party which owns the property eligible for a tax abatement. The other party to the lease may join in the execution of agreement but shall not be obligated to assure performance of the party receiving the abatement,

2.17 "Permanent Full-Time Job" means a new employment position created by a business that provides a regular work schedule of at least 35 hours per week or 1820 hours of

regular employment per year to a Webb County, Texas resident and maintains the employment position during the term of the abatement agreement.

2.18 "Productive Life" means the number of years a property improvement is expected to be in service in a facility.

2.19 "Proximate Relocations" means moving a business within Webb County, Texas.

2.20 "Employee" means a person whose employment is both permanent and fulltime, who works for and is an employee of the Owner or an employee of a Contractor, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, who receives industry-standard benefits, and whose employment is reflected in the Owner's (and Contractor's, if applicable) quarterly report filed with the Texas Workforce Commission ("TWC"); but excluding any direct contract (seasonal, part-time, and full-time equivalent).

2.21 "Tax Abatement Reinvestment Zone" means any real property within Webb County, Texas which has been designated as a reinvestment zone, by the Webb County Commissioners Court and may include any land within the City of Laredo, that has been designated as a reinvestment zone by Laredo City Council.

SECTION 3: ABATEMENT AUTHORIZED

3.1 Authorized Facility: Abatement may be eligible for new facilities and improvements to existing facilities for the purpose of Modernization or Expansion.

3.2 Creation of New Value: Abatement may only be granted for the Added Value of eligible property improvements based on valuations as determined by the Webb County Appraisal District and subject to and listed in an abatement agreement between County and the property owner and lessee, if required, subject to such limitations as said jurisdiction may require.

3.3 Eligible Property: Abatement may be extended to the Added Value of real and tangible personal property as noted in Section 3.6.

3.4 Ineligible Property: The following types of property shall be fully taxable and ineligible for abatement: Land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; deferred maintenance investments; property with an economic life of less than 15 years; property owned or used by the state of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the state of Texas, or any property exempted by local, state or federal law. When such exempted property includes manufacturing machinery and equipment listed in the Investment Budget (as required in "Application"), then the value of such property may not be included toward the achievement of investment or valuation thresholds set out in the Agreement.

3.5 Types Of Industry: In keeping with the broad based approach to economic development, agreements will not be restricted to any particular type of industry. Preference will, however, be given to manufacturing and any other type of industry which provides relatively

higher wages. In keeping with obtaining the highest cost-benefit, tax abatements will be granted on the basis of (a) new jobs and (b) additional investments, for a maximum term of 10 years.

3.6 Period and Percentage of Abatement:

THE BASIC FORMULA:

New Permanent Full Time Jobs	Added Value in Real Property, as assessed by Webb County Appraisal District	Percent of Abatement	Term
50 to 100 jobs	\$1 million up to \$2.5 million	25%	5 years
101 to 150 jobs	over 42.5 million up to \$5 million	50%	5 years
151 to 200 jobs	over \$5 million up to \$10 million	75%	5 years
Over 200 jobs	Over \$10 million	100%	5 years
New Permanent Full Time Jobs	Added Value in Real and Tangible Personal Property, as Assessed by Webb County Appraisal District	Percent of Abatement	Term
Over 200 Jobs	Over \$20 million	100%	5 years

In cases where the required additional investment exceeds \$10 million and the number of jobs is not expected to be met, an abatement may be allowed utilizing the following criteria:

New Permanent Full Time Jobs	Added Value in Real Property, as assessed by Webb County Appraisal District	Percent of Abatement	Term
At least 10 jobs	Over \$10 million	100%	Year 1
		80%	Year 2
		60%	Year 3
		40%	Year 4
		20%	Year 5
At least 5 jobs	Over \$50 million	60%	Years 1-5
		40%	Years 6-10

3.7. Living Wage Requirement: In order to count as a permanent full-time job under this tax abatement program, the job should pay employees wages at a minimum level which is equal to two dollars (\$2.00) above the U.S. minimum wage in effect at the time of the agreement. Additional compensation, such as commissions and mileage, will be taken into consideration and will be included in the wages. However, overtime will not be considered.

3.8 Other General Amended Guidelines:

3.8.1 Companies shall pay permanent full time employees with at least 50% of their health benefits.

3.8.2 They must be offered to local companies for the expansion of existing facilities as well as new facilities.

3.8.3 They must be "performance based" to provide cost benefit advantages to Laredo and Webb County.

3.8.4 They must not permit outside companies to unfairly compete with local companies in the same business in the local market: competing companies may be considered if 75% of their customers are outside Laredo/Webb County, or if any other measures are offered which are judged to make the companies compatible with County of Webb interests.

3.8.5 They must be negotiated quickly and in good faith by representatives of all concerned local entities.

3.8.6 They must be contractual and fully and accurately disclosed to the public.

3.8.7 The contracts must be effectively protected by cancellation, recalibration and "claw-back" provisions which would insure the return of the community's funds if the companies default on their part of the agreement. There should however, be no levy of penalties above repayment of actual local costs.

39 Negotiation and Variance

3.9.1 Notwithstanding anything to the contrary in these Amended Guidelines, the Webb County Commissioners Court may, depending upon the applicant, grant tax abatements which differ from the Basic Formula contained in Section 3.6 taking into consideration the cost benefit, company's financial statements or **D&B** rating, past business history, nature of the production process, environmental hazards, cost breakdown of the investment into land, building, equipment, probable project status at the end of 10 years, percent of hiring of local workers, and benefits to be paid to local workers and other criteria deemed appropriate by Webb County Commissioners Court.

3.9.2 The Webb County Commissioners Court further reserves the right to vary the term and percent of abatement from the Basic Formula contained in Section 3.6, on a case by case basis, where the applicant shows unique-circumstances that, in the opinion of Webb County Commissioners Court, meet the economic development goals and objectives of Webb County, Texas.

SECTION 4: APPLICATION

41 Any owner of taxable property in Webb County may request the designation of a reinvestment zone and a tax abatement agreement by filing a written application with the County of Webb.

4.2 The application shall be signed by the owner accompanied by

4.2.1 a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;

4.2.2 a descriptive list of the improvements which will be a part of the facility;

4.2.3 an estimate of the cost of the improvements;

4.2.4 an estimate of the number of employees during construction, and thereafter, to operate the facility;

4.2.5. a map, metes and bounds or other valid legal property description of the property proposed as a reinvestment zone;

4.2.6 a time schedule for undertaking and completing the planned improvements; and a proposed program for the recruitment of local employees in the construction and operation of the facility together with a statement affirming the applicants commitment to equal opportunity hiring, at all levels, and

4.2.7 a plan to implement and ensure such hiring.

4.2.8 an application fee of \$1,000 to defray cost of administration and maintenance of these guidelines is required for projects in the unincorporated areas of the County.

4.3 In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the application.

4.4 The application shall provide such financial and other information as required by the County to enable it to evaluate the financial capacity of the applicant. In the case of an application based on job retention, the applicant shall include sufficient information to verify the potential of job loss that would occur without abatement.

4.5 If the County intends to act favorably on the application and enter into an agreement, it shall do so in writing with the owner of the taxable real property located in an area designated as a reinvestment zone to exempt from taxation all of the increase in the value of the property over its value in the year in which the agreement is executed.

4.6 The County may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement meet the applicable provisions of these "Guidelines and Criteria". Not later than the seventh day before the date on which the County enters into such an agreement the County Judge, or an officer or employee of the County designated by him, shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the County intends to enter into an agreement. The notice shall be placed in the mail, postage paid, properly addressed, and sent by certified mail with return receipt requested.

4.7 A resolution designating an area as a reinvestment zone may not be adopted by the County until the Webb County Commissioners Court has held a public hearing on the designation.

4.7.1 The County must find that the improvements sought are feasible and practical

and would be a benefit to the land to be included in the zone and to the County after the agreement entered with the owner has expired.

- 4.7.2. It also must be found that the area of the proposed reinvestment zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and would contribute to the economic development of the County.
- 4.7.3. At the hearing, interested persons are entitled to speak and present evidence for or against the designation.
- 4.7.4. Not later than the seventh day before the date of such hearing, notice of the hearing must be published in a newspaper having general circulation in Webb County; and said notice shall be delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.
- 4.7.5. The notice shall be placed in the mail, postage paid, and properly addressed to the appropriate presiding officer.
- 4.7.6. The County shall not establish a reinvestment zone for the purpose of tax abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.

SECTION 5: AGREEMENT

After the hearing the Commissioners Court shall adopt a resolution finding: that the proposed agreement filed with the resolution, a copy of which is to be attached thereto, meets the applicable provisions of these "Guidelines and Criteria". The resolution shall also authorize the execution of the agreement with the owner, to include provisions for:

- 5.1 The exemption from taxation of all the increases in value of the property, over its value in the year in which the agreement was executed for the period of time provided.
- 52 A listing of the kind, number, and location of all proposed improvements of the property;
- 53 Access to and inspection of property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;
- 5.4 Limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- 55 Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.
- 56 A map showing proposed improvements and uses in the reinvestment zone.
- 5.7 Total estimated cost of the improvements and employment estimates.
- 5.8 The commencement date, the termination date of the tax abatement and the date taxes are first due the County.
- 5.9 The nature of the construction, time schedule, property description and improvement list as provided in the application in accordance with SECTION 7.2.1 through 7.2.8; and

5.10 A provision that the agreement shall be effective when executed by all parties and upon the final passage of an ordinance designating the reinvestment zone.

5.11 A provision that the applicant is required to file an annual report to the County describing the efforts of the applicant toward local hires and using local vendors and subsequent to completion, progress on construction.

SECTION 6: RECAPTURE

6.1 In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion, or other casualty or accident or natural disaster for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction and other taxing agencies within sixty days from the date of termination.

6.2 Should the County of Webb determine that the company or individual is in default according to the terms and conditions of its agreement, the County shall notify the company or individual in writing at the address stated in the agreement, and if the default is not cured within sixty (60) days from the date of such notice ("Cure Period"), the agreement may be terminated.

6.3 In the event that the company or individual (1) allows any ad valorem taxes owed the County of Webb or affected jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure any default within the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement shall be recaptured and paid within sixty (60) days of the termination.

SECTION 7: ADMINISTRATION

7.1 Each year, the company or individual receiving abatement shall furnish the Chief Appraiser of Webb County with such information as may be necessary for the abatement. The Chief Appraiser will annually determine the assessment of the real and personal property comprising the reinvestment zone and notify the affected jurisdictions of the amount of the assessment.

7.2 Upon completion of construction, Webb County shall annually evaluate each facility receiving abatement to insure compliance with the agreement.

SECTION 8: ASSIGNMENT

Tax abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners Court, subject to the financial capacity of the assignee, and provided all conditions and obligations in the tax abatement agreement are guaranteed by the execution of a new contractual agreement with the County of Webb. No assignment or transfer shall be approved if the parties to the existing

agreement, the new owner or new lessee are liable to the County of Webb or any affected jurisdiction or other taxing agency for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

SECTION 9: SUNSET PROVISION

These Amended Guidelines and Criteria are effective for two years from the date adopted. During that period, the "Amended Guidelines and Criteria" may be amended or repealed only by a vote of three-fourths of the members of the Commissioners Court.

SECTION 10: LEGAL NOTICE TO POTENTIAL APPLICANTS

The adoption of these guidelines and criteria by the County does not and shall not:

10.1 Limit the discretion of the County to decide whether to enter into a specific tax abatement agreement;

10.2 Limit the discretion of the County to delegate to its employee the authority to determine whether or not the County should consider a particular application or request for tax abatement; or

10.3 Create any property, contract, or other legal rights in any person to have the County consider or grant a specific application or request for tax abatement.

10.4 Waive or relinquish any immunity or defense on behalf of the County, its commissioners, offices, employees and agents as a result of the execution of a tax abatement agreement and/or the performance of the functions and obligations described herein.

Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 10/28/2013 02:44:31 PM

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

JAVELINA WIND ENERGY, LLC	
Texas Taxpayer Number	32046817048
Mailing Address	211 E 7TH ST STE 620 AUSTIN, TX 78701-3218
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/01/2012
Texas SOS File Number	0801543721
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 17, 2013

Severita Sanchez
Superintendent
Webb Consolidated Independent School District
619 Avenue F
Bruni, Texas 78344

Dear Superintendent Sanchez:

On August 23, 2013, the Comptroller received the completed application (Application # 322) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in July 2013 to the Webb Consolidated Independent School District (the school district) by Javelina Wind Energy, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$362 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

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

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

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of Aug. 23, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Javelina Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Webb CISD
2011-2012 Enrollment in School District	371
County	Webb
Total Investment in District	\$362,355,000
Qualified Investment	\$362,355,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$673
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$596
Minimum Annual Wage committed to by applicant for qualified jobs	\$35,000
Investment per Qualifying Job	\$45,294,375
Estimated 15 year M&O levy without any limit or credit:	\$24,148,543
Estimated gross 15 year M&O tax benefit	\$17,721,835
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$17,608,411
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,714,084
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$6,540,132
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	72.9%
Percentage of tax benefit due to the limitation	84.7%
Percentage of tax benefit due to the credit.	15.3%

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

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

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

After construction, the project will create 10 new jobs when fully operational. Eight of these jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Texas Development Council of Governments Region, where Webb County is located was \$28,170 in 2012. The annual average manufacturing wage for 2012-2013 for Webb County is \$31,759. That same year, the county annual average wage for all industries was \$33,618. In addition to an annual average salary of \$35,000 each qualifying position will receive benefits such as employee-only health insurance coverage in compliance with the Affordable Care Act, 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. The project's total investment is \$362.4 million, resulting in a relative level of investment per qualifying job of \$45.3 million.

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

According to Javelina Wind Energy, LLC's application, "Multiple MAP funds have invested approximately \$4,500,000,000 in wind entities and successfully developed multiple wind farms in different states around the United States of America totaling over 3000 MW of wind generating projects. Depending on the ability to generate cost-effective electricity for regional consumers, these companies ultimately have the ability to locate or relocate in another state, another region of Texas, or another region of the world. Javelina Wind Energy believes, however, that the proposed site in Webb County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas."

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

During the past two years, one project in the South Texas Development Council of Governments Region applied for a value limitation agreement under Tax Code, Chapter 313.

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

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

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

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Javelina Wind Energy, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	5	5	10	\$175,000	\$191,000	\$366,000
2014	100	92	192	\$3,500,000	\$6,876,000	\$10,376,000
2015	10	8	18	\$320,000	\$1,267,000	\$1,587,000
2016	10	14	24	\$320,000	\$1,633,000	\$1,953,000
2017	10	18	28	\$320,000	\$1,999,000	\$2,319,000
2018	10	15	25	\$320,000	\$1,755,000	\$2,075,000
2019	10	19	29	\$320,000	\$1,877,000	\$2,197,000
2020	10	19	29	\$320,000	\$2,243,000	\$2,563,000
2021	10	21	31	\$320,000	\$2,243,000	\$2,563,000
2022	10	19	29	\$320,000	\$2,366,000	\$2,686,000
2023	10	17	27	\$320,000	\$2,366,000	\$2,686,000
2024	10	17	27	\$320,000	\$1,999,000	\$2,319,000
2025	10	19	29	\$320,000	\$2,121,000	\$2,441,000
2026	10	13	23	\$320,000	\$1,633,000	\$1,953,000
2027	10	13	23	\$320,000	\$1,877,000	\$2,197,000
2028	10	13	23	\$320,000	\$1,877,000	\$2,197,000

Source: CPA, REMI, Javelina Wind Energy, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Webb CISD's ad valorem tax base in 2012-2013 was \$1.3 billion. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Webb CISD's estimated wealth per WADA was \$2,117,133. The impact on the facilities and finances of the district are presented in Attachment 2.

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

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Webb CISD I&S Levy	Webb CISD M&O Levy	Webb CISD M&O and I&S Tax Levies (Before Credit Credited)	Webb CISD M&O and I&S Tax Levies (After Credit Credited)	Webb County	Estimated Total Property Taxes
			Tax Rate ¹	0.0645	0.8033			0.4058	
2014	\$9,058,875	\$9,058,875		\$5,847	\$72,770	\$78,617	\$78,617	\$14,705	\$93,322
2015	\$347,866,800	\$347,866,800		\$224,513	\$2,794,414	\$3,018,927	\$3,018,927	\$564,691	\$3,583,618
2016	\$320,069,500	\$10,000,000		\$206,573	\$80,330	\$286,903	\$286,903	\$519,568	\$806,470
2017	\$294,495,300	\$10,000,000		\$190,067	\$80,330	\$270,397	\$135,199	\$478,053	\$613,252
2018	\$270,966,500	\$10,000,000		\$174,882	\$80,330	\$255,212	\$127,606	\$439,859	\$567,465
2019	\$249,319,000	\$10,000,000		\$160,910	\$80,330	\$241,240	\$120,620	\$607,078	\$727,698
2020	\$229,402,900	\$10,000,000		\$148,057	\$80,330	\$228,387	\$114,193	\$558,583	\$672,777
2021	\$211,079,100	\$10,000,000		\$136,230	\$80,330	\$216,560	\$108,280	\$513,966	\$622,246
2022	\$194,220,600	\$10,000,000		\$125,350	\$80,330	\$205,680	\$102,840	\$472,916	\$575,756
2023	\$178,709,400	\$10,000,000		\$115,339	\$80,330	\$195,669	\$97,835	\$435,147	\$532,982
2024	\$164,438,500	\$164,438,500		\$106,129	\$1,320,934	\$1,427,063	\$0	\$667,331	\$667,331
2025	\$151,308,900	\$151,308,900		\$97,655	\$1,215,464	\$1,313,119	\$832,671	\$614,048	\$1,446,719
2026	\$139,228,600	\$139,228,600		\$89,858	\$1,118,423	\$1,208,281	\$1,208,281	\$565,023	\$1,773,305
2027	\$128,114,600	\$128,114,600		\$82,685	\$1,029,145	\$1,111,830	\$1,111,830	\$519,920	\$1,631,750
2028	\$117,888,900	\$117,888,900		\$76,085	\$947,002	\$1,023,087	\$1,023,087	\$478,421	\$1,501,508
						Total	\$8,366,889	\$7,449,309	\$15,816,198

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Javelina Wind Energy, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Webb CISD I&S Levy	Webb CISD M&O Levy		Webb CISD M&O and I&S Tax Levies	Webb County	Estimated Total Property Taxes
			Tax Rate ¹	0.0645	0.8033			0.4058	
2014	\$9,058,875	\$9,058,875		\$5,847	\$72,770		\$78,617	\$36,763	\$115,380
2015	\$347,866,800	\$347,866,800		\$224,513	\$2,794,414		\$3,018,927	\$1,411,727	\$4,430,654
2016	\$320,069,500	\$320,069,500		\$206,573	\$2,571,118		\$2,777,691	\$1,298,919	\$4,076,610
2017	\$294,495,300	\$294,495,300		\$190,067	\$2,365,681		\$2,555,748	\$1,195,133	\$3,750,881
2018	\$270,966,500	\$270,966,500		\$174,882	\$2,176,674		\$2,351,556	\$1,099,647	\$3,451,203
2019	\$249,319,000	\$249,319,000		\$160,910	\$2,002,780		\$2,163,690	\$1,011,796	\$3,175,486
2020	\$229,402,900	\$229,402,900		\$148,057	\$1,842,793		\$1,990,850	\$930,972	\$2,921,822
2021	\$211,079,100	\$211,079,100		\$136,230	\$1,695,598		\$1,831,829	\$856,610	\$2,688,439
2022	\$194,220,600	\$194,220,600		\$125,350	\$1,560,174		\$1,685,524	\$788,194	\$2,473,718
2023	\$178,709,400	\$178,709,400		\$115,339	\$1,435,573		\$1,550,912	\$725,246	\$2,276,157
2024	\$164,438,500	\$164,438,500		\$106,129	\$1,320,934		\$1,427,063	\$667,331	\$2,094,394
2025	\$151,308,900	\$151,308,900		\$97,655	\$1,215,464		\$1,313,119	\$614,048	\$1,927,167
2026	\$139,228,600	\$139,228,600		\$89,858	\$1,118,423		\$1,208,281	\$565,023	\$1,773,305
2027	\$128,114,600	\$128,114,600		\$82,685	\$1,029,145		\$1,111,830	\$519,920	\$1,631,750
2028	\$117,888,900	\$117,888,900		\$76,085	\$947,002		\$1,023,087	\$478,421	\$1,501,508
						Total	\$26,088,724	\$12,199,749	\$38,288,473

Source: CPA, Javelina Wind Energy, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$ \$24,148,543. The estimated gross 15 year M&O tax benefit, or levy loss, is \$ \$17,721,835.

Attachment 3 is an economic overview of Webb County.

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.



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

Michael Williams
Commissioner

October 10, 2013

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Javelina Wind Energy LLC project on the number and size of school facilities in Webb Independent School District (WISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the WISD superintendent, Maria Sanchez, the TEA has found that the Javelina Wind Energy LLC project would not have a significant impact on the number or size of school facilities in WISD.

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk



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

Michael Williams
Commissioner

October 10, 2013

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Javelina Wind Energy LLC project for the Webb Independent School District (WISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Javelina Wind Energy LLC project on WISD are correct.

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Webb County

Population

- Total county population in 2010 for Webb County: 245,960 , up 2.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Webb County was the state's 19st largest county in population in 2010 and the 31st fastest growing county from 2009 to 2010.
- Webb County's population in 2009 was 4.7 percent Anglo (below the state average of 46.7 percent), 0.2 percent African-American (below the state average of 11.3 percent) and 94.5 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Webb County:

Laredo:	226,124	Rio Bravo:	5,656
El Cenizo:	3,612		

Economy and Income

Employment

- September 2011 total employment in Webb County: 88,117 , up 2.7 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Webb County unemployment rate: 8.4 percent, up from 8.3 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

Laredo:	7.8 percent, up from 7.6 percent in September 2010.
---------	---

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

Income

- Webb County's ranking in per capita personal income in 2009: 245th with an average per capita income of \$23,294, down 1.3 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Webb County averaged \$48.08 million annually from 2007 to 2010. County total agricultural values in 2010 were up 36.2 percent from 2009. Major agriculture related commodities in Webb County during 2010 included:
 - Fed Beef
 - Horses
 - Nursery
 - Hunting
 - Other Beef
- 2011 oil and gas production in Webb County: 111,790.0 barrels of oil and 172.4 million Mcf of gas. In September 2011, there were 122 producing oil wells and 4990 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Webb County during the fourth quarter 2010: \$567.78 million, up 10.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Laredo:	\$563.72 million, up 10.7 percent from the same quarter in 2009.
Rio Bravo:	\$861,596.00, up 5.9 percent from the same quarter in 2009.
El Cenizo:	\$141,168.00, down 21.9 percent from the same quarter in 2009.

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

- Taxable sales in Webb County through the fourth quarter of 2010: \$1.92 billion, up 7.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Laredo:	\$1.90 billion, up 7.6 percent from the same period in 2009.
Rio Bravo:	\$3.30 million, up 3.0 percent from the same period in 2009.
El Cenizo:	\$522,791.00, down 18.8 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Webb County during 2010: \$1.92 billion, up 7.6 percent from 2009.
 - Webb County sent an estimated \$120.07 million (or 0.70 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
 - Taxable sales during 2010 in the city of:
- | | |
|------------|---|
| Laredo: | \$1.90 billion, up 7.6 percent from 2009. |
| Rio Bravo: | \$3.30 million, up 3.0 percent from 2009. |

El Cenizo: \$522,791.00, down 18.8 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Webb County based on the sales activity month of August 2011: \$2.93 million, up 20.7 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Laredo:	\$2.92 million, up 20.7 percent from August 2010.
Rio Bravo:	\$4,222.18, up 37.0 percent from August 2010.
El Cenizo:	\$1,127.20, up 7.8 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Webb County based on sales activity months from September 2010 through August 2011: \$34.23 million, up 15.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Laredo:	\$34.17 million, up 15.9 percent from fiscal 2010.
Rio Bravo:	\$45,061.23, up 9.1 percent from fiscal 2010.
El Cenizo:	\$12,223.68, up 8.3 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Webb County based on sales activity months through August 2011: \$22.79 million, up 19.4 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Laredo:	\$22.75 million, up 19.4 percent from the same period in 2010.
Rio Bravo:	\$30,262.55, up 4.8 percent from the same period in 2010.
El Cenizo:	\$8,481.34, up 11.6 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Webb County based on sales activity in the 12 months ending in August 2011: \$34.23 million, up 15.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Laredo:	\$34.17 million, up 15.9 percent from the previous 12-month period.
Rio Bravo:	\$45,061.23, up 9.1 percent from the previous 12-month period.
El Cenizo:	\$12,223.68, up 8.3 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

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

Laredo:	\$29.07 million, up 17.2 percent from the same period in 2010.
Rio Bravo:	\$37,433.48, up 6.8 percent from the same period in 2010.
El Cenizo:	\$10,486.83, up 10.6 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Webb County based on sales activity months in 2010: \$30.53 million, up 4.3 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Laredo:	\$30.47 million, up 4.3 percent from 2009.
Rio Bravo:	\$43,682.24, up 15.9 percent from 2009.
El Cenizo:	\$11,345.19, up 0.2 percent from 2009.

Property Tax

- As of January 2009, property values in Webb County: \$15.57 billion, unchanged 0.0 percent from January 2008 values. The property tax base per person in Webb County is \$64,477, below the statewide average of \$85,809. About 16.5 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Webb County's ranking in state expenditures by county in fiscal year 2010: 20th. State expenditures in the county for FY2010: \$1.06 billion, unchanged 0.0 percent from FY2009.
- In Webb County, 27 state agencies provide a total of 2,035 jobs and \$18.00 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Texas A & M International University
 - Department of Public Safety
 - Department of Transportation
 - Texas A & M University System
 - Health & Human Services Commission

Higher Education

- Community colleges in Webb County fall 2010 enrollment:
 - Laredo Community College, a Public Community College, had 9,994 students.
- Webb County is in the service area of the following:
 - Laredo Community College with a fall 2010 enrollment of 9,994. Counties in the service area include:
 - Jim Hogg County
 - Webb County
 - Zapata County
- Institutions of higher education in Webb County fall 2010 enrollment:
 - Texas A&M International University, a Public University (part of Texas A&M University System), had 6,853 students.

School Districts

- Webb County had 3 school districts with 75 schools and 65,765 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Laredo ISD had 24,682 students in the 2009-10 school year. The average teacher salary was \$50,288. The percentage of students meeting the 2010 TAKS passing standard for all tests was 59 percent.
 - United ISD had 40,733 students in the 2009-10 school year. The average teacher salary was \$48,514. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
 - Webb CISD had 350 students in the 2009-10 school year. The average teacher salary was \$58,403. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED JAVELINA
WIND ENERGY, LLC PROJECT ON THE FINANCES OF THE WEBB
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

September 11, 2013

Final Report - Revised

PREPARED BY



Estimated Impact of the Proposed Javelina Wind Energy, LLC Project on the Finances of the Webb Consolidated Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Javelina Wind Energy, LLC (Javelina Wind) has requested that the Webb Consolidated Independent School District (WCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to WCISD on July 23, 2013, Javelina Wind proposes to invest \$362 million to construct a new renewable wind energy electric generation project in WCISD.

The Javelina Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, WCISD may offer a minimum value limitation of \$10 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning with the 2016-17 school year, the project would go on the local tax roll at \$10 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period and after, with WCISD currently levying a \$0.0645 per \$100 I&S tax rate. The full taxable value of the investment is expected to reach \$348 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Javelina Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. WCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$113,424).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$17.6 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence

of the fact that the Comptroller's Office needs this time to conduct its property value study and the audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

WCISD is classified as a hold-harmless or ASATR district under the estimates presented below. These estimates assume the District will receive these funds through the 2016-17 school year, after which this provision is scheduled to expire.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed

in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Javelina Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding, the 92.63 percent reduction enacted for the 2013-14 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Javelina Wind project are also factored into the base model used here. The impact of the limitation value for the proposed Javelina Wind project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 313 students in average daily attendance (ADA) in analyzing the effects of the Javelina Wind project on the finances of WCISD. The District's local tax base reached \$963.9 million for the 2012 tax year and this level is maintained for the forecast period in order to isolate the effects of the property value limitation. Two previously approved Chapter 313 projects are factored into both the base and limitation models.

An M&O tax rate of \$0.8033 is used throughout this analysis. WCISD has estimated state property wealth per weighted ADA or WADA of approximately \$2.5 million the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for WCISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. I. This assumption is not expected to affect the estimates shown for WCISD, since any additional cents of M&O tax effort above the compressed rate are not subject to recapture, which would provide a greater benefit to the District.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Javelina Wind facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Javelina Wind value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, WCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$113,424). Under the estimates presented here, Javelina Wind would be expected to realize \$2,330,128 in M&O tax savings in the first year the limitation takes effect, the 2016-17 school year. A reduction in recapture costs is expected to total \$1.43 million, with an additional \$944,332 in ASATR funding expected to offset much of this reduction in M&O taxes.

In general, the ASATR offset poses little financial risk to WCISD as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$10 million value limitation takes effect.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$0.8033 per \$100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$15 million over the life of the agreement. In addition, Javelina Wind would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$2.7 million over the course of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key WCISD revenue losses are expected to total approximately \$113,424 in the initial year of the agreement, based on current law. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$17.6 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to

Javelina Wind under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Javelina Wind project remains fully taxable for debt services taxes, with WCISD currently levying a \$0.065 I&S tax rate. While the value of the Javelina Wind project is expected to depreciate over the life of the agreement and beyond, full access to the additional project value is expected to increase the District's I&S tax base and assist it in meeting its future debt service needs.

The Javelina Wind project is not expected to affect WCISD in terms of enrollment. Ten permanent positions are anticipated once the Javelina Wind facility begins operations. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Javelina Wind renewable wind energy electric generation project enhances the tax base of WCISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$17.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of WCISD in meeting its future debt service obligations.

Table 1 – Base District Information with Javelina Wind Energy, LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	312.91	616.14	\$0.8033	\$0.0645	\$1,093,949,925	\$1,093,949,925	\$852,374,081	\$852,374,081	\$1,383,405	\$1,383,405
1	2014-15	312.91	616.14	\$0.8033	\$0.0645	\$1,064,639,300	\$1,064,639,300	\$972,374,081	\$972,374,081	\$1,578,167	\$1,578,167
2	2015-16	312.91	616.14	\$0.8033	\$0.0645	\$1,351,816,725	\$1,351,816,725	\$943,063,456	\$943,063,456	\$1,530,595	\$1,530,595
3	2016-17	312.91	616.14	\$0.8033	\$0.0645	\$1,324,019,425	\$1,013,949,925	\$1,230,240,881	\$1,230,240,881	\$1,996,685	\$1,996,685
4	2017-18	312.91	616.14	\$0.8033	\$0.0645	\$1,298,445,225	\$1,013,949,925	\$1,202,443,581	\$892,374,081	\$1,951,570	\$1,448,326
5	2018-19	312.91	616.14	\$0.8033	\$0.0645	\$1,274,916,425	\$1,013,949,925	\$1,176,869,381	\$892,374,081	\$1,910,063	\$1,448,326
6	2019-20	312.91	616.14	\$0.8033	\$0.0645	\$1,253,268,925	\$1,013,949,925	\$1,153,340,581	\$892,374,081	\$1,871,876	\$1,448,326
7	2020-21	312.91	616.14	\$0.8033	\$0.0645	\$1,343,886,827	\$1,124,483,927	\$1,131,693,081	\$892,374,081	\$1,836,742	\$1,448,326
8	2021-22	312.91	616.14	\$0.8033	\$0.0645	\$1,319,536,327	\$1,118,457,227	\$1,222,310,983	\$1,002,908,083	\$1,983,815	\$1,627,723
9	2022-23	312.91	616.14	\$0.8033	\$0.0645	\$1,296,952,462	\$1,112,731,862	\$1,197,960,483	\$996,881,383	\$1,944,294	\$1,617,942
10	2023-24	312.91	616.14	\$0.8033	\$0.0645	\$1,297,549,454	\$1,128,840,054	\$1,175,376,618	\$991,156,018	\$1,907,640	\$1,608,650
11	2024-25	312.91	616.14	\$0.8033	\$0.0645	\$1,275,546,303	\$1,275,546,303	\$1,175,973,610	\$1,007,264,210	\$1,908,609	\$1,634,793
12	2025-26	312.91	616.14	\$0.8033	\$0.0645	\$1,255,070,820	\$1,255,070,820	\$1,153,970,459	\$1,153,970,459	\$1,872,898	\$1,872,898
13	2026-27	312.91	616.14	\$0.8033	\$0.0645	\$1,236,011,692	\$1,236,011,692	\$1,133,494,976	\$1,133,494,976	\$1,839,666	\$1,839,666
14	2027-28	312.91	616.14	\$0.8033	\$0.0645	\$1,218,237,914	\$1,218,237,914	\$1,114,435,848	\$1,114,435,848	\$1,808,733	\$1,808,733
15	2028-29	312.91	616.14	\$0.8033	\$0.0645	\$1,201,686,339	\$1,201,686,339	\$1,096,662,070	\$1,096,662,070	\$1,779,886	\$1,779,886

Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$8,304,146	\$117,831	\$1,407,507	\$0	-\$3,555,652	\$396,359	\$0	\$0	\$6,670,190
1	2014-15	\$8,083,914	\$109,383	\$2,038,484	\$0	-\$3,957,955	\$385,847	\$0	\$0	\$6,659,673
2	2015-16	\$10,241,682	\$109,383	\$793,586	\$0	-\$4,870,825	\$488,838	\$0	\$0	\$6,762,664
3	2016-17	\$10,079,412	\$109,383	\$2,097,416	\$0	-\$6,012,385	\$481,093	\$0	\$0	\$6,754,919
4	2017-18	\$9,884,289	\$109,383	\$0	\$0	-\$5,803,999	\$471,779	\$0	\$0	\$4,661,452
5	2018-19	\$9,703,892	\$109,383	\$0	\$0	-\$5,611,212	\$463,169	\$0	\$0	\$4,665,232
6	2019-20	\$9,537,920	\$109,383	\$0	\$0	-\$5,433,356	\$455,247	\$0	\$0	\$4,669,194
7	2020-21	\$10,215,742	\$109,383	\$0	\$0	-\$5,741,031	\$487,600	\$0	\$0	\$5,071,694
8	2021-22	\$10,029,971	\$109,383	\$0	\$0	-\$5,956,733	\$478,733	\$0	\$0	\$4,661,353
9	2022-23	\$9,857,696	\$109,383	\$0	\$0	-\$5,773,220	\$470,510	\$0	\$0	\$4,664,370
10	2023-24	\$9,859,804	\$109,383	\$0	\$0	-\$5,697,155	\$470,611	\$0	\$0	\$4,742,642
11	2024-25	\$9,668,608	\$109,383	\$0	\$0	-\$5,587,526	\$461,485	\$0	\$0	\$4,651,950
12	2025-26	\$9,514,761	\$109,383	\$0	\$0	-\$5,422,216	\$454,142	\$0	\$0	\$4,656,070
13	2026-27	\$9,371,556	\$109,383	\$0	\$0	-\$5,267,961	\$447,306	\$0	\$0	\$4,660,285
14	2027-28	\$9,238,009	\$109,383	\$0	\$0	-\$5,123,872	\$440,932	\$0	\$0	\$4,664,453
15	2028-29	\$9,113,646	\$109,383	\$0	\$0	-\$4,989,268	\$434,996	\$0	\$0	\$4,668,757

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 3-- "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$8,304,146	\$117,831	\$1,407,507	\$0	-\$3,555,652	\$396,359	\$0	\$0	\$6,670,190
1	2014-15	\$8,083,914	\$109,383	\$2,038,484	\$0	-\$3,957,955	\$385,847	\$0	\$0	\$6,659,673
2	2015-16	\$10,241,682	\$109,383	\$793,586	\$0	-\$4,870,825	\$488,838	\$0	\$0	\$6,762,664
3	2016-17	\$7,703,049	\$109,383	\$3,041,749	\$0	-\$4,580,355	\$367,668	\$0	\$0	\$6,641,495
4	2017-18	\$7,703,049	\$109,383	\$0	\$0	-\$3,421,382	\$367,668	\$0	\$0	\$4,758,719
5	2018-19	\$7,703,049	\$109,383	\$0	\$0	-\$3,421,382	\$367,668	\$0	\$0	\$4,758,719
6	2019-20	\$7,703,049	\$109,383	\$0	\$0	-\$3,421,382	\$367,668	\$0	\$0	\$4,758,719
7	2020-21	\$8,533,569	\$109,383	\$0	\$0	-\$3,796,908	\$407,309	\$0	\$0	\$5,253,353
8	2021-22	\$8,488,286	\$109,383	\$0	\$0	-\$4,288,952	\$405,148	\$0	\$0	\$4,713,865
9	2022-23	\$8,445,268	\$109,383	\$0	\$0	-\$4,242,015	\$403,095	\$0	\$0	\$4,715,730
10	2023-24	\$8,566,300	\$109,383	\$0	\$0	-\$4,279,425	\$408,871	\$0	\$0	\$4,805,129
11	2024-25	\$9,668,608	\$109,383	\$0	\$0	-\$4,914,294	\$461,485	\$0	\$0	\$5,325,182
12	2025-26	\$9,514,761	\$109,383	\$0	\$0	-\$5,422,216	\$454,142	\$0	\$0	\$4,656,070
13	2026-27	\$9,371,556	\$109,383	\$0	\$0	-\$5,267,961	\$447,306	\$0	\$0	\$4,660,285
14	2027-28	\$9,238,009	\$109,383	\$0	\$0	-\$5,123,872	\$440,932	\$0	\$0	\$4,664,453
15	2028-29	\$9,113,646	\$109,383	\$0	\$0	-\$4,989,268	\$434,996	\$0	\$0	\$4,668,757

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 4 -- Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$2,376,363	\$0	\$944,332	\$0	\$1,432,031	-\$113,424	\$0	\$0	-\$113,424
4	2017-18	-\$2,181,240	\$0	\$0	\$0	\$2,382,617	-\$104,111	\$0	\$0	\$97,267
5	2018-19	-\$2,000,843	\$0	\$0	\$0	\$2,189,830	-\$95,501	\$0	\$0	\$93,486
6	2019-20	-\$1,834,871	\$0	\$0	\$0	\$2,011,975	-\$87,579	\$0	\$0	\$89,525
7	2020-21	-\$1,682,173	\$0	\$0	\$0	\$1,944,123	-\$80,290	\$0	\$0	\$181,660
8	2021-22	-\$1,541,684	\$0	\$0	\$0	\$1,667,781	-\$73,585	\$0	\$0	\$52,512
9	2022-23	-\$1,412,429	\$0	\$0	\$0	\$1,531,205	-\$67,416	\$0	\$0	\$51,360
10	2023-24	-\$1,293,504	\$0	\$0	\$0	\$1,417,729	-\$61,739	\$0	\$0	\$62,487
11	2024-25	\$0	\$0	\$0	\$0	\$673,232	\$0	\$0	\$0	\$673,232
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 5 - Estimated Financial impact of the Javelina Wind Energy, LLC Project Property Value Limitation Request Submitted to WCISD at \$0.80 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0.803	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$9,058,875	\$9,058,875	\$0	\$0.803	\$72,770	\$72,770	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$347,866,800	\$347,866,800	\$0	\$0.803	\$2,794,414	\$2,794,414	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$320,069,500	\$10,000,000	\$310,069,500	\$0.803	\$2,571,118	\$80,330	\$2,490,788	\$0	\$2,490,788	-\$113,424	\$2,377,364
4	2017-18	\$294,495,300	\$10,000,000	\$284,495,300	\$0.803	\$2,365,681	\$80,330	\$2,285,351	\$135,199	\$2,420,549	\$0	\$2,420,549
5	2018-19	\$270,966,500	\$10,000,000	\$260,966,500	\$0.803	\$2,176,674	\$80,330	\$2,096,344	\$127,606	\$2,223,950	\$0	\$2,223,950
6	2019-20	\$249,319,000	\$10,000,000	\$239,319,000	\$0.803	\$2,002,780	\$80,330	\$1,922,450	\$120,620	\$2,043,070	\$0	\$2,043,070
7	2020-21	\$229,402,900	\$10,000,000	\$219,402,900	\$0.803	\$1,842,793	\$80,330	\$1,762,463	\$114,193	\$1,876,657	\$0	\$1,876,657
8	2021-22	\$211,079,100	\$10,000,000	\$201,079,100	\$0.803	\$1,695,598	\$80,330	\$1,615,268	\$108,280	\$1,723,549	\$0	\$1,723,549
9	2022-23	\$194,220,600	\$10,000,000	\$184,220,600	\$0.803	\$1,560,174	\$80,330	\$1,479,844	\$102,840	\$1,582,684	\$0	\$1,582,684
10	2023-24	\$178,709,400	\$10,000,000	\$168,709,400	\$0.803	\$1,435,573	\$80,330	\$1,355,243	\$97,835	\$1,453,077	\$0	\$1,453,077
11	2024-25	\$164,438,500	\$164,438,500	\$0	\$0.803	\$1,320,934	\$1,320,934	\$0	\$1,427,063	\$1,427,063	\$0	\$1,427,063
12	2025-26	\$151,308,900	\$151,308,900	\$0	\$0.803	\$1,215,464	\$1,215,464	\$0	\$480,448	\$480,448	\$0	\$480,448
13	2026-27	\$139,228,600	\$139,228,600	\$0	\$0.803	\$1,118,423	\$1,118,423	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$128,114,600	\$128,114,600	\$0	\$0.803	\$1,029,145	\$1,029,145	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$117,888,900	\$117,888,900	\$0	\$0.803	\$947,002	\$947,002	\$0	\$0	\$0	\$0	\$0
						\$24,148,543	\$9,140,792	\$15,007,751	\$2,714,084	\$17,721,835	-\$113,424	\$17,608,411

Tax Credit for Value Over Limit in First 2 Years

	Year 1	Year 2	Max Credits
	\$0	\$2,714,084	\$2,714,084
Credits Earned			\$2,714,084
Credits Paid			\$2,714,084
Excess Credits Unpaid			\$0

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

240/Webb

240-904/Webb CISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	17,399,508	N/A	17,399,508	17,399,508
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	2,022,212	N/A	2,022,212	2,022,212
D. Rural Real(Taxable)	62,097,425	N/A	62,097,425	62,097,425
F1. Commercial Real	2,962,280	N/A	2,962,280	2,962,280
F2. Industrial Real	33,940	N/A	33,940	33,940
G. Oil, Gas, Minerals	638,994,003	N/A	638,994,003	638,994,003
J. Utilities	187,719,490	N/A	187,719,490	187,719,490
L1. Commercial Personal	5,660,330	N/A	5,660,330	5,660,330
L2. Industrial Personal	61,666,350	N/A	61,666,350	61,666,350
M. Other Personal	2,442,590	N/A	2,442,590	2,442,590
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0

S. Special Inventory	0	N/A	0	0
Subtotal	980,998,128		980,998,128	980,998,128
Less Total Deductions	128,624,047		128,624,047	128,624,047
Total Taxable Value	852,374,081		852,374,081	852,374,081 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	35,485,349	N/A	35,485,349
Prod Value Qualified Acres	26,612,076	N/A	26,612,076
Taxable Value	62,097,425		62,097,425

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
854,499,015	852,374,081	853,523,955	851,399,021	852,374,081	851,399,021

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,124,934	975,060

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

exemption

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
976,739,275	974,614,341	975,764,215	973,639,281	974,614,341	973,639,281

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

Attachment G

Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

JAVELINA WIND ENERGY, LLC

(Texas Taxpayer ID # 32046817048)

TEXAS COMPTROLLER APPLICATION NUMBER 322

Dated

December 23, 2013

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS §

COUNTY OF WEBB §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **JAVELINA WIND ENERGY, LLC**, a Delaware limited liability company (Texas Taxpayer Identification Number 32046817048), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on July 23, 2013, the Superintendent of Schools of the Webb Consolidated Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property (the "Application"), pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on July 23, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Javelina Wind Energy, LLC; and,

WHEREAS, on July 29, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (the "Comptroller") for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller established August 23, 2013 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Appraisal District established in Webb County, Texas (the "Appraisal District"), pursuant to Texas Tax Code §6.01; and,

WHEREAS, the Comptroller, pursuant to Texas Tax Code §313.025(d), reviewed the Application, and on October 17, 2013, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Texas Tax Code §313.026, which was presented to the Board of Trustees at the December 23, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

WHEREAS, the Board of Trustees carefully reviewed the economic impact evaluation and carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on December 23, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 23, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, the Webb Consolidated Independent School District qualifies as a rural school district under the provisions of Texas Tax Code §313.051(a)(2); and,

WHEREAS, on December 23, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on October 17, 2013 that the Application be approved; and,

WHEREAS, on December 23, 2013, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

NOW, THEREFORE, for and in consideration of the stated premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §313.027.

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2016, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 23, 2013 and ending on December 31, 2015 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2023. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year is the corresponding year in the term of this Agreement, the date of the appraised value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing 12/23/13)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning on December 23, 2013 Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2016	2016-17	2016	\$ 10 Million property value limitation.
4	January 1, 2017	2017-18	2017	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2018	2018-19	2018	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2019	2019-20	2019	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2020	2020-21	2020	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2021	2021-22	2021	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-23	2022	\$ 10 Million property value limitation. Possible tax credit due to Applicant.

Agreement for Limitation on Appraised Value

Between Webb Consolidated Independent School District and Javelina Wind Energy, LLC

TEXAS COMPTROLLER APPLICATION NUMBER 322

December 23, 2013

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Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2023	2023-24	2023	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“Affiliate” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

“Affiliated Group” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

"Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance for the applicable school year, 2012-2013 school year ADA of 324.27, as calculated pursuant to Texas Education Code §42.005, times \$100, or any larger amount in Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2013, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means Javelina Wind Energy, LLC, (Texas Taxpayer ID #32046817048), the company listed in the Preamble of this Agreement who, on July 23, 2013, filed with the District the Original Application for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest, and their direct and indirect subsidiaries.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code; the Texas Economic Development Act (Chapter 313 of the Texas Tax Code); the provisions of Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on July 23, 2013, which has been certified by the Comptroller to constitute a complete final Application as of the date of August 23, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Webb County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Webb Consolidated Independent School District.

"Commencement Date" means December 23, 2013, the date upon which this Agreement was approved by the District's Board of Trustees.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Title 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Webb County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement

"District" or "School District" means the Webb Consolidated Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2026. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts

of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents Applicant's performance of its obligations under this Agreement.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Net Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article IV, below.

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes which the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations *ad valorem* school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

"Qualified Investment" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project which is the subject of its Application, which meet the requirements of Texas Tax Code §313.021(3).

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Time Period" means the period that begins on the Commencement Date of December 23, 2013 and ends on December 31, 2015.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data

significant to the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this Agreement between the Applicant and the District and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required by Comptroller's Rule, and any application requesting school tax credits under Texas Tax Code, §313.103.

"Tax Credit" means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code §313.103 and the duly adopted administrative rules.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection (b) is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code, §313.022(b) or §313.052.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2**, and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from the configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment").

Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2 above, and the definition of Qualifying Time Period set forth in Section 1.3, above.

Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after August 23, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Property owned by the Applicant which is not described on **EXHIBIT 3** may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**, upon a reasonable request of the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified Property to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to the Agreement.

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code §313.024(b)(1) as a renewable energy electric generation facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) The Market Value of the Applicant's Qualified Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection(b) is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code §313.022 (b) or §313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for: any loss that the District incurs in its Maintenance and Operations Revenue; or for any new uncompensated operating cost incurred as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

Subject to the applicable provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.

- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, on account of any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) All non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code §42.2515, or other similar or successor statute.
- (b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the

project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

- (c) All non-reimbursed increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.
- (d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations under this Agreement shall be initially based upon the valuations which are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence

pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is

changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of Article IV, the Parties agree as follows:

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to such limitations as are contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT

In any year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2016), the Stipulated Supplemental Payment amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax

purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF NET AGGREGATE LIMIT

For each year of this Agreement, beginning with year three (Tax Year 2016) and continuing thereafter through year thirteen (Tax Year 2026), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Net Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent

years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2026), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments described in Section 4.4, above.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement beginning after the 2016 Tax Year and ending on the Final Termination Date, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such current Tax Year and all preceding Tax Years of this Agreement, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the June 30 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed tax credit application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and either Comptroller and/or Texas Education Agency Rules.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If, after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably

interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the

District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

Section 7.6 MATERIAL BREACH OF AGREEMENT

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.

- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (h) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (i) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

In accordance with the provisions of Texas Tax Code §313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breaches of this Agreement, defined in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for the particular Tax Year of non-compliance only, the Applicant may make the liquidated damages payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement as defined in Section 7.6, above, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Webb County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code

and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a lien and/or tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

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

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Severita Sanchez, Superintendent
WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
619 Ave F
Bruni, Texas 78344
Fax: (361) 747-5202
E-mail: severita.sanchez@webbcisd.com

With a copy to:

Kevin O'Hanlon
O'Hanlon, McCollom & Demerath
808 West Avenue
Austin, Texas 78701

or at such other address or to such other facsimile and/or electronic mail transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

Dan King
Manager
JAVELINA WIND ENERGY, LLC
3000 El Camino Real, 5 Palo Alto Square Suite 700
Palo Alto, CA 78759
Fax: (650) 324-9098

E-mail: dking@maproyalty.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2015.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

Unless otherwise prohibited by law, Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's

assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Webb County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other

provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Texas Administrative Code §9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Texas Tax Code §313.103, as follows:

- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not require the Publication of information that is confidential under Texas Tax Code §313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 23th day of December, 2013.

JAVELINA WIND ENERGY, LLC

By: _____

Authorized Representative

Name: John DiDonato

Vice President

Title: _____

**WEBB CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT**

By: _____

PATRICIA MATA

President

Board of Trustees

Attest:

By: _____

SANTIAGO SALINAS

Secretary

Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The Torrecillas Reinvestment Zone was originally created on December 23, 2013 by action of the Board of Trustees of the Webb Consolidated Independent School District. As a result of the action, all of the following real property within the Webb Consolidated Independent School District and Webb County, Texas is located within the boundaries of the Torrecillas Reinvestment Zone. A map of the Torrecillas Reinvestment Zone is attached as the last page of this Exhibit 1.

Survey Name	Block	Abstract	Survey Number	Survey Name 2
BORREGO, J V		563		
CCSD&RGNG RR CO	1	1089	57	
CCSD&RGNG RR CO	2	2263	28	GRIFFIN, W W
CCSD&RGNG RR CO	1	2583	56	DILLIARD, J
CCSD&RGNG RR CO		1967	16	TIJERINA, J M
CCSD&RGNG RR CO	1	2548	74	BILLINGS, A S
CCSD&RGNG RR CO	1	1064	11	
CCSD&RGNG RR CO	1	2812	12	BAKER, N A
CCSD&RGNG RR CO	1	2820	34	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1087	55	
CCSD&RGNG RR CO		2808	22	WELHAUSEN, R E
CCSD&RGNG RR CO	2	1105	21	
CCSD&RGNG RR CO	2	2881	2	WELHAUSEN R E
CCSD&RGNG RR CO	2	1034	15	
CCSD&RGNG RR CO	2	2353	50	MARTINEZ, J
CCSD&RGNG RR CO		1030	113	
CCSD&RGNG RR CO	1	2819	10	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1063	9	
CCSD&RGNG RR CO	1	2822	36	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1076	35	
CCSD&RGNG RR CO	1	2507	54	WINSLOW, J W
CCSD&RGNG RR CO	2	1106	73	
CCSD&RGNG RR CO	2	2508	74	WINSLOW, J W
CCSD&RGNG RR CO		1013	3	
CCSD&RGNG RR CO	2	2729	14	FELPS, D F
CCSD&RGNG RR CO	2	3021	14	WILLOUGHBY, E
CCSD&RGNG RR CO	2	1046	47	
CCSD&RGNG RR CO	1	1062	7	
CCSD&RGNG RR CO	1	2818	8	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1096	37	
CCSD&RGNG RR CO	1	2823	38	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1086	53	
CCSD&RGNG RR CO		2509	76	WINSLOW, J W
CCSD&RGNG RR CO	2	1107	75	
CCSD&RGNG RR CO	2	2810	4	WELHAUSEN, R E
CCSD&RGNG RR CO	2	1033	13	
CCSD&RGNG RR CO	2	2728	46	FELPS, D F
CCSD&RGNG RR CO	1	2170	110	CABALLERO, E
CCSD&RGNG RR CO	1	1028	109	
CCSD&RGNG RR CO	1	2549	6	BILLINGS, W C
CCSD&RGNG RR CO	1	1061	5	
CCSD&RGNG RR CO	1	2222	40	ELLIS, S D
CCSD&RGNG RR CO	1	1097	39	
CCSD&RGNG RR CO	1	2221	52	ELLIS, S D

TWNG RR CO		1820	203 1/3	
TWNG RR CO	2	2464	204	SWENSON, O P
CCSD&RGNG RR CO		1015	5	
CCSD&RGNG RR CO	2	2388	12	OVERSTREET, G M
CCSD&RGNG RR CO	2	1040	43	
TWNG RR CO	2	3315	204	SWENSON, O P
CCSD&RGNG RR CO	1	3216	2	BILLINGS, W C
CCSD&RGNG RR CO	1	2604	2	GARCIA, J M
CCSD&RGNG RR CO	1	1059	1	
CCSD&RGNG RR CO		2821	4	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1060	3	
CCSD&RGNG RR CO	1	2213	42	DILLARD, T
CCSD&RGNG RR CO	1	1085	51	
AB&M		805	731	
DUNCAN, A	2	2577	203	DAVIS, S F
DUNCAN, A	2	2463	203	SWENSON, O P
CCSD&RGNG RR CO	2	2466	6	SWENSON, O P
CCSD&RGNG RR CO		1027	11	
CCSD&RGNG RR CO	2	2389	42	OVERSTREET, G M
CCSD&RGNG RR CO	1	2839	2	GARZA, J M
SWISHER, J M		1760	2259	
SK&K		1747	711	
SK&K		2003	712	GARZA, P
CCSD&RGNG RR CO	1	1078	43	
CCSD&RGNG RR CO	1	2211	44	DILLARD, T
CCSD&RGNG RR CO	1	1079	41	
CCSD&RGNG RR CO	1	2579	50	DAVIS, S F
VANOVER, S	2	2580	201	DAVIS, S F
VANOVER, S	2	2465	201	SWENSON, O P
BS&F		875	729	
CCSD&RGNG RR CO		1024	7	
CCSD&RGNG RR CO	2	2387	10	OVERSTREET, G M
BS&F		3345	730	LOPEZ, F
CCSD&RGNG RR CO	2	1038	39	
SWISHER, J M		1758	2257	
POITEVENT, J		1630	723	
BS&F		925	709	
BS&F		2002	710	GARZA, P
CCSD&RGNG RR CO	1	1077	45	
CCSD&RGNG RR CO	1	2212	46	DILLARD, T
CCSD&RGNG RR CO	1	1084	49	
CCSD&RGNG RR CO	2	2578	30	DAVIS, S F
CCSD&RGNG RR CO		1026	29	
AB&M		3040	728	LOPEZ, A
AB&M		2639	728	LOPEZ, F
CCSD&RGNG RR CO	2	2209	8	DE SPAIN, E A
CCSD&RGNG RR CO		1025	9	

CCSD&RGNG RR CO	2	2210	38	DE SPAIN, E A
POITEVENT, J		2033	724	LOPEZ, F
CCSD&RGNG RR CO	2	3269	8	DE SPAIN, D L
CCSD&RGNG RR CO	2	1035	17	
LOPEZ, F		2640	55	
CCSD&RGNG RR CO	2	2727	18	FELPS, D F
CCSD&RGNG RR CO	2	1036	35	
POITEVENT, J		1631	671	
POITEVENT, J		2049	722	MOGLIA, L
POITEVENT, J		1629	721	
GC&SF RR CO		2608	264	GASSER, E C
GC&SF RR CO		3302	264	PRYOR, F E
WARD, MRS A		1886	2265	
CCSD&RGNG RR CO		1137	259	
POITEVENT, J		2051	672	MOGLIA, L
POITEVENT, J		2050	670	MOGLIA, L
POITEVENT, J		1627	669	
DINN, J T		3034	62	
POITEVENT, J		1628	667	
POITEVENT, J		2650	668	MORALES, MRS J
SK&K		1743	663	
SK&K		2940	664	SMILEY, A F
RT CO		1688	673	
RT CO		2753	674	PENNELL, M H
BS&F		898	679	
BS&F		2573	684	COOKE, E M
BS&F		896	683	
POITEVENT, J		2113	460	PEREZ, S
POITEVENT, J		1634	461	
SWISHER, J M		1751	2272	
SK&K		1980	662	BENAVIDES, Y
SK&K		1744	661	
SWISHER, J M		1754	2268	
GC&SF RR CO		1372	2081	
GC&SF RR CO		2754	2082	PENNELL, MRS M H
WOODLAND, H		1903	2200	
AB&M		2391	686	PARROTT, J N W
AB&M		803	685	
AB&M		2218	690	DOWD, I J
POITEVENT, J		1633	459	
POITEVENT, J		2114	462	PEREZ, S
SK&K		1745	659	
BS&F		2752	702 1/2	PENNELL, M H
SK&K		2832	660	COOK, E M
BS&F		905	701 1/2	
AB&M		802	687	
AB&M		2689	688	WEED, J F

AB&M		800	689	
SM&S		1953	334	ZAPATA, J G
BOYD, W H & J M		950	2257	
T&NO RR CO		1775	139	
BS&F		3056	695	
BS&F		2540	696	BENAVIDES, R
BS&F		903	699	
RT CO		1689	697	
RT CO		2751	698	PENNELL, M H
BS&F		932	704	BENAVIDES, S
BS&F		909	703	
BOYD, W H & J M		947	2254	
WARD, MRS A		1889	2268	
CCSD&RGNG RR CO	2	1047	49	
REID, W		2188	1844	CONNOWAY, P K
GC&SF RR CO		1328	1955	
GC&SF RR CO		2503	2050	WIDEMAN, M E
GWT&P RR CO		1389	1097	
T&NO RR CO		2502	128	WIDEMAN, M E
GC&SF RR CO		2560	1956	BROCK, H E
BEAL D R		2572	2002	CONNOWAY, P K
GC&SF RR CO		2189	2052	CONNOWAY, P K
TURNER, S B		1842	851	
CT&MC RR CO		2880	2058	WEBB, A B
CT&MC RR CO		985	2057	
GWT&P RR CO		2345	1098	MARTIN, G B
BEAL, D R		2807	202	WEBB, F J
GC&SF RR CO		1329	1953	
GC&SF RR CO		1377	2051	
H&OB RR CO		1401	205	
CT&MC RR CO		2941	2060	SNYDER, S A
CT&MC RR CO		3330	2060	UPDEGROVE, L F
CT&MC RR CO		984	2059	
GC&SF RR CO		2346	1958	MARTIN, G B
CT&MC RR CO		3329	2060	MARSHALL, C C
CT&MC RR CO		3332	2060	GUINN, R D
TURNER, S B		1841	853	
RANGEL, L		1673	1184	
CT&MC RR CO		3331	2060	GUINN, R D
T&NO RR CO		1791	2053	
CCSD&RGNG RR CO	2	2633	48	LEONARD, J
TC RR CO		2138	2056	BARRETT, F
SUTTON, H P		2187	1838	CONNOWAY, P K
SUTTO, H P		2137	1838	BARRETT, F
GC&SF RR CO		2343	1628	MARTIN, G B
H&GN RR CO		2085	866	CONTRERAS, F
TURNER, S B		2558	854	BROCK, H E

TC RR CO		2561	2054	BROCK, H E
CCSD&RGNG RR CO	2	1041	45	
GC&SF RR CO		2191	1956	CONTERAS, F
BODE, P O		3016	2238	
TC RR CO		1379	2055	
STATE OF TEXAS		?24		
TC RR CO		2139	1636	BARRETT, F
H&GN RR CO		1438	865	
TC RR CO		1797	1635	
CCSD&RGNG RR CO	2	2204	44	DAVIS, C R
GC&SF RR CO		1333	1955	
GC&SF RR CO		2140	1632	BARRETT, F
TM RR CO		1814	1699	
TM RR CO		2559	1700	BROCK, H E
GC&SF RR CO		2634	280	LEONARD, J
CCSD&RGNG RR CO		1115	1683	
CCSD&RGNG RR CO	2	1039	41	
GC&SF RR CO		1323	1633	
AB&M		799	467	
TM RR CO		2592	1698	FELPS, S F
TM RR CO		1813	1697	
GC&SF RR CO		1353	279	
CCSD&RGNG RR CO		2698	1684	BLACK, G T
CCSD&RGNG RR CO		2910	1684	GRACY, D B
GC&SF RR CO		2252	1634	GOSSETT, N B
CCSD&RGNG RR CO	2	2203	40	DAVIS, C R
GC&SF RR CO		1268	1695	
GC&SF RR CO		2418	1696	REYNOLDS, P B
AB&M		2255	468	GOSSETT, N B
POITEVENT, J		2421	1004	REYNOLDS, P B
GC&SF RR CO		1267	1691	
CCSD&RGNG RR CO		3142	1666	GOETH, A C
CCSD&RGNG RR CO		1124	1665	
JAMES, B F		2420	2112	REYNOLDS, P B
GC&SF RR CO		2419	1692	REYNOLDS, P B
CCSD&RGNG RR CO	2	1037	37	
CCSD&RGNG RR CO		2253	1666	GOSSETT, N B
POITEVENT, J		1655	1003	
GC&SF RR CO		1269	1693	
CCSD&RGNG RR CO		2495	1678	VERGARA, Y JR
CCSD&RGNG RR CO		1130	1677	
CCSD&RGNG RR CO		1125	1667	
CCSD&RGNG RR CO	2	2581	36	DAVIS, C R
FEILLE, F R		3333	2367	REEDER, F
CCSD&RGNG RR CO		2490	1668	VERGARA, Y
GC&SF RR CO		2462	278	SPEED, F
GC&SF RR CO		2461	1694	SPEED, F

CCSD&RGNG RR CO	2494	1676	VERGARA, T JR
CCSD&RGNG RR CO	1126	1669	
CCSD&RGNG RR CO	3254	1660	FARR, W E
CCSD&RGNG RR CO	1129	1675	
CCSD&RGNG RR CO	2492	1670	VERGARA, Y
GC&SF RR CO	1317	1631	
TURNER, S B	2344	852	MARTIN, G B
THOMSON, J	2501	1884	WIDEMAN, M E
GC&SF RR CO	1334	1957	
THOMSON, J	2504	1884	WIDEMAN, M E
BS&F	901	691	
BS&F	2542	692	BENAVIDES, R
BS&F	900	693	
BS&F	2541	694	BENAVIDES, R
BS&F	904	701	
BS&F	2530	700	BENAVIDES, Y
BS&F	924	705	
BS&F	2528	706	BENAVIDES, B
CCSD&RGNG RR CO	2251	1122	GILL, T D
OWENS, A M	2596	786	GARCIA, J M
SK&K	2543	714	BENAVIDES, R
CCSD&RGNG RR CO	1095	1121	
SK&K	1746	713	
CUELLAR, J	1162		
GC&SF RR CO	2488	754	VALDEZ, M
GC&SF RR CO	1332	753	
BS&F	2531	702	BENAVIDES, Y
SM&S	1739	337	
M&C	1871	1090	VASQUEZ, A
M&C	1592	1089	
LI&A ASSOC	2397	1010	PEREZ, F
LI&A ASSOC	1533	1007	
GC&SF RR CO	3277	2080	MORENO, C
GC&SF RR CO	1371	2079	
TIPPIN, M T	1829	2247	
MONTGOMERY, M	2059	2234	
GC&SF RR CO	2529	412	BENAVIDES, Y
VILLAREAL, A	1877	1826	
TIPPIN, M T	1831	2246	
OWENS, A M	1956	786	GARCIA, J M
GC&SF RR CO	3111	2080	MORENO, S
SK&K	1749	1087	
SK&K	2119	1088	VELA, L
TT RR CO	1845	1005	
GC&SF RR CO	1312	411	
LI&A ASSOC	1534	1009	
LI&AA ASSOC	3112	1008	

LI&A ASSOC	3075	1008	NEAL, J E
BATSON, D	868	261	
BOYD, W H & J M	944	2251	
HUGHES, C	1493	262	
FLIPPIN, J A	2667	771	RUTLEDGE, W P
RAYMON, S	1679	71	
LI&A ASSOC	3076	1008	NEAL, J E
GUERRA, F	1253	2167	
RAYMON, J	1678	72	
THAXTON, W H	3176	2346	
POITEVENT, J	1656	1107	
POITEVENT, J	2120	1108	VELA, L
TT RR CO	2629	1006	LAUREL, A S
TT RR CO	2630	1104	LAUREL, A S
TT RR CO	1849	1103	
HE&WT RR CO	2632	458	LAUREL, A
POITEVENT, J	2929	1108	LOPEZ, R
STATE OF TEXAS	?27		
BENAVIDES, G	935	60	
BOYD, W H & J M	945	2252	
AB&M	801	735	
CCSD&RGNG RR CO	2628	1120	LAUREL, A S
CCSD&RGNG RR CO	1009	1119	
GARCIA, A E	3194	2369	
AB&M	3008	736	WHITMAN, W J
WARD, MRS A	1883	2261	
BS&F	3240	715	
BS&F	2631	718	LAUREL, A S
VILLAREAL, A R	3172	2341	
FOSTER, G W	1203	857	
VERA, A	1872	2168	
BS&F	2652	716	NEAL, J E
BS&F	908	717	
DL&C CO	1170	2193	
HE&WT RR CO	1473	463	
GARCIA, E	3171	2340	
GUTIERRES, Y	1393		
LITTIG, J W	1547	58	
ZAPATA, E	1918	61	
C&M RR CO	3009	612	WHITMAN, W J
GARCIA, E	3170	2339	
H&OB RR CO	2930	1106	NEAL, J E
H&OB RR CO	1398	1105	
GC&SF RR CO	1287	609	
T&NO RR CO	3007	132	WHITMAN, W J
C&M RR CO	969	611	
GC&SF RR CO	2236	610	GARCIA, E

GC&SF RR CO	2237	608	GARCIA, E
BS&F	2235	122	GARCIA, E
BS&F	931	121	
THAXTON, W H / ANDERSON, J E	3181	2363	
GC&SF RR CO	1288	607	
THAXTON, W H	3177	2344	
DE LA PENA, F	2996		
WRIGHT, J J T	1908	309	
BROWN, W	3167	2336	
TT RR CO	2656	258	PENA, M B
SK&K	3285	126	HINNANT, R
GC&SF RR CO	1363	837	
RUTLEDGE, W P	2666	2161	
HE&WT RR CO	1471	457	
STATE OF TEXAS	?26		
HE&WT RR CO	1484	593	
CCSD&RGNG RR CO	2	2598	598
HE&WT RR CO	2611	594	GARCIA, A
BOYD, W H & J M	946	2253	GUERRA, J
HE&WT RR CO	2612	470	GUERRA, J
HE&WT RR CO	1474	469	
GARZA, E	1225	53	
RODRIGUEZ, J	1684	2136	
GC&SF RR CO	2104	462	GUERRA, T
RAMIREZ, F	1671	54	
RAMIREZ, J V	1672	55	
EL&RR RR CO	2613	472	GUERRA, J
EL&RR RR CO	1188	471	
GC&SF RR CO	1286	461	
HE&WT RR CO	1715	464	SANDERS, P V
GARZA, A	1224	56	
EL&RR RR CO	2610	596	GUERRA, J
C&M RR CO	972	475	
GAMBOA, D	1211	57	
WARD, MRS A	1888	2267	
FROST NATL BANK	3335	2342	
GC&SF RR CO	2270	606	GUERRA, F
C&M RR CO	970	603	
GC&SF RR CO	2901	734	GARCIA, A
EL&RR RR CO	1189	595	
GC&SF RR CO	2599	590	GARCIA, A
GC&SF RR CO	1285	605	
C&M RR CO	2181	604	CHAPA, A
GC&SF RR CO	1276	733	
GC&SF RR CO	2233	736	GARCIA, A
GC&SF RR CO	1322	735	
BS&F	2180	124	CHAPA, A

GC&SF RR CO	2135	2084	BARNESLEY, W R
GC&SF RR CO	1361	781	
GC&SF RR CO	2997	782	PENA, R
PUCKETT, MRS T E	1959	770	HERRERA, C
BS&F	1930	123	
HE&WT RR CO	3556	780	VAQUILLAS RANCH CO
H&GN RR CO	2136	18	BARNESLEY, W R
GC&SF RR CO	1376	2083	
CELLUM, E J	3555	832	VAQUILLAS RANCH CO
CELLUM, E J	963	831	
H&GN RR CO	1458	17	
GC&SF RR CO	1364	835	
DE LA FUENTES, V	1996		
GC&SF RR CO	3552	836	GUERRA, M
H&GN RR CO	3168	9	
GC&SF RR CO	3553	838	GUERRA, M
BORREGO, J V	563		
CITY OF LAREDO	238	47	
CITY OF LAREDO	237	48	
CITY OF LAREDO	1529	49	
CITY OF LAREDO	716	50	
CITY OF LAREDO	236	51	
CITY OF LAREDO	464	52	
AB&M	3040	728	LOPEZ, A
AB&M	3040	728	LOPEZ, A
MEYER, W	1583	146	
POITEVENT, J	1666	167	
T&NO RR CO	1791	2053	
CCSD&RGNG RR CO	2	2633	48
DL&C CO	1170	2193	LEONARD, J
ZAPATA, E	1918	61	
GUTIERRES, Y	1393		
LITTIG, J W	1547	58	
SK&K	3274	125	
SK&K	1748	125	
GC&SF RR CO	1363	837	
DE LA FUENTES, V	1996		
BS&F	906	657	
BORREGO, J V	563		
T&NO RR CO	2077	265	
BORREGO, J V	563		
BS&F	907	655	
BORREGO, J V	563		
STATE OF TEXAS	?33		
BORREGO, J V	563		
C&M RR CO	964	849	
BORREGO, J V	563		

GC&SF RR CO	1364	835	
BORREGO, J V	563		
DE LA FUENTES, V	1996		
GC&SF RR CO	3553	838	GUERRA, M
GC&SF RR CO	3552	836	GUERRA, M
GC&SF RR CO	3553	838	GUERRA, M
CITY OF LAREDO	465	55	
BORREGO, J V	563		
TREVINO J A	295	56	
BORREGO, J V	563		
DE LA GARZA, J M	424	1273	
BORREGO, J V	563		
BORREGO, J V	563		
MINDIOLA P	66	59	
BORREGO, J V	563		
GARZA, HRS M	423	58	
BORREGO, J V	563		
CITY OF LAREDO	238	47	
BORREGO, J V	563		
CITY OF LAREDO	237	48	
BORREGO, J V	563		
CITY OF LAREDO	1529	49	
BORREGO, J V	563		
CITY OF LAREDO	716	50	
BORREGO, J V	563		
CITY OF LAREDO	236	51	
BORREGO, J V	563		
CITY OF LAREDO	464	52	
BORREGO, J V	563		
SANCHEZ, L	281	53	
BORREGO, J V	563		
BENAVIDES, B	20	54	
MEYER, W	1583	146	
POITEVENT, J	1666	167	
DINN, J T	3034	62	
MEYER, W	1583	146	
POITEVENT, J	1666	167	
MEYER, W	1583	146	
POITEVENT, J	1666	167	

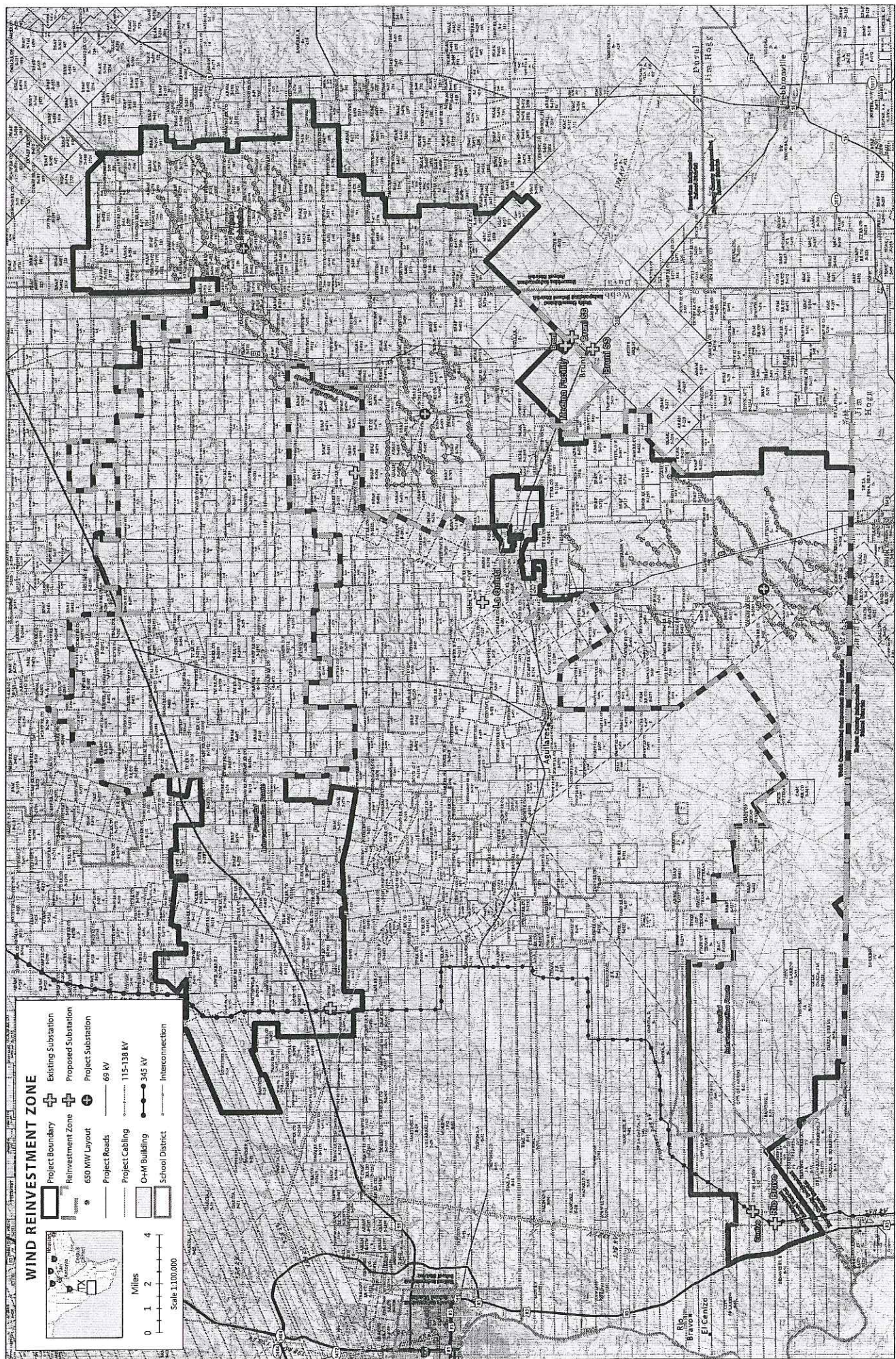


EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Webb Consolidated Independent School District and the Torrecillas Reinvestment Zone will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the following sections of land is included, to wit:

Agreement for Limitation on Appraised Value

Between Webb Consolidated Independent School District and Javelina Wind Energy, LLC
TEXAS COMPTROLLER APPLICATION NUMBER 322
December 23, 2013

Survey Name	Block	Abstract	Survey Number	Survey Name 2
BORREGO, J V		563		
CCSD&RGNG RR CO	1	1089	57	
CCSD&RGNG RR CO	2	2263	28	GRIFFIN, W W
CCSD&RGNG RR CO	1	2583	56	DILLIARD, J
CCSD&RGNG RR CO		1967	16	TIJERINA, J M
CCSD&RGNG RR CO	1	2548	74	BILLINGS, A S
CCSD&RGNG RR CO	1	1064	11	
CCSD&RGNG RR CO	1	2812	12	BAKER, N A
CCSD&RGNG RR CO	1	2820	34	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1087	55	
CCSD&RGNG RR CO		2808	22	WELHAUSEN, R E
CCSD&RGNG RR CO	2	1105	21	
CCSD&RGNG RR CO	2	2881	2	WELHAUSEN R E
CCSD&RGNG RR CO	2	1034	15	
CCSD&RGNG RR CO	2	2353	50	MARTINEZ, J
CCSD&RGNG RR CO		1030	113	
CCSD&RGNG RR CO	1	2819	10	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1063	9	
CCSD&RGNG RR CO	1	2822	36	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1076	35	
CCSD&RGNG RR CO	1	2507	54	WINSLOW, J W
CCSD&RGNG RR CO	2	1106	73	
CCSD&RGNG RR CO	2	2508	74	WINSLOW, J W
CCSD&RGNG RR CO		1013	3	
CCSD&RGNG RR CO	2	2729	14	FELPS, D F
CCSD&RGNG RR CO	2	3021	14	WILLOUGHBY, E
CCSD&RGNG RR CO	2	1046	47	
CCSD&RGNG RR CO	1	1062	7	
CCSD&RGNG RR CO	1	2818	8	BILLINGS, A S JR
CCSD&RGNG RR CO	1	1096	37	
CCSD&RGNG RR CO	1	2823	38	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1086	53	
CCSD&RGNG RR CO		2509	76	WINSLOW, J W
CCSD&RGNG RR CO	2	1107	75	
CCSD&RGNG RR CO	2	2810	4	WELHAUSEN, R E
CCSD&RGNG RR CO	2	1033	13	
CCSD&RGNG RR CO	2	2728	46	FELPS, D F
CCSD&RGNG RR CO	1	2170	110	CABALLERO, E
CCSD&RGNG RR CO	1	1028	109	
CCSD&RGNG RR CO	1	2549	6	BILLINGS, W C
CCSD&RGNG RR CO	1	1061	5	
CCSD&RGNG RR CO	1	2222	40	ELLIS, S D
CCSD&RGNG RR CO	1	1097	39	
CCSD&RGNG RR CO	1	2221	52	ELLIS, S D

TWNG RR CO		1820	203 1/3	
TWNG RR CO	2	2464	204	SWENSON, O P
CCSD&RGNG RR CO		1015	5	
CCSD&RGNG RR CO	2	2388	12	OVERSTREET, G M
CCSD&RGNG RR CO	2	1040	43	
TWNG RR CO	2	3315	204	SWENSON, O P
CCSD&RGNG RR CO	1	3216	2	BILLINGS, W C
CCSD&RGNG RR CO	1	2604	2	GARCIA, J M
CCSD&RGNG RR CO	1	1059	1	
CCSD&RGNG RR CO		2821	4	BILLINGS, W C JR
CCSD&RGNG RR CO	1	1060	3	
CCSD&RGNG RR CO	1	2213	42	DILLARD, T
CCSD&RGNG RR CO	1	1085	51	
AB&M		805	731	
DUNCAN, A	2	2577	203	DAVIS, S F
DUNCAN, A	2	2463	203	SWENSON, O P
CCSD&RGNG RR CO	2	2466	6	SWENSON, O P
CCSD&RGNG RR CO		1027	11	
CCSD&RGNG RR CO	2	2389	42	OVERSTREET, G M
CCSD&RGNG RR CO	1	2839	2	GARZA, J M
SWISHER, J M		1760	2259	
SK&K		1747	711	
SK&K		2003	712	GARZA, P
CCSD&RGNG RR CO	1	1078	43	
CCSD&RGNG RR CO	1	2211	44	DILLARD, T
CCSD&RGNG RR CO	1	1079	41	
CCSD&RGNG RR CO	1	2579	50	DAVIS, S F
VANOVER, S	2	2580	201	DAVIS, S F
VANOVER, S	2	2465	201	SWENSON, O P
BS&F		875	729	
CCSD&RGNG RR CO		1024	7	
CCSD&RGNG RR CO	2	2387	10	OVERSTREET, G M
BS&F		3345	730	LOPEZ, F
CCSD&RGNG RR CO	2	1038	39	
SWISHER, J M		1758	2257	
POITEVENT, J		1630	723	
BS&F		925	709	
BS&F		2002	710	GARZA, P
CCSD&RGNG RR CO	1	1077	45	
CCSD&RGNG RR CO	1	2212	46	DILLARD, T
CCSD&RGNG RR CO	1	1084	49	
CCSD&RGNG RR CO	2	2578	30	DAVIS, S F
CCSD&RGNG RR CO		1026	29	
AB&M		3040	728	LOPEZ, A
AB&M		2639	728	LOPEZ, F
CCSD&RGNG RR CO	2	2209	8	DE SPAIN, E A
CCSD&RGNG RR CO		1025	9	

CCSD&RGNG RR CO	2	2210	38	DE SPAIN, E A
POITEVENT, J		2033	724	LOPEZ, F
CCSD&RGNG RR CO	2	3269	8	DE SPAIN, D L
CCSD&RGNG RR CO	2	1035	17	
LOPEZ, F		2640	55	
CCSD&RGNG RR CO	2	2727	18	FELPS, D F
CCSD&RGNG RR CO	2	1036	35	
POITEVENT, J		1631	671	
POITEVENT, J		2049	722	MOGLIA, L
POITEVENT, J		1629	721	
GC&SF RR CO		2608	264	GASSER, E C
GC&SF RR CO		3302	264	PRYOR, F E
WARD, MRS A		1886	2265	
CCSD&RGNG RR CO		1137	259	
POITEVENT, J		2051	672	MOGLIA, L
POITEVENT, J		2050	670	MOGLIA, L
POITEVENT, J		1627	669	
DINN, J T		3034	62	
POITEVENT, J		1628	667	
POITEVENT, J		2650	668	MORALES, MRS J
SK&K		1743	663	
SK&K		2940	664	SMILEY, A F
RT CO		1688	673	
RT CO		2753	674	PENNELL, M H
BS&F		898	679	
BS&F		2573	684	COOKE, E M
BS&F		896	683	
POITEVENT, J		2113	460	PEREZ, S
POITEVENT, J		1634	461	
SWISHER, J M		1751	2272	
SK&K		1980	662	BENAVIDES, Y
SK&K		1744	661	
SWISHER, J M		1754	2268	
GC&SF RR CO		1372	2081	
GC&SF RR CO		2754	2082	PENNELL, MRS M H
WOODLAND, H		1903	2200	
AB&M		2391	686	PARROTT, J N W
AB&M		803	685	
AB&M		2218	690	DOWD, I J
POITEVENT, J		1633	459	
POITEVENT, J		2114	462	PEREZ, S
SK&K		1745	659	
BS&F		2752	702 1/2	PENNELL, M H
SK&K		2832	660	COOK, E M
BS&F		905	701 1/2	
AB&M		802	687	
AB&M		2689	688	WEED, J F

AB&M		800	689	
SM&S		1953	334	ZAPATA, J G
BOYD, W H & J M		950	2257	
T&NO RR CO		1775	139	
BS&F		3056	695	
BS&F		2540	696	BENAVIDES, R
BS&F		903	699	
RT CO		1689	697	
RT CO		2751	698	PENNELL, M H
BS&F		932	704	BENAVIDES, S
BS&F		909	703	
BOYD, W H & J M		947	2254	
WARD, MRS A		1889	2268	
CCSD&RGNG RR CO	2	1047	49	
REID, W		2188	1844	CONNOWAY, P K
GC&SF RR CO		1328	1955	
GC&SF RR CO		2503	2050	WIDEMAN, M E
GWT&P RR CO		1389	1097	
T&NO RR CO		2502	128	WIDEMAN, M E
GC&SF RR CO		2560	1956	BROCK, H E
BEAL D R		2572	2002	CONNOWAY, P K
GC&SF RR CO		2189	2052	CONNOWAY, P K
TURNER, S B		1842	851	
CT&MC RR CO		2880	2058	WEBB, A B
CT&MC RR CO		985	2057	
GWT&P RR CO		2345	1098	MARTIN, G B
BEAL, D R		2807	202	WEBB, F J
GC&SF RR CO		1329	1953	
GC&SF RR CO		1377	2051	
H&OB RR CO		1401	205	
CT&MC RR CO		2941	2060	SNYDER, S A
CT&MC RR CO		3330	2060	UPDEGROVE, L F
CT&MC RR CO		984	2059	
GC&SF RR CO		2346	1958	MARTIN, G B
CT&MC RR CO		3329	2060	MARSHALL, C C
CT&MC RR CO		3332	2060	GUINN, R D
TURNER, S B		1841	853	
RANGEL, L		1673	1184	
CT&MC RR CO		3331	2060	GUINN, R D
T&NO RR CO		1791	2053	
CCSD&RGNG RR CO	2	2633	48	LEONARD, J
TC RR CO		2138	2056	BARRETT, F
SUTTON, H P		2187	1838	CONNOWAY, P K
SUTTO, H P		2137	1838	BARRETT, F
GC&SF RR CO		2343	1628	MARTIN, G B
H&GN RR CO		2085	866	CONTRERAS, F
TURNER, S B		2558	854	BROCK, H E

TC RR CO		2561	2054	BROCK, H E
CCSD&RGNG RR CO	2	1041	45	
GC&SF RR CO		2191	1956	CONTERAS, F
BODE, P O		3016	2238	
TC RR CO		1379	2055	
STATE OF TEXAS		?24		
TC RR CO		2139	1636	BARRETT, F
H&GN RR CO		1438	865	
TC RR CO		1797	1635	
CCSD&RGNG RR CO	2	2204	44	DAVIS, C R
GC&SF RR CO		1333	1955	
GC&SF RR CO		2140	1632	BARRETT, F
TM RR CO		1814	1699	
TM RR CO		2559	1700	BROCK, H E
GC&SF RR CO		2634	280	LEONARD, J
CCSD&RGNG RR CO		1115	1683	
CCSD&RGNG RR CO	2	1039	41	
GC&SF RR CO		1323	1633	
AB&M		799	467	
TM RR CO		2592	1698	FELPS, S F
TM RR CO		1813	1697	
GC&SF RR CO		1353	279	
CCSD&RGNG RR CO		2698	1684	BLACK, G T
CCSD&RGNG RR CO		2910	1684	GRACY, D B
GC&SF RR CO		2252	1634	GOSSETT, N B
CCSD&RGNG RR CO	2	2203	40	DAVIS, C R
GC&SF RR CO		1268	1695	
GC&SF RR CO		2418	1696	REYNOLDS, P B
AB&M		2255	468	GOSSETT, N B
POITEVENT, J		2421	1004	REYNOLDS, P B
GC&SF RR CO		1267	1691	
CCSD&RGNG RR CO		3142	1666	GOETH, A C
CCSD&RGNG RR CO		1124	1665	
JAMES, B F		2420	2112	REYNOLDS, P B
GC&SF RR CO		2419	1692	REYNOLDS, P B
CCSD&RGNG RR CO	2	1037	37	
CCSD&RGNG RR CO		2253	1666	GOSSETT, N B
POITEVENT, J		1655	1003	
GC&SF RR CO		1269	1693	
CCSD&RGNG RR CO		2495	1678	VERGARA, Y JR
CCSD&RGNG RR CO		1130	1677	
CCSD&RGNG RR CO		1125	1667	
CCSD&RGNG RR CO	2	2581	36	DAVIS, C R
FEILLE, F R		3333	2367	REEDER, F
CCSD&RGNG RR CO		2490	1668	VERGARA, Y
GC&SF RR CO		2462	278	SPEED, F
GC&SF RR CO		2461	1694	SPEED, F

CCSD&RGNG RR CO	2494	1676	VERGARA, T JR
CCSD&RGNG RR CO	1126	1669	
CCSD&RGNG RR CO	3254	1660	FARR, W E
CCSD&RGNG RR CO	1129	1675	
CCSD&RGNG RR CO	2492	1670	VERGARA, Y
GC&SF RR CO	1317	1631	
TURNER, S B	2344	852	MARTIN, G B
THOMSON, J	2501	1884	WIDEMAN, M E
GC&SF RR CO	1334	1957	
THOMSON, J	2504	1884	WIDEMAN, M E
BS&F	901	691	
BS&F	2542	692	BENAVIDES, R
BS&F	900	693	
BS&F	2541	694	BENAVIDES, R
BS&F	904	701	
BS&F	2530	700	BENAVIDES, Y
BS&F	924	705	
BS&F	2528	706	BENAVIDES, B
CCSD&RGNG RR CO	2251	1122	GILL, T D
OWENS, A M	2596	786	GARCIA, J M
SK&K	2543	714	BENAVIDES, R
CCSD&RGNG RR CO	1095	1121	
SK&K	1746	713	
CUELLAR, J	1162		
GC&SF RR CO	2488	754	VALDEZ, M
GC&SF RR CO	1332	753	
BS&F	2531	702	BENAVIDES, Y
SM&S	1739	337	
M&C	1871	1090	VASQUEZ, A
M&C	1592	1089	
LI&A ASSOC	2397	1010	PEREZ, F
LI&A ASSOC	1533	1007	
GC&SF RR CO	3277	2080	MORENO, C
GC&SF RR CO	1371	2079	
TIPPIN, M T	1829	2247	
MONTGOMERY, M	2059	2234	
GC&SF RR CO	2529	412	BENAVIDES, Y
VILLAREAL, A	1877	1826	
TIPPIN, M T	1831	2246	
OWENS, A M	1956	786	GARCIA, J M
GC&SF RR CO	3111	2080	MORENO, S
SK&K	1749	1087	
SK&K	2119	1088	VELA, L
TT RR CO	1845	1005	
GC&SF RR CO	1312	411	
LI&A ASSOC	1534	1009	
LI&AA ASSOC	3112	1008	

LI&A ASSOC	3075	1008	NEAL, J E
BATSON, D	868	261	
BOYD, W H & J M	944	2251	
HUGHES, C	1493	262	
FLIPPIN, J A	2667	771	RUTLEDGE, W P
RAYMON, S	1679	71	
LI&A ASSOC	3076	1008	NEAL, J E
GUERRA, F	1253	2167	
RAYMON, J	1678	72	
THAXTON, W H	3176	2346	
POITEVENT, J	1656	1107	
POITEVENT, J	2120	1108	VELA, L
TT RR CO	2629	1006	LAUREL, A S
TT RR CO	2630	1104	LAUREL, A S
TT RR CO	1849	1103	
HE&WT RR CO	2632	458	LAUREL, A
POITEVENT, J	2929	1108	LOPEZ, R
STATE OF TEXAS	?27		
BENAVIDES, G	935	60	
BOYD, W H & J M	945	2252	
AB&M	801	735	
CCSD&RGNG RR CO	2628	1120	LAUREL, A S
CCSD&RGNG RR CO	1009	1119	
GARCIA, A E	3194	2369	
AB&M	3008	736	WHITMAN, W J
WARD, MRS A	1883	2261	
BS&F	3240	715	
BS&F	2631	718	LAUREL, A S
VILLAREAL, A R	3172	2341	
FOSTER, G W	1203	857	
VERA, A	1872	2168	
BS&F	2652	716	NEAL, J E
BS&F	908	717	
DL&C CO	1170	2193	
HE&WT RR CO	1473	463	
GARCIA, E	3171	2340	
GUTIERRES, Y	1393		
LITTIG, J W	1547	58	
ZAPATA, E	1918	61	
C&M RR CO	3009	612	WHITMAN, W J
GARCIA, E	3170	2339	
H&OB RR CO	2930	1106	NEAL, J E
H&OB RR CO	1398	1105	
GC&SF RR CO	1287	609	
T&NO RR CO	3007	132	WHITMAN, W J
C&M RR CO	969	611	
GC&SF RR CO	2236	610	GARCIA, E

GC&SF RR CO		2237	608	GARCIA, E
BS&F		2235	122	GARCIA, E
BS&F		931	121	
THAXTON, W H / ANDERSON, J E		3181	2363	
GC&SF RR CO		1288	607	
THAXTON, W H		3177	2344	
DE LA PENA, F		2996		
WRIGHT, J J T		1908	309	
BROWN, W		3167	2336	
TT RR CO		2656	258	PENA, M B
SK&K		3285	126	HINNANT, R
GC&SF RR CO		1363	837	
RUTLEDGE, W P		2666	2161	
HE&WT RR CO		1471	457	
STATE OF TEXAS		226		
HE&WT RR CO		1484	593	
CCSD&RGNG RR CO	2	2598	598	GARCIA, A
HE&WT RR CO		2611	594	GUERRA, J
BOYD, W H & J M		946	2253	
HE&WT RR CO		2612	470	GUERRA, J
HE&WT RR CO		1474	469	
GARZA, E		1225	53	
RODRIGUEZ, J		1684	2136	
GC&SF RR CO		2104	462	GUERRA, T
RAMIREZ, F		1671	54	
RAMIREZ, J V		1672	55	
EL&RR RR CO		2613	472	GUERRA, J
EL&RR RR CO		1188	471	
GC&SF RR CO		1286	461	
HE&WT RR CO		1715	464	SANDERS, P V
GARZA, A		1224	56	
EL&RR RR CO		2610	596	GUERRA, J
C&M RR CO		972	475	
GAMBOA, D		1211	57	
WARD, MRS A		1888	2267	
FROST NATL BANK		3335	2342	
GC&SF RR CO		2270	606	GUERRA, F
C&M RR CO		970	603	
GC&SF RR CO		2901	734	GARCIA, A
EL&RR RR CO		1189	595	
GC&SF RR CO		2599	590	GARCIA, A
GC&SF RR CO		1285	605	
C&M RR CO		2181	604	CHAPA, A
GC&SF RR CO		1276	733	
GC&SF RR CO		2233	736	GARCIA, A
GC&SF RR CO		1322	735	
BS&F		2180	124	CHAPA, A

GC&SF RR CO	2135	2084	BARNESLEY, W R	
GC&SF RR CO	1361	781		
GC&SF RR CO	2997	782	PENA, R	
PUCKETT, MRS T E	1959	770	HERRERA, C	
BS&F	1930	123		
HE&WT RR CO	3556	780	VAQUILLAS RANCH CO	
H&GN RR CO	2136	18	BARNESLEY, W R	
GC&SF RR CO	1376	2083		
CELLUM, E J	3555	832	VAQUILLAS RANCH CO	
CELLUM, E J	963	831		
H&GN RR CO	1458	17		
GC&SF RR CO	1364	835		
DE LA FUENTES, V	1996			
GC&SF RR CO	3552	836	GUERRA, M	
H&GN RR CO	3168	9		
GC&SF RR CO	3553	838	GUERRA, M	
BORREGO, J V	563			
CITY OF LAREDO	238	47		
CITY OF LAREDO	237	48		
CITY OF LAREDO	1529	49		
CITY OF LAREDO	716	50		
CITY OF LAREDO	236	51		
CITY OF LAREDO	464	52		
AB&M	3040	728	LOPEZ, A	
AB&M	3040	728	LOPEZ, A	
MEYER, W	1583	146		
POITEVENT, J	1666	167		
T&NO RR CO	1791	2053		
CCSD&RGNG RR CO	2	2633	48	LEONARD, J
DL&C CO	1170	2193		
ZAPATA, E	1918	61		
GUTIERRES, Y	1393			
LITTIG, J W	1547	58		
SK&K	3274	125		
SK&K	1748	125		
GC&SF RR CO	1363	837		
DE LA FUENTES, V	1996			
BS&F	906	657		
BORREGO, J V	563			
T&NO RR CO	2077	265		
BORREGO, J V	563			
BS&F	907	655		
BORREGO, J V	563			
STATE OF TEXAS	?33			
BORREGO, J V	563			
C&M RR CO	964	849		
BORREGO, J V	563			

GC&SF RR CO	1364	835	
BORREGO, J V	563		
DE LA FUENTES, V	1996		
GC&SF RR CO	3553	838	GUERRA, M
GC&SF RR CO	3552	836	GUERRA, M
GC&SF RR CO	3553	838	GUERRA, M
CITY OF LAREDO	465	55	
BORREGO, J V	563		
TREVINO J A	295	56	
BORREGO, J V	563		
DE LA GARZA, J M	424	1273	
BORREGO, J V	563		
BORREGO, J V	563		
MINDIOLA P	66	59	
BORREGO, J V	563		
GARZA, HRS M	423	58	
BORREGO, J V	563		
CITY OF LAREDO	238	47	
BORREGO, J V	563		
CITY OF LAREDO	237	48	
BORREGO, J V	563		
CITY OF LAREDO	1529	49	
BORREGO, J V	563		
CITY OF LAREDO	716	50	
BORREGO, J V	563		
CITY OF LAREDO	236	51	
BORREGO, J V	563		
CITY OF LAREDO	464	52	
BORREGO, J V	563		
SANCHEZ, L	281	53	
BORREGO, J V	563		
BENAVIDES, B	20	54	
MEYER, W	1583	146	
POITEVENT, J	1666	167	
DINN, J T	3034	62	
MEYER, W	1583	146	
POITEVENT, J	1666	167	
MEYER, W	1583	146	
POITEVENT, J	1666	167	

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Javelina Wind Energy, LLC plans to construct a 250 MW wind farm in Webb County. Approximately one hundred forty seven (147) wind turbines will be located wholly within Webb County and Webb CISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 1.7 MW turbines manufactured by GE, although final turbine selection may change. Javelina Wind is also constructing approximately 33 miles in total of generation transmission tie line, of which approximately 28.4 miles will be located in Webb CISD and included in this application. Approximately 4.6 miles of the line are in United ISD and are specifically excluded from this application. Further, no Chapter 313 Application will be filed in United ISD for this portion of the generation transmission tie line.

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