

**FINDINGS**  
of the  
***GROOM INDEPENDENT  
SCHOOL DISTRICT  
BOARD OF TRUSTEES***

**Under Chapter 313 of the  
Texas Tax Code**

**ON THE APPLICATION FOR A  
LIMITED APPRAISED VALUE ON  
QUALIFIED PROPERTY**

**SUBMITTED BY**

***GRANDVIEW WIND FARM II, LLC***

***Comptroller Application Number 356***

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

STATE OF TEXAS                   §  
  §  
COUNTY OF CARSON           §

**PREAMBLE**

On the 9<sup>th</sup> day of December, 2014, a public meeting of the Board of Trustees of the Groom Independent School District (the “Board”) was held to solicit input from interested parties on the application by GRANDVIEW WIND FARM II, LLC (“Grandview Wind II” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Grandview Wind II for a Limited Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Groom Independent School District makes the following Findings regarding the Application:

On or about the 12<sup>th</sup> day of November, 2013, the Board of Trustees for the Groom Independent School District received an Application for an Appraised Value Limitation on Qualified Property from Grandview Wind II, pursuant to Chapter 313 of the Texas Tax Code. The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the creation of a wind power electric generation facility. *See* Comptroller’s Recommendation Letter, dated March 5, 2014, attached hereto as Attachment C. The Board agreed to consider such Application, and the District formally acknowledged receipt of the completed Application for consideration on behalf of the District on November 12, 2013. The Texas Comptroller of Public Accounts received the completed Application on or about November 15, 2013. Thereafter, the Comptroller issued its notice of completeness by letter dated December 11, 2013, the Application Review Start Date. Thereafter, on behalf of Applicant, the District also submitted to Amendment No. 001 on February 10, 2014 (reinvestment zone documents). The Application and Amendment No. 001 are collectively referred to as the “Application.” A copy of the Application and Comptroller letter of December 11, 2013 are attached hereto as Attachment A.

The Texas Taxpayer Identification number for Grandview Wind II is 32052354019. Grandview Wind II is an entity subject to Chapter 171 of the Texas Tax Code and is certified to

be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

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

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an economic impact evaluation to be conducted pursuant to §313.026 of the Texas Tax Code. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a recommendation on March 5, 2014 that the Application be approved. *See* Attachment C. The Board of Trustees has carefully considered such evaluation and recommendation. Copies of the Recommendation and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

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

The Board has confirmed that the taxable value of industrial property in the Groom Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within a rural school district, Category III of §313.054 of the Texas Tax Code. *See* Comptroller's "2013 ISD Summary Worksheet," attached hereto as Attachment F; *see also* Attachment C.

The District's Board of Trustees, by resolution dated April 15, 2014, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until July 10, 2014; and, by resolution dated June 19, 2014, granted Applicant's second request to extend the statutory deadline by which the District must consider its Application until November 7, 2014; and, by resolution dated October 14, 2014, agreed to extend the statutory deadline by which the District must consider its Application for a third time until December 31, 2014. The Comptroller was provided notice of each of these extensions, as set out under 34 Texas Administrative Code §9.1054(d). *See* Resolutions authorizing extension of consideration period and notices to Applicant, collectively attached hereto as Attachment J.

After receipt of the completed Application, the District entered into negotiations with Grandview Wind II regarding the specific language to be included in the Limitation on Appraised Value Agreement (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, Findings of Fact – Groom ISD / Grandview Wind Farm II, LLC

including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these Findings as Attachment G, and the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of December 8, 2014 Agreement approval letter from the Comptroller, attached to these Findings as Attachment H.

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

**Board Finding Number 1.**

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

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

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

**Board Finding Number 2.**

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

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

September 2011 employment for Carson County, however, was up 0.8 percent from September 2010, while the state total employment increased 0.9 percent in this same period. The total employment in September 2011 was 3,099. The unemployment rate in Carson County was 5.4

percent in September 2011, which is an increase from 4.7 percent in September 2010. This was, however, lower than the state average of 8.5 percent for September 2011.

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

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

Given recent income levels and sales tax activity, Carson County will benefit from economic activity like that associated with the Grandview Wind II project. Major capital investments like this project are beneficial to the community on a number of fronts, including employment, expanded opportunities for existing businesses, and an increased local tax base. *See* Attachment 3 and Tables 1 and 2 of Attachment D.

### **Board Finding Number 3.**

*Based on the Application, the level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$27.6 million, based on ten (10) qualifying positions to be allocated for the Grandview Wind II project in Groom ISD.*

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

The project's total investment is \$275.8 million, resulting in a relative level of investment per qualifying job of \$27.6 million.

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

### **Board Finding Number 4.**

*The average salary level of qualifying jobs is expected to be at least \$50,000 per year, which meets the requirements under Chapter 313 for an appropriate wage-level, and each qualifying job will receive benefits such as medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange program for children of employees, 15 to 25*

*days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave. Grandview Wind II indicates that it will allocate ten (10) new jobs within the District, all ten (10) of which will be permanent jobs that will meet the criteria of a qualifying job.*

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

After construction, the project will create ten new jobs when fully operational. All ten jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021 (3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Carson County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$74,672. In addition to a salary of \$50,000, each qualifying position will receive the following benefits: medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international exchange [sic] program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave.

**Board Finding Number 5.**

*The Applicant will allocate ten (10) new qualifying jobs for the Project, which meets the new jobs creation requirement under § 313.051(b), and Applicant has not requested a waiver of this requirement.*

In support of this Finding, the Application states that Applicant will create at least ten (10) new jobs, all ten (10) of which are qualifying jobs, to service and support approximately 84 GE 1.7 MW turbines, which is in line with the requirement under Texas Tax Code § 313.051 and industry standards.

See Attachments A and I.

**Board Finding Number 6.**

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

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

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

See Attachment D.

### **Board Finding Number 7.**

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

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

Table 1 depicts Grandview Wind Farm II, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc., (REMI). The impact includes the construction period and the operating period of the project.

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

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	15	17	32	\$750,000	\$1,250,000	\$2,000,000
2015	100	101	201	\$5,000,000	\$7,000,000	\$12,000,000
2016	10	10	20	\$500,000	\$1,500,000	\$2,000,000
2017	10	12	22	\$500,000	\$1,500,000	\$2,000,000
2018	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2019	10	15	25	\$500,000	\$1,500,000	\$2,000,000
2020	10	17	27	\$500,000	\$1,500,000	\$2,000,000
2021	10	19	29	\$500,000	\$2,500,000	\$3,000,000
2022	10	19	29	\$500,000	\$1,500,000	\$2,000,000
2023	10	17	27	\$500,000	\$2,500,000	\$3,000,000
2024	10	15	25	\$500,000	\$2,500,000	\$3,000,000
2025	10	21	31	\$500,000	\$2,500,000	\$3,000,000
2026	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2027	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2028	10	10	20	\$500,000	\$1,500,000	\$2,000,000
2029	10	6	16	\$500,000	\$1,500,000	\$2,000,000

Source: CPA, REMI, Grandview Wind Farm II, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-13. Groom ISD's ad valorem tax base in 2012-13 was \$65.5 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Groom ISD's estimated wealth per WADA was \$298,306. The impact on the facilities and finances of the district are presented in Attachment 2 [of the Comptroller's Economic Impact Evaluation].

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies (Before Credit Credited)	Groom ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes
			0.2320	1.1700				0.5162	0.0089	
2015	\$2,000,000	\$2,000,000		\$4,640	\$23,400	\$28,040	\$28,040	\$10,325	\$177	\$38,542
2016	\$239,967,750	\$239,967,750		\$556,725	\$2,807,623	\$3,364,348	\$3,364,348	\$371,632	\$21,285	\$3,757,265
2017	\$230,369,040	\$10,000,000		\$534,456	\$117,000	\$651,456	\$651,456	\$356,767	\$20,434	\$1,028,657
2018	\$220,770,330	\$10,000,000		\$512,187	\$117,000	\$629,187	\$512,183	\$341,901	\$19,582	\$873,667
2019	\$211,171,620	\$10,000,000		\$489,918	\$117,000	\$606,918	\$491,402	\$327,036	\$18,731	\$837,169
2020	\$201,572,910	\$10,000,000		\$467,649	\$117,000	\$584,649	\$469,709	\$312,171	\$17,880	\$799,759
2021	\$191,974,200	\$10,000,000		\$445,380	\$117,000	\$562,380	\$448,208	\$693,713	\$17,028	\$1,158,949
2022	\$182,375,490	\$10,000,000		\$423,111	\$117,000	\$540,111	\$426,898	\$659,028	\$16,177	\$1,102,103
2023	\$172,776,780	\$10,000,000		\$400,842	\$117,000	\$517,842	\$406,645	\$624,342	\$15,325	\$1,046,312
2024	\$163,178,070	\$10,000,000		\$378,573	\$117,000	\$495,573	\$385,672	\$589,656	\$14,474	\$989,802
2025	\$153,579,360	\$153,579,360		\$356,304	\$1,796,879	\$2,153,183	\$557,462	\$554,971	\$13,622	\$1,126,055
2026	\$143,980,650	\$143,980,650		\$334,035	\$1,684,574	\$2,018,609	\$2,018,609	\$743,264	\$12,771	\$2,774,644
2027	\$134,381,940	\$134,381,940		\$311,766	\$1,572,269	\$1,884,035	\$1,884,035	\$693,713	\$11,920	\$2,589,668
2028	\$124,783,230	\$124,783,230		\$289,497	\$1,459,964	\$1,749,461	\$1,749,461	\$644,162	\$11,068	\$2,404,691
2029	\$115,184,520	\$115,184,520		\$267,228	\$1,347,659	\$1,614,887	\$1,614,887	\$594,611	\$10,217	\$2,219,715
						<b>Total</b>	<b>\$15,009,014</b>	<b>\$7,517,292</b>	<b>\$220,691</b>	<b>\$22,746,998</b>

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Grandview Wind Farm II, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes	
			0.2320	1.1700			0.5162	0.0089		
2015	\$2,000,000	\$2,000,000		\$4,640	\$23,400	\$28,040	\$10,325	\$177	\$38,542	
2016	\$239,967,750	\$239,967,750		\$556,725	\$2,807,623	\$3,364,348	\$1,238,774	\$21,285	\$4,624,407	
2017	\$230,369,040	\$230,369,040		\$534,456	\$2,695,318	\$3,229,774	\$1,189,223	\$20,434	\$4,439,430	
2018	\$220,770,330	\$220,770,330		\$512,187	\$2,583,013	\$3,095,200	\$1,139,672	\$19,582	\$4,254,454	
2019	\$211,171,620	\$211,171,620		\$489,918	\$2,470,708	\$2,960,626	\$1,090,121	\$18,731	\$4,069,478	
2020	\$201,572,910	\$201,572,910		\$467,649	\$2,358,403	\$2,826,052	\$1,040,570	\$17,880	\$3,884,501	
2021	\$191,974,200	\$191,974,200		\$445,380	\$2,246,098	\$2,691,478	\$991,019	\$17,028	\$3,699,525	
2022	\$182,375,490	\$182,375,490		\$423,111	\$2,133,793	\$2,556,904	\$941,468	\$16,177	\$3,514,549	
2023	\$172,776,780	\$172,776,780		\$400,842	\$2,021,488	\$2,422,330	\$891,917	\$15,325	\$3,329,573	
2024	\$163,178,070	\$163,178,070		\$378,573	\$1,909,183	\$2,287,757	\$842,366	\$14,474	\$3,144,596	
2025	\$153,579,360	\$153,579,360		\$356,304	\$1,796,879	\$2,153,183	\$792,815	\$13,622	\$2,959,620	
2026	\$143,980,650	\$143,980,650		\$334,035	\$1,684,574	\$2,018,609	\$743,264	\$12,771	\$2,774,644	
2027	\$134,381,940	\$134,381,940		\$311,766	\$1,572,269	\$1,884,035	\$693,713	\$11,920	\$2,589,668	
2028	\$124,783,230	\$124,783,230		\$289,497	\$1,459,964	\$1,749,461	\$644,162	\$11,068	\$2,404,691	
2029	\$115,184,520	\$115,184,520		\$267,228	\$1,347,659	\$1,614,887	\$594,611	\$10,217	\$2,219,715	
						<b>Total</b>	<b>\$34,882,684</b>	<b>\$12,844,018</b>	<b>\$220,691</b>	<b>\$47,947,393</b>

Source: CPA, Grandview Wind Farm II, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

See also the District's Financial Impact Report, Tables III, IV and V, attached hereto as Attachment E.

### **Board Finding Number 8.**

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

In support of this Finding, Randy McDowell and Neal Brown estimate in the District's Financial Impact Report, based on Grandview Wind II's Application, that the project would add \$239,967,750 to the tax base at the peak investment level for the 2016 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E, and Table 2 of Attachment D. In addition, the projected revenue gains from the proposed Agreement would be approximately \$160,579, based on \$100 per student per year in average daily attendance. See Table VI of Attachment E.

### **Board Finding Number 9.**

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

The Application indicates that Grandview Wind II expects ten (10) new full-time jobs in the District, all ten (10) of which meet the criteria of qualifying jobs. It is not known whether these would be new employees to the District, or if current residents would fill these positions. But, it is assumed in the Financial Impact Report that these employees would be new residents to the District, and provide five (5) new students to the District. It is believed that Groom ISD will easily be able to accommodate new students, if any, which may result from these new jobs. See Table VII of Attachment E. The District must plan to educate all students who reside within its boundaries, and the number of new students could vary widely depending on the number of construction jobs and workers present during the construction phase of Grandview Wind II's renewable energy project. Therefore, the District may need to hire additional temporary teachers and staff to educate the additional students that could enroll in the District. The proposed Limitation on Appraised Value Agreement pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, provides that Applicant shall reimburse the District for extraordinary educational related expenses paid by the District that are directly attributable to Applicant's project.

### **Board Finding Number 10.**

*During the past two (2) years, twenty-eight (28) projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code Chapter 313.*

**Board Finding Number 11.**

*The Board finds that the total investment of the Applicant is \$239,967,750, and the projected market value of the qualified property of the Applicant is \$239,967,750, as determined by the Comptroller.*

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

**Board Finding Number 12.**

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

See Attachments A and D.

**Board Finding Number 13.**

*The projected dollar amount of the taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as follows:*

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement		Payment of District's Revenue Losses		Net Tax Savings
				Agreement	Tax Credits	Losses		
2015-2016	1.1700	0.206	23,400	0	n/a	0	0	0
2016-2017	1.0400	0.049	2,495,665	0	n/a	0	0	0
2017-2018	1.1700	0.051	2,695,318	2,578,318	n/a	(1,539,017)	1,039,301	1,039,301
2018-2019	1.1700	0.053	2,583,013	2,466,013	117,004	(80,990)	2,502,027	2,502,027
2019-2020	1.1700	0.054	2,470,708	2,353,708	115,516	(74,236)	2,394,988	2,394,988
2020-2021	1.1700	0.056	2,358,403	2,241,403	114,940	(67,453)	2,288,891	2,288,891
2021-2022	1.1700	0.058	2,246,098	2,129,098	114,173	(62,167)	2,181,104	2,181,104
2022-2023	1.1700	0.060	2,133,793	2,016,793	113,213	(53,364)	2,076,642	2,076,642
2023-2024	1.1700	0.061	2,021,488	1,904,488	111,197	(46,049)	1,969,636	1,969,636
2024-2025	1.1700	0.063	1,909,183	1,792,183	109,901	(38,674)	1,863,411	1,863,411
2025-2026	1.0400	0.066	1,597,225	0	1,595,721	0	1,595,721	1,595,721
2026-2027	1.1700	0.068	1,684,574	0	0	0	0	0
2027-2028	1.1700	0.000	1,572,269	0	0	0	0	0
<b>Totals</b>			<b>25,791,137</b>	<b>17,482,005</b>	<b>2,391,665</b>	<b>(1,961,949)</b>	<b>17,911,721</b>	<b>17,911,721</b>

*The Comptroller’s estimated dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value with the projected depreciations of*

investment, is depicted in Table 3 of the Economic Impact Evaluation. See Finding No. 7, page 8, *infra*.

**Board Finding Number 14.**

*The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as follows:*

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.1700	0.206	23,400	0	n/a	0	0
2016-2017	1.0400	0.049	2,495,665	0	n/a	0	0
2017-2018	1.1700	0.051	2,695,318	2,578,318	n/a	(1,539,017)	1,039,301
2018-2019	1.1700	0.053	2,583,013	2,466,013	117,004	(80,990)	2,502,027
2019-2020	1.1700	0.054	2,470,708	2,353,708	115,516	(74,236)	2,394,988
2020-2021	1.1700	0.056	2,358,403	2,241,403	114,940	(67,453)	2,288,891
2021-2022	1.1700	0.058	2,246,098	2,129,098	114,173	(62,167)	2,181,104
2022-2023	1.1700	0.060	2,133,793	2,016,793	113,213	(53,364)	2,076,642
2023-2024	1.1700	0.061	2,021,488	1,904,488	111,197	(46,049)	1,969,636
2024-2025	1.1700	0.063	1,909,183	1,792,183	109,901	(38,674)	1,863,411
2025-2026	1.0400	0.066	1,597,225	0	1,595,721	0	1,595,721
2026-2027	1.1700	0.068	1,684,574	0	0	0	0
2027-2028	1.1700	0.000	1,572,269	0	0	0	0
<b>Totals</b>			25,791,137	17,482,005	2,391,665	(1,961,949)	17,911,721

*The Comptroller’s estimated dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is depicted in Table 2 of the Economic Impact Evaluation. See Finding No. 7, page 8, *infra*.*

**Board Finding Number 15.**

*The projected effect on the Foundation School Program and impact on the District’s finances resulting from payments to the District for each year of the Agreement is shown on Tables III, IV and V of Attachment E. The economic impact from Grandview Wind II’s project on the State of Texas, local employment levels and personal income is shown, and in Tables 1, 2 and 3 of the Economic Impact Evaluation. See Finding No. 7, pages 6, 7 and 8, *infra*.*

**Board Finding Number 16.**

*The projected future tax credits for each year of the Agreement are shown in Table II of Attachment E (column labeled “Tax Credits”); See also Finding No. 7, Table 2, at p. 8.*

**Board Finding Number 17.**

*Assuming that Applicant would still construct is renewable energy project in the District, without a limitation on appraised value for the qualified property, the total amount of taxes to be lost over the life of the Agreement by subtracting the projected taxes stated in Finding Number 14 from the projected taxes stated in Finding Number 13 is shown in Table II of Attachment E (column labeled “Tax Savings with Agreement,” which is highlighted in Finding No. 14, page 11). See also difference between Table 3 and Table 2, Finding No. 7, page 8.*

**Board Finding Number 18.**

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

**Board Finding Number 19.**

*The Applicant (Taxpayer Id. 32052354019) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity (See Attachments B and C).*

**Board Finding Number 20.**

*The Limitation on Appraised Value Agreement for Property Subject to School District Maintenance and Operations Taxes (the “Agreement”, 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 and based on the information provided by Applicant in its Application, the Financial Impact Report demonstrates that the District will incur a revenue loss during year 3, 4, 5, 6, 7, 8, 9 and 10 of the proposed Agreement. However, the negative consequences of granting the value limitation are offset through the “hold harmless” provision of

the Agreement and other revenue protection provisions agreed to by the Applicant and the District. See Table II in Attachment E, and proposed Agreement, Article IV, at Attachment G.

**Board Finding Number 21.**

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

**Board Finding Number 22.**

*Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Grandview Wind II's Application and enter into the attached Limitation on Appraised Value Agreement for Property Subject to School District Maintenance and Operations Taxes.*

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

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

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

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

Dated this 9<sup>th</sup> day of December, 2014.

Groom Independent School District

By Ron Kuehler  
*Signature*

Ron Kuehler, Board President  
*Printed Name and Title*

Attest:

By Jeannie Ruthardt  
*Signature*

Jeannie Ruthardt Board Secretary  
*Printed Name and Title*

## LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Recommendation Letter
D	Comptroller Economic Impact Evaluation
E	District's Financial Impact Report
F	Comptroller's 2013 ISD Property Value Study Report
G	Proposed Limitation on Appraised Value Agreement for Property Subject to School District Maintenance and Operations Taxes
H	December 8, 2014 Agreement approval letter from Comptroller
I	Job Waiver Request
J	Resolutions and Notices to Applicant re Extensions of 151 Day Deadline

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 11, 2013

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

Dear Superintendent Lamb:

On November 15, 2013, the Comptroller's office received from Groom Independent School District (Groom ISD) an application from Grandview Wind Farm II, LLC for a limitation on appraised value. The purpose of this letter is to inform you that the Comptroller's office has received all required documents for the application review and economic impact evaluation.

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

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

Sincerely,

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

Robert Wood  
Director  
Economic Development & Analysis

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



# Application for Appraised Value Limitation on Qualified Property

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

**Form 50-296**  
(Revised May 2010)

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

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

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

This notice must include:

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

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

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

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

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

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

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

### Authorized School District Representative

Date application received by district

11/12/2013

First Name

Jay

Last Name

Lamb

Title

Superintendent

School District Name

Groom Independent School District

Street Address

304 W. 3rd St.

Mailing Address

City

Groom

State

TX

ZIP

79039

Phone Number

806-248-7474

Fax Number

806-248-7949

Mobile Number (optional)

E-mail Address

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

Will consultant be primary contact? . . . . .  Yes  No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Fred Last Name Stormer

Title

Firm Name Underwood Law Firm, P.C.

Street Address 500 S. Taylor Suite 1200 LB 233

Mailing Address

City Amarillo State TX ZIP 79101

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

Mobile Number (Optional) E-mail Address fred.stormer@uwlaw.com

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

Signature (Authorized School District Representative) Date 11-12-2013

Has the district determined this application complete? Yes No

If yes, date determined complete. 11-15-13

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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



## APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

## Authorized Business Representative (Applicant)

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

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

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

First Name <b>Makell</b>	Last Name <b>Matney</b>	
Title <b>Vice President, SW Development</b>		
Organization <b>EC&amp;R Development</b>		
Street Address <b>701 Brazos Street, Suite 1400</b>		
Mailing Address		
City <b>Austin</b>	State <b>TX</b>	ZIP <b>78701</b>
Phone Number <b>512-482-4067</b>	Fax Number <b>512-494-9581</b>	
Mobile Number (optional) <b>512-658-9767</b>	E-mail Address <b>makell.matney@eon.com</b>	

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

Will consultant be primary contact? .....  Yes  No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

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

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

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

Signature (Authorized Business Representative (Applicant)) 	Date
Vice President, Sean Logsdon	

GIVEN under my hand and seal of office this \_\_\_\_\_ day of November, 2013



(Notary Seal)



Notary Public, State of Texas

My commission expires \_\_\_\_\_

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

**FEES AND PAYMENTS**

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

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

Please answer only either A OR B:

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

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

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

Grandview Wind Farm II, LLC

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

32052354019

NAICS code

221119

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

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

**Please see attached on Checklist Item 3**

**APPLICANT BUSINESS STRUCTURE**

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

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

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

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

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

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(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)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

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

Please see Checklist Item 4 for a complete project description.

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

Please see Checklist Item 4 for a complete project description.

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Fourth Quarter 2013, Begin Hiring New Employees First Quarter 2015, Construction Complete Fourth Quarter 2015, Fully Operational Fourth Quarter 2015, Purchase Machinery & Equipment February 15, 2014

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

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? Fourth Quarter 2015

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
NA	
Total	

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

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

Grandview Wind Farm II, LLC will pursue a Chapter 312 with Carson County.

**THE PROPERTY**

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

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

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

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

County: Carson County City: \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

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

Other (describe): \_\_\_\_\_ Other (describe): \_\_\_\_\_  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

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



Application for Appraised Value Limitation on Qualified Property

INVESTMENT

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$10,000,000.00

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

What is your total estimated qualified investment? \$275,825,000.00

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

What is the anticipated date of application approval? February 15, 2014

What is the anticipated date of the beginning of the qualifying time period? January 1, 2015

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? \$275,825,000.00

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

Attach the following items to this application:

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

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? 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? December 9, 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. NA (Market Value) (Tax Year)

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

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

**WAGE AND EMPLOYMENT INFORMATION**

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

The last complete calendar quarter before application review start date is the:  
 First Quarter  Second Quarter  Third Quarter  Fourth Quarter of 2013 (year)

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

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

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

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? Ten

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 \$1,584.55

110% of the county average weekly wage for manufacturing jobs in the county is Not available on TWC website.

110% of the county average weekly wage for manufacturing jobs in the region is \$885.28

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$46,035.00

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$50,000.00

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

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

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

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

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

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

If yes, what percent? Up to 70%

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

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

Please see Checklist Item 15

ECONOMIC IMPACT

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

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

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

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

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

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

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

**CONFIDENTIALITY NOTICE**

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

# **Checklist Item 1**

See Executed Application

# **Checklist Item 2**

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

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

# **Checklist Item 3**

■ Tcode 13250 ANNUAL

■ Taxpayer number 12000751680		■ Report year 2013		Due date 05/15/2013		Privilege period covered by this report 01/01/2013 -12/31/2013	
Taxpayer Name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC						Secretary of State file number or Comptroller file number 0800605621	
Mailing address 353 N. CLARK ST., 30TH FLOOR						City CHICAGO	
State IL		Country		ZIP Code 60654		Plus 4	
Check box if this is a combined report <input type="checkbox"/>		Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions <input checked="" type="checkbox"/>				Check box if the address has changed <input type="checkbox"/>	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>				Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

\*\*If not twelve months, see instructions for annualized revenue

Accounting year begin date**	<i>m m d d y y</i> 010112	Accounting year end date	<i>m m d d y y</i> 123112	SIC code	NAICS code
					221100

REVENUE (Whole dollars only)

1. Gross receipts or sales	1. ■	160556359 .00
2. Dividends	2. ■	0 .00
3. Interest	3. ■	1541665 .00
4. Rents (can be negative amount)	4. ■	0 .00
5. Royalties	5. ■	0 .00
6. Gains/losses (can be negative amount)	6. ■	29963779 .00
7. Other income (can be negative amount)	7. ■	84436030 .00
8. Total gross revenue (Add items 1 thru 7)	8. ■	276497833 .00
9. Exclusions from gross revenue (see instructions)	9. ■	19103492 .00
10. TOTAL REVENUE (Item 8 minus Item 9 if less than zero, enter 0)	10. ■	257394341 .00

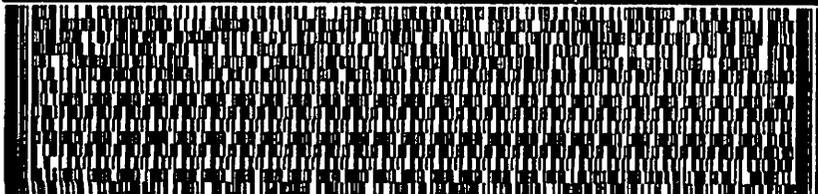
COST OF GOODS SOLD (Whole dollars only)

11. Cost of goods sold	11. ■	535180990 .00
12. Indirect or administrative overhead costs (Limited to 4%)	12. ■	3400 .00
13. Other (see instructions)	13. ■	0 .00
14. TOTAL COST OF GOODS SOLD (Add items 11 thru 13)	14. ■	535184390 .00

COMPENSATION (Whole dollars only)

15. Wages and cash compensation	15. ■	12403143 .00
16. Employee benefits	16. ■	2035043 .00
17. Other (see instructions)	17. ■	0 .00
18. TOTAL COMPENSATION (Add items 15 thru 17)	18. ■	14438186 .00

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	



Texas Franchise Tax Report - Page 2

Tcode 13251 ANNUAL

■ Taxpayer number	■ Report year	Due date	Taxpayer name
12000751680	2013	05/15/2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, L

MARGIN (Whole dollars only)

19. Revenue (item 10 X 70%)	19. ■	180176039 .00
20. Revenue (item 10 minus item 14 COGS)	20. ■	0.00
21. Revenue (item 10 minus item 18 Compensation)	21. ■	242956155 .00
22. MARGIN (Enter the lowest amount from item 19, 20 or 21)	22. ■	0.00

APPORTIONMENT FACTOR

23. Gross receipts in Texas (Whole dollars only)	23. ■	143737721 .00
24. Gross receipts everywhere (Whole dollars only)	24. ■	257394341 .00
25. APPORTIONMENT FACTOR (Divide item 23 by item 24, round to 4 decimal places)	25. ■	0.5584

TAXABLE MARGIN (Whole dollars only)

26. Apportioned margin (Multiply item 22 by item 25)	26. ■	0.00
27. Allowable deductions (see instructions)	27. ■	14458912 .00
28. TAXABLE MARGIN (item 26 minus item 27)	28. ■	0.00

TAX DUE

29. Tax rate (see instructions for determining the appropriate tax rate)	X X X	29. ■	0.0100
30. Tax due (Multiply item 28 by the tax rate in item 29) (Dollars and cents)	30. ■		0.00

TAX ADJUSTMENTS (Dollars and cents) (Do not include prior payments)

31. Tax credits (item 23 from Form 05-160)	31. ■	0.00
32. Tax due before discount (item 30 minus item 31)	32. ■	0.00
33. Discount (see instructions, applicable to report years 2008 and 2009)	33. ■	0.00

TOTAL TAX DUE (Dollars and cents)

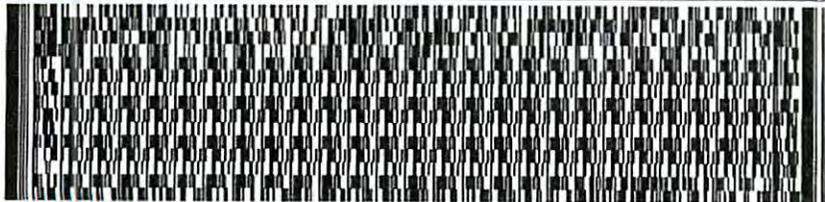
34. TOTAL TAX DUE (item 32 minus item 33)	34. ■	0.00
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Do not include payment if item 34 is less than \$1,000 or if annualized total revenue is less than the no tax due threshold (see instructions). If the entity makes a tiered partnership election, ANY amount in item 34 is due. Complete Form 05-170 if making a payment.

Print or type name TOM FESTLE	Area code and phone number 3122453042
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.	
sign here 	Date 10/15/2013
Mail original to: Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348	

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 252-1381 or (512) 463-4600. Instructions for each report year are online at [www.window.state.tx.us/taxinfo/taxforms/05-forms.html](http://www.window.state.tx.us/taxinfo/taxforms/05-forms.html).

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VE/DE	<input type="checkbox"/>
PM Date	



205281 3.000

TX2013

05-166

### Texas Franchise Tax Affiliate Schedule

Ver. 4.0

(Rev.9-11/4)

**Tcode 13253 ANNUAL**

<input type="checkbox"/> Reporting entity taxpayer number	<input type="checkbox"/> Report year	Reporting entity taxpayer name
12000751680	2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC		12000751680	551112
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112

8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)
0.00	0.00
10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
0.00	0.00

Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	
1. Legal name of affiliate	2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
EC&R SERVICES LLC	32042206618	561110

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	123112
8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)		
0.00	1979075.00		

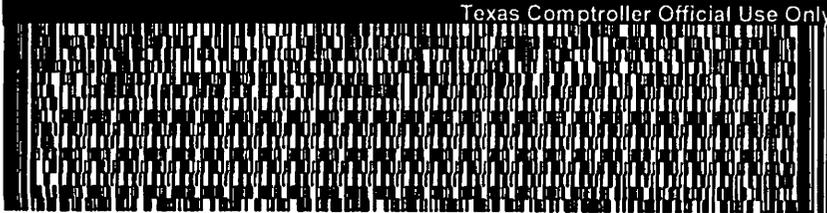
10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
0.00	0.00
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
EC & R ENERGY MARKETING, LLC		32041708341	221119
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	123112
8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)		
0.00	14056627.00		

10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
0.00	0.00
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An Information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

Reporting entity taxpayer number <b>12000751680</b>	Report year <b>2013</b>	Reporting entity taxpayer name <b>E.ON CLIMATE &amp; RENEWABLES NORTH AMERICA, LLC</b>
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate <b>EC&amp;R DEVELOPMENT, LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>32039451532</b>	3. Affiliate NAICS code <b>221119</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>010112</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>3202.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>0.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate <b>MUNNSVILLE INVESTCO, LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>200075168</b>	3. Affiliate NAICS code <b>221119</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>010112</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>0.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>0.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

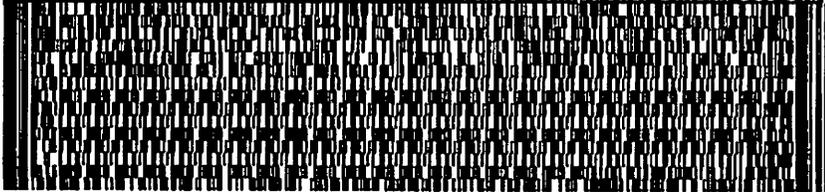
1. Legal name of affiliate <b>FOREST CREEK INVESTCO, INC.</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>710992472</b>	3. Affiliate NAICS code <b>541330</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>010112</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>166980.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>0.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
12000751680	2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
EC&R INVESTCO HMT II, LLC		900544248	551112
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112

8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)
0.00	188480.00
10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
0.00	0.00
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
EC&R NA SOLAR PV, LLC		900641860	221100
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112

8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)
0.00	17717.00
10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
0.00	0.00
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
EC&R O&M, LLC		32030354842	221119
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	123112

8. Gross receipts subject to throwback in other states (before eliminations)	9. Gross receipts everywhere (before eliminations)
0.00	2660728.00
10. Gross receipts in Texas (before eliminations)	11. Cost of goods sold or compensation (before eliminations)
2528290.00	2211734.00
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

■ Reporting entity taxpayer number 12000751680	■ Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

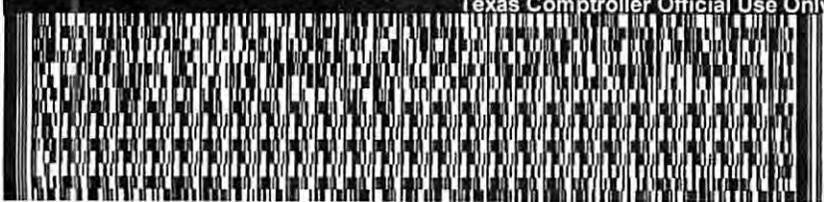
1. Legal name of affiliate EC&R PANTHER CREEK WIND FARM 1&11		■ 2. Affiliate taxpayer number (if none, use FEI number) 32033826242	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 14636923.00	
■ 10. Gross receipts in Texas (before eliminations) 14636923.00		■ 11. Cost of goods sold or compensation (before eliminations) 64388444.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate EC&R PANTHER CREEK WIND 111, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 32037431668	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 11038716.00	
■ 10. Gross receipts in Texas (before eliminations) 11038716.00		■ 11. Cost of goods sold or compensation (before eliminations) 35000215.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate EC&R DAPALOTE CREEK 1, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 32037132720	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 34535306.00	
■ 10. Gross receipts in Texas (before eliminations) 34535306.00		■ 11. Cost of goods sold or compensation (before eliminations) 39499572.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

**Texas Comptroller Official Use Only**



VE/DE <input type="checkbox"/>	FM <input type="checkbox"/>	
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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

<input checked="" type="checkbox"/> Reporting entity taxpayer number 12000751680	<input checked="" type="checkbox"/> Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

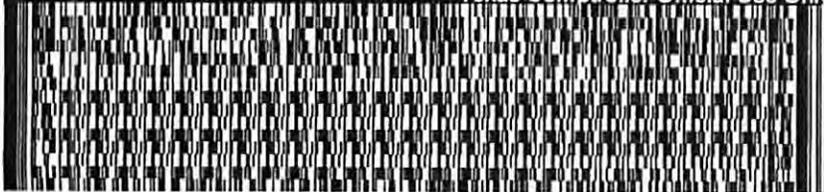
1. Legal name of affiliate EON PAPALOTE CREEK II LLC		2. Affiliate taxpayer number (if none, use FEI number) 32037132662	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 39105496.00	
10. Gross receipts in Texas (before eliminations) 39105496.00		11. Cost of goods sold or compensation (before eliminations) 77832732.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate EON OSE, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32033759021	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 1460559.00	
10. Gross receipts in Texas (before eliminations) 1460559.00		11. Cost of goods sold or compensation (before eliminations) 0.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate EON SHERMAN, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32037132811	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00	
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

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**Texas Comptroller Official Use Only**



VE/DE <input type="checkbox"/>	FM <input type="checkbox"/>	
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### Texas Franchise Tax Affiliate Schedule

**Tcode** 13253 ANNUAL

<b>Reporting entity taxpayer number</b>	<b>Report year</b>	<b>Reporting entity taxpayer name</b>
12000751680	2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
FLATLANDS WIND FARM, LLC		200075168	221119
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112

<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>	<b>9. Gross receipts everywhere (before eliminations)</b>
0.00	0.00
<b>10. Gross receipts in Texas (before eliminations)</b>	<b>11. Cost of goods sold or compensation (before eliminations)</b>
0.00	0.00

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
INADALE WIND FARM, LLC		32033826069	221119
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	123112

<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>	<b>9. Gross receipts everywhere (before eliminations)</b>
0.00	9033107.00
<b>10. Gross receipts in Texas (before eliminations)</b>	<b>11. Cost of goods sold or compensation (before eliminations)</b>
9033107.00	31211906.00

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

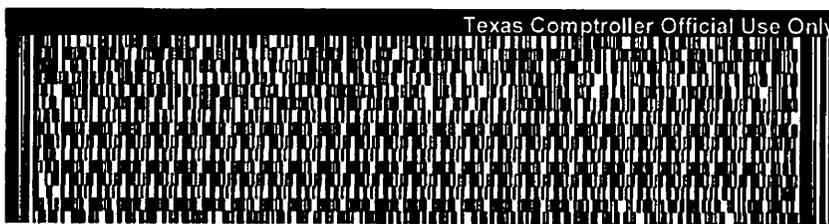
<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
MAGIC VALLEY WIND FARM I, LLC		32042845647	221119
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	050112

<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>	<b>9. Gross receipts everywhere (before eliminations)</b>
0.00	8335782.00
<b>10. Gross receipts in Texas (before eliminations)</b>	<b>11. Cost of goods sold or compensation (before eliminations)</b>
0.00	0.00

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

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VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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### Texas Franchise Tax Affiliate Schedule

**Tcode** 13253 ANNUAL

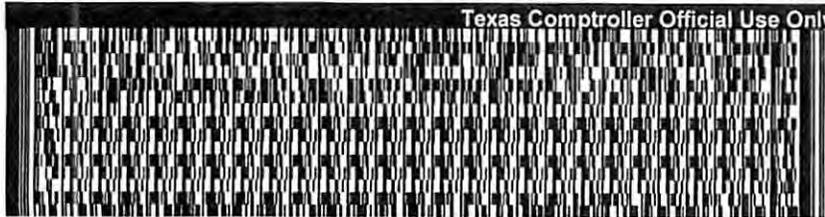
<b>Reporting entity taxpayer number</b>	<b>Report year</b>	<b>Reporting entity taxpayer name</b>
12000751680	2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
MUNNSVILLE WF HOLDCO, LLC		261952077	551112
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112
<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>		<b>9. Gross receipts everywhere (before eliminations)</b>	
0.00		0.00	
<b>10. Gross receipts in Texas (before eliminations)</b>		<b>11. Cost of goods sold or compensation (before eliminations)</b>	
0.00		0.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	
<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
MUNNSVILLE WIND FARM, LLC		261952077	221119
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112
<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>		<b>9. Gross receipts everywhere (before eliminations)</b>	
0.00		4434589.00	
<b>10. Gross receipts in Texas (before eliminations)</b>		<b>11. Cost of goods sold or compensation (before eliminations)</b>	
0.00		0.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	
<b>1. Legal name of affiliate</b>		<b>2. Affiliate taxpayer number (if none, use FEI number)</b>	<b>3. Affiliate NAICS code</b>
PIONEER TRAIL WIND FARM, LLC		800642280	221119
<b>4. Check box if entity is disregarded for franchise tax</b>	<b>5. Check box if this affiliate does NOT have NEXUS in Texas</b>	<b>6. Affiliate reporting begin date</b> m m d d y y	<b>7. Affiliate reporting end date</b> m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	051512
<b>8. Gross receipts subject to throwback in other states (before eliminations)</b>		<b>9. Gross receipts everywhere (before eliminations)</b>	
0.00		10415696.00	
<b>10. Gross receipts in Texas (before eliminations)</b>		<b>11. Cost of goods sold or compensation (before eliminations)</b>	
0.00		87279002.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

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VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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### Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 ANNUAL

■ Reporting entity taxpayer number 12000751680	■ Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate PYRON WIND FARM LLC		2. Affiliate taxpayer number (if none, use FEI number) 32033826093	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 14571005.00	
10. Gross receipts in Texas (before eliminations) 14571005.00		11. Cost of goods sold or compensation (before eliminations) 41263128.00	
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate STONY CREEK WF HOLDCO LLC		2. Affiliate taxpayer number (if none, use FEI number) 200075168	3. Affiliate NAICS code 551112
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 1530826.00	
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate STONY CREEK WIND FARM, LLC		2. Affiliate taxpayer number (if none, use FEI number) 200075168	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112	7. Affiliate reporting end date m m d d y y 123112
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 10109224.00	
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 10714148.00	
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

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**Texas Comptroller Official Use Only**



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Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

■ Reporting entity taxpayer number 12000751680	■ Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate VENADO WIND FARM, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 32038405901	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112

■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00	■ 9. Gross receipts everywhere (before eliminations) 0.00
■ 10. Gross receipts in Texas (before eliminations) 0.00	■ 11. Cost of goods sold or compensation (before eliminations) 0.00

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate ANACACHO WIND FARM, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 200075168	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00	■ 9. Gross receipts everywhere (before eliminations) 523314.00		
■ 10. Gross receipts in Texas (before eliminations) 523314.00	■ 11. Cost of goods sold or compensation (before eliminations) 7947474.00		

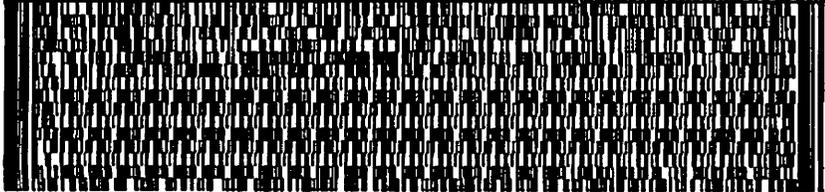
Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate E.ON CARBON SOURCING NORTH AMERICA, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 200075168	■ 3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	■ 6. Affiliate reporting begin date m m d d y y 010112	■ 7. Affiliate reporting end date m m d d y y 123112
■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00	■ 9. Gross receipts everywhere (before eliminations) 0.00		
■ 10. Gross receipts in Texas (before eliminations) 0.00	■ 11. Cost of goods sold or compensation (before eliminations) 0.00		

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

■ Reporting entity taxpayer number 12000751680	■ Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate WILDCAT WIND FARM I, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 200075168		■ 3. Affiliate NAICS code 221119	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		■ 6. Affiliate reporting begin date m m d d y y 010112	
				■ 7. Affiliate reporting end date m m d d y y 123112	

■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 1544236.00	
■ 10. Gross receipts in Texas (before eliminations) 0.00		■ 11. Cost of goods sold or compensation (before eliminations) 19070555.00	

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate WILDCAT WIND FARM II, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 200075168		■ 3. Affiliate NAICS code 221119	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		■ 6. Affiliate reporting begin date m m d d y y 010112	
				■ 7. Affiliate reporting end date m m d d y y 123112	

■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 0.00	
■ 10. Gross receipts in Texas (before eliminations) 0.00		■ 11. Cost of goods sold or compensation (before eliminations) 0.00	

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

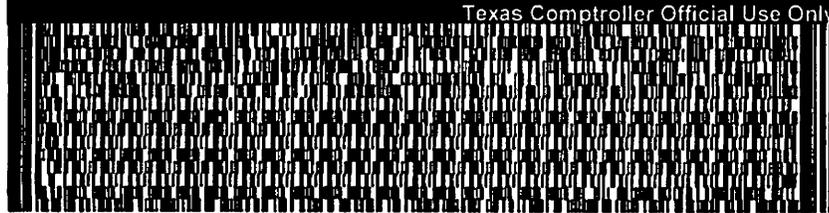
1. Legal name of affiliate CORDOVA WIND FARM, LLC		■ 2. Affiliate taxpayer number (if none, use FEI number) 200075168		■ 3. Affiliate NAICS code 221119	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		■ 6. Affiliate reporting begin date m m d d y y 010112	
				■ 7. Affiliate reporting end date m m d d y y 123112	

■ 8. Gross receipts subject to throwback in other states (before eliminations) 0.00		■ 9. Gross receipts everywhere (before eliminations) 0.00	
■ 10. Gross receipts in Texas (before eliminations) 0.00		■ 11. Cost of goods sold or compensation (before eliminations) 0.00	

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

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Ver. 4.0 (Rev.9-11/4)

### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

■ Reporting entity taxpayer number <b>12000751680</b>	■ Report year <b>2013</b>	Reporting entity taxpayer name <b>E.ON CLIMATE &amp; RENEWABLES NORTH AMERICA, LLC</b>
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate <b>TECH PARK SOLAR, LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>000000001</b>	3. Affiliate NAICS code <b>221100</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>122812</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>17717.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>760471.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate <b>EC&amp;R ASSET MANAGEMENT, LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>32033620900</b>	3. Affiliate NAICS code <b>211119</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>010112</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>5548383.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>0.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate <b>MARTCOPA WEST SOLAR PV, LLC</b>		2. Affiliate taxpayer number (if none, use FEI number) <b>000000002</b>	3. Affiliate NAICS code <b>221100</b>
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y <b>122812</b>	7. Affiliate reporting end date m m d d y y <b>123112</b>

8. Gross receipts subject to throwback in other states (before eliminations) <b>0.00</b>	9. Gross receipts everywhere (before eliminations) <b>0.00</b>
10. Gross receipts in Texas (before eliminations) <b>0.00</b>	11. Cost of goods sold or compensation (before eliminations) <b>0.00</b>

Check box if this is a Corporation or Limited Liability Company  Check box if this is an Entity other than a Corporation or Limited Liability Company

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Texas Comptroller Official Use Only

VE/DE <input type="checkbox"/>	FM <input type="checkbox"/>	
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7001

### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

Reporting entity taxpayer number 12000751680	Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

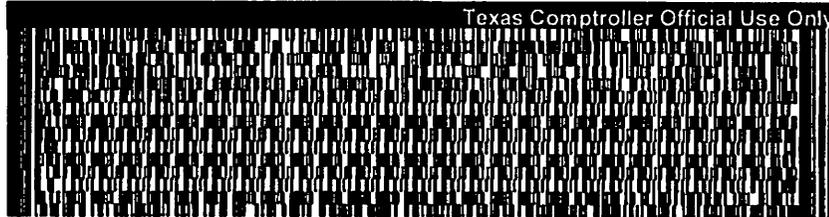
1. Legal name of affiliate VALENCIA SOLAR, LLC		2. Affiliate taxpayer number (if none, use FEI number) 000000003		3. Affiliate NAICS code 221100	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 122812		7. Affiliate reporting end date m m d d y y 123112	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate ALAMO SOLAR, LLC		2. Affiliate taxpayer number (if none, use FEI number) 000000004		3. Affiliate NAICS code 221100	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 122812		7. Affiliate reporting end date m m d d y y 123112	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate ELEVATE WIND HOLDCO, LLC		2. Affiliate taxpayer number (if none, use FEI number) 000000005		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112		7. Affiliate reporting end date m m d d y y 123112	
8. Gross receipts subject to throwback in other states (before eliminations) 0.00		9. Gross receipts everywhere (before eliminations) 0.00			
10. Gross receipts in Texas (before eliminations) 0.00		11. Cost of goods sold or compensation (before eliminations) 0.00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

■ Reporting entity taxpayer number 12000751680	■ Report year 2013	Reporting entity taxpayer name E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC
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Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate ELEVATE WIND FUNDING, LLC	2. Affiliate taxpayer number (if none, use FEI number) 000000006	3. Affiliate NAICS code 551112
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112
		7. Affiliate reporting end date m m d d y y 123112

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 0 .00
10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 0 .00
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate EC&R INVESTCO MGMT, LLC	2. Affiliate taxpayer number (if none, use FEI number) 271768943	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112
		7. Affiliate reporting end date m m d d y y 123112

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 40160301 .00
10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 0 .00
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

1. Legal name of affiliate SETTLERS TRAIL WIND FARM, LLC	2. Affiliate taxpayer number (if none, use FEI number) 272301245	3. Affiliate NAICS code 221119
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010112
		7. Affiliate reporting end date m m d d y y 123112

8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 10717266 .00
10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 92386865 .00
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>	
Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

**Texas Comptroller Official Use Only**



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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7001

### Texas Franchise Tax Affiliate Schedule

Tcode 13253 ANNUAL

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
12000751680	2013	E.ON CLIMATE & RENEWABLES NORTH AMERICA, LLC

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

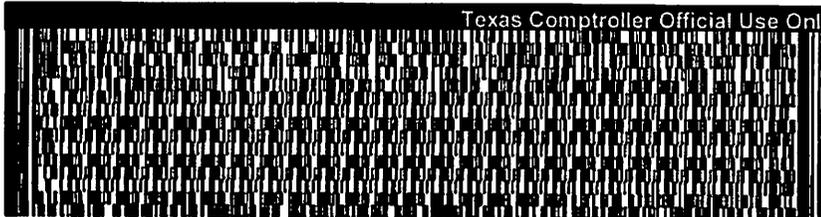
1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
PATRIOT WIND FARM, LLC		000000007	221119
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>	010112	123112
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
0.00		0.00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)	
0.00		0.00	
Check box if this is a Corporation or Limited Liability Company		Check box if this is an Entity other than a Corporation or Limited Liability Company	
<input checked="" type="checkbox"/>		<input type="checkbox"/>	

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
TIPTON WIND FARM, LLC		000000008	221119
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input checked="" type="checkbox"/>	010112	123112
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
0.00		0.00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)	
0.00		0.00	
Check box if this is a Corporation or Limited Liability Company		Check box if this is an Entity other than a Corporation or Limited Liability Company	
<input type="checkbox"/>		<input type="checkbox"/>	

1. Legal name of affiliate		2. Affiliate taxpayer number (if none, use FEI number)	3. Affiliate NAICS code
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	6. Affiliate reporting begin date m m d d y y	7. Affiliate reporting end date m m d d y y
<input type="checkbox"/>	<input type="checkbox"/>		
8. Gross receipts subject to throwback in other states (before eliminations)		9. Gross receipts everywhere (before eliminations)	
0.00		0.00	
10. Gross receipts in Texas (before eliminations)		11. Cost of goods sold or compensation (before eliminations)	
0.00		0.00	
Check box if this is a Corporation or Limited Liability Company		Check box if this is an Entity other than a Corporation or Limited Liability Company	
<input type="checkbox"/>		<input type="checkbox"/>	

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at [window.texas.gov/commonowner/](http://window.texas.gov/commonowner/). This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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**Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

► File a separate application for each return.  
 ► Information about Form 7004 and its separate instructions is at [www.irs.gov/form7004](http://www.irs.gov/form7004).

Print  
or  
Type

Name	Identifying number
E.ON US Corporation	51-0369848
Number, street, and room or suite no. (if P.O. box, see instructions.)	
353 N. Clark St., 30th Floor	
City, town, state, and ZIP code (if a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)).	
Chicago, IL 60654	

**Note.** File request for extension by the due date of the return for which the extension is granted. See instructions before completing this form.

**Part I Automatic 5-Month Extension**

1a Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 1065	09	Form 1041 (estate other than a bankruptcy estate)	04
Form 8804	31	Form 1041 (trust)	05

**Part II Automatic 6-Month Extension**

b Enter the form code for the return that this application is for (see below)

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND (section 4951 taxes)	20
Form 706-GS(T)	02	Form 1120-PC	21
Form 1041 (bankruptcy estate only)	03	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120S	25
Form 1065-B	10	Form 1120-SF	26
Form 1066	11	Form 3520-A	27
Form 1120	12	Form 8612	28
Form 1120-C	34	Form 8613	29
Form 1120-F	15	Form 8725	30
Form 1120-FSC	16	Form 8831	32
Form 1120-H	17	Form 8876	33
Form 1120-L	18	Form 8924	35
Form 1120-ND	19	Form 8928	36

- 2 If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here   
 If checked, attach a statement, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

**Part III All Filers Must Complete This Part**

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 2012, or tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_

b Short tax year. If this tax year is less than 12 months, check the reason:  Initial return  Final return  
 Change in accounting period  Consolidated return to be filed  Other (see instructions-attach explanation)

6 Tentative total tax	6	
7 Total payments and credits (see instructions)	7	
8 Balance due. Subtract line 7 from line 6 (see instructions)	8	NONE

Form 7004 - Affiliated Group Members for E.ON US Corporation

Name and Address	Employer ID
E.ON Climate & Renewables North America, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	20-0075168
EC&R Services, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	27-1769505
EC&R Energy Marketing, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	27-1769318
EC&R Development, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	27-1769631
E.ON NA Capital, LLC 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	74-3209069
Munnsville Investco, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	30-0543471
Forest Creek Investco, Inc. 353 N. Clark St., 30th Floor Chicago, IL 60654	71-0992472
EC&R Investco Mgmt II, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	90-0544248
EC&R NA Solar PV, LLC 353 N. Clark St., 30th Floor Chicago, IL 60654	90-0641860
Fidelia Communications, Inc. 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	20-4348010
E.ON North America Inc. 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	74-2183834
E.ON NA Investments, LLC 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	37-1691099
E.ON RE Investments, LLC 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	32-0381848
E.ON US Energy, LLC 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	38-3876352
EKY Corp 2751 CENTERVILLE ROAD, SUITE 231 WILMINGTON, DE 19808	16-1643813

# **Checklist Item 4**

# Project Description – Grandview Wind Farm II, LLC

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

Applicant is developing Grandview Wind Farm II, LLC (the "Project"). The Project will consist of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The Project may consist of 83 - 118 wind turbine generators, with a capacity of 1.6 megawatts to 2.4 megawatts per generator. Applicant anticipates commencing construction in the fourth quarter of 2013 and completing construction by fourth quarter of 2015. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.

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

Current land use for the private property within the Reinvestment Zone consists of farming, ranching, and oil and gas production (note that these uses can continue, as the Project is designed to be compatible with such activities).

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

## Ability to Relocate

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

# **Checklist Item 5**

## **Checklist Item 5**

**All of the wind turbines, along with the Project operations and maintenance building and a portion of the project electrical collection system and access road network are expected to be located in Groom ISD.**

# **Checklist Item 6**

## **CHECKLIST ITEM #6 AND #8**

### **Description of Qualified Investment / Qualified Property**

Grandview Wind Farm II, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts (the "Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install approximately 118 GE 1.7 megawatt turbines on property in Carson County, TX.

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

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

# **Checklist Item 7**

**Confidential**



# Checklist Item 8

## **CHECKLIST ITEM #6 AND #8**

### **Description of Qualified Investment / Qualified Property**

Grandview Wind Farm II, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts (the "Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install approximately 118 GE 1.7 megawatt turbines on property in Carson County, TX.

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

# **Checklist Item 9**

**Confidential**



# **Checklist Item 10**

**Please see Checklist Item 23.**

# **Checklist Item 11**

**Confidential**

**CONFIDENTIAL**

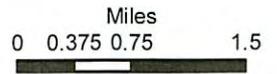
**GRANDVIEW II  
Project Area**

Carson County,  
Texas

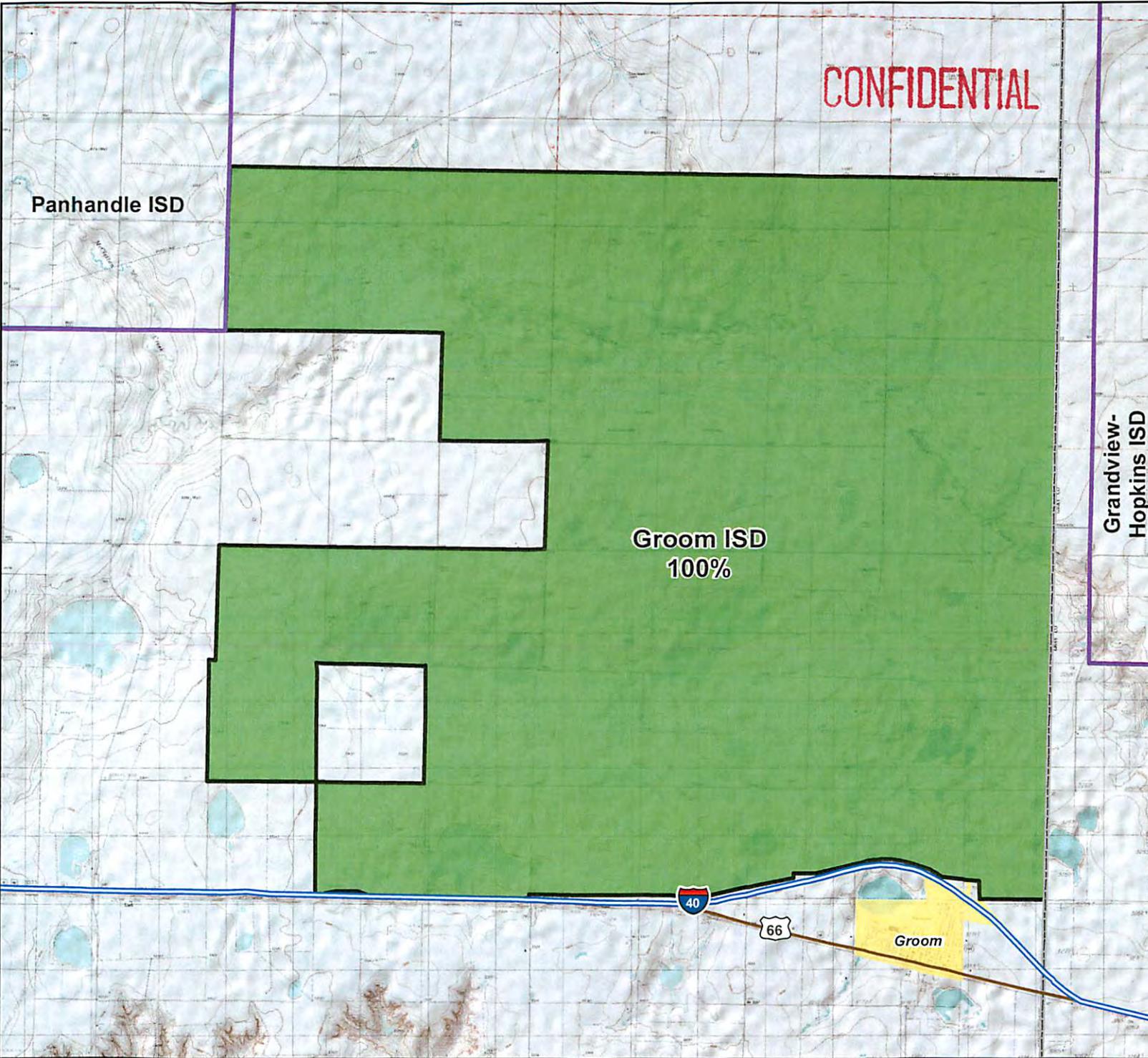


Date: November 08, 2013  
Map Scale 1:78,000  
Projection: UTM14  
Datum: North American 1983

-  School Districts
-  Counties
-  Grandview II Boundary
-  Cities



Map produced by E.ON Climate & Renewables NA for internal use only. Final analysis & site locations are to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or redistributed without expressly written permission from E.ON Climate & Renewables NA. Base map data from USGS.



Checklist Item II

# **Checklist Item 12**

**There are no existing improvements.**

# **Checklist Item 13**

# **Checklist Item 14**

**Checklist Item 14**

**CALCULATION OF WAGE REQUIREMENTS**

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

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

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

**NO MANUFACTURING DATA AVAILABLE**

**All Jobs – All Industries**

Year	Quarter	Average Weekly Wages	Annualized
2013	2Q	\$1,504	\$78,208
2013	1Q	\$1,437	\$74,724
2012	4Q	\$1,491	\$77,532
2012	3Q	<u>\$1,312</u>	<u>\$68,224</u>
		\$1,436	\$74,672
	X	<u>110% of County Average Weekly Wage for all Jobs</u>	
		\$1,579.60	\$82,139.20

# 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
2013	1st Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,437
2013	2nd Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,504

# 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	3rd Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,312
2012	4th Qtr	Carson County	Total All	00	0	10	Total, All Industries	\$1,491

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2013

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

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

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

Data intended for TAC 313 purposes only.

# Checklist Item 15

## **Description of Benefits**

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

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

# **Checklist Item 16**

NA

# **Checklist Item 17**

**Schedule A (Rev. May 2010): Investment**

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

Form 50-296

PROPERTY INVESTMENT AMOUNTS									
(Estimated Investment in each year. Do not put cumulative totals.)									
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but 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)								
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2013-2014	2013	150,000				
	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)		2014-2015	2014	1,850,000		2,000,000		2,000,000
Complete tax years of qualifying time period		1	2015-2016	2015	273,825,000		273,825,000		273,825,000
		2	2016-2017	2016					
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2017-2018	2017					
		4	2018-2019	2018					
		5	2019-2020	2019					
		6	2020-2021	2020					
		7	2021-2022	2021					
		8	2022-2023	2022					
		9	2023-2024	2023					
		10	2024-2025	2024					
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025					
		12	2026-2027	2026					
		13	2027-2028	2027					
Post- Settle-Up Period		14	2028-2029	2028					
Post- Settle-Up Period		15	2029-2030	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.

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

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

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

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

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

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

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





SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

# **Checklist Item 18**

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

Applicant Name  
ISD Name

Grandview Wind Farm II, LLC  
Groom ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
		pre- year 1	2014-2015	2014			-			
	Complete tax years of qualifying time period	1	2015-2016	2015			2,000,000		2,000,000	2,000,000
		2	2016-2017	2016			239,967,750		239,967,750	239,967,750
	Tax Credit Period (with 50% cap on credit)	3	2017-2018	2017			230,369,040		230,369,040	10,000,000
		4	2018-2019	2018			220,770,330		220,770,330	10,000,000
		5	2019-2020	2019			211,171,620		211,171,620	10,000,000
		6	2020-2021	2020			201,572,910		201,572,910	10,000,000
		7	2021-2022	2021			191,974,200		191,974,200	10,000,000
		8	2022-2023	2022			182,375,490		182,375,490	10,000,000
		9	2023-2024	2023			172,776,780		172,776,780	10,000,000
		10	2024-2025	2024			163,178,070		163,178,070	10,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025			153,579,360		153,579,360	153,579,360
		12	2026-2027	2026			143,980,650		143,980,650	143,980,650
		13	2027-2028	2027			134,381,940		134,381,940	134,381,940
Post- Settle-Up Period		14	2028-2029	2028			124,783,230		124,783,230	124,783,230
Post- Settle-Up Period		15	2029-2030	2029			115,184,520		115,184,520	115,184,520

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.



11/14/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

# **Checklist Item 19**

**Schedule C- Application: Employment Information**

Applicant Name  
ISD Name

Grandview Wind Farm II, LLC  
Groom ISD

Form 50-296

					Construction		New Jobs		Qualifying Jobs	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	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	2014-2015	2014	15 FTE	50,000				
	Complete tax years of qualifying time period	1	2015-2016	2015	100 FTE	50,000				
		2	2016-2017	2016			10	50,000	10	50,000
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2017-2018	2017			10	50,000	10	50,000
		4	2018-2019	2018			10	50,000	10	50,000
		5	2019-2020	2019			10	50,000	10	50,000
		6	2020-2021	2020			10	50,000	10	50,000
		7	2021-2022	2021			10	50,000	10	50,000
		8	2022-2023	2022			10	50,000	10	50,000
		9	2023-2024	2023			10	50,000	10	50,000
		10	2024-2025	2024			10	50,000	10	50,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025			10	50,000	10	50,000
		12	2026-2027	2026			10	50,000	10	50,000
		13	2027-2028	2027			10	50,000	10	50,000
Post- Settle-Up Period		14	2028-2029	2028			10	50,000	10	50,000
Post- Settle-Up Period		15	2029-2030	2029			10	50,000	10	50,000

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

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



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/04/13

DATE

# **Checklist Item 20**

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

Applicant Name

Grandview Wind Farm II, LLC

ISD Name

Groom ISD

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	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)			2014-2015	2014								
	Complete tax years of qualifying time period	1	2015-2016	2015	\$0.00	\$0.00	\$0.00	0%	0%	0%	0%	
		2	2016-2017	2016	\$7,308,028.00	\$27,064.00	\$0.00	70%	0%	0%	0%	
	Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2017-2018	2017	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
			4	2018-2019	2018	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
			5	2019-2020	2019	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
			6	2020-2021	2020	\$0.00	\$0.00	\$0.00	70%	0%	0%	0%
			7	2021-2022	2021	\$0.00	\$0.00	\$0.00	30%	0%	0%	0%
			8	2022-2023	2022	\$0.00	\$0.00	\$118,000.00	30%	0%	0%	0%
			9	2023-2024	2023	\$0.00	\$0.00	\$129,000.00	30%	0%	0%	0%
			10	2024-2025	2024	\$0.00	\$0.00	\$149,000.00	30%	0%	0%	0%
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2025-2026	2025	\$0.00	\$0.00	\$163,000.00	30%	0%	0%	0%	
		12	2026-2027	2026	\$0.00	\$0.00	\$172,000.00	0%	0%	0%	0%	
		13	2027-2028	2027	\$0.00	\$0.00	\$177,000.00	0%	0%	0%	0%	
Post- Settle-Up Period		14	2028-2029	2028	\$0.00	\$0.00	\$200,000.00	0%	0%	0%	0%	
Post- Settle-Up Period		15	2029-2030	2029	\$0.00	\$0.00	\$216,000.00	0%	0%	0%	0%	

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

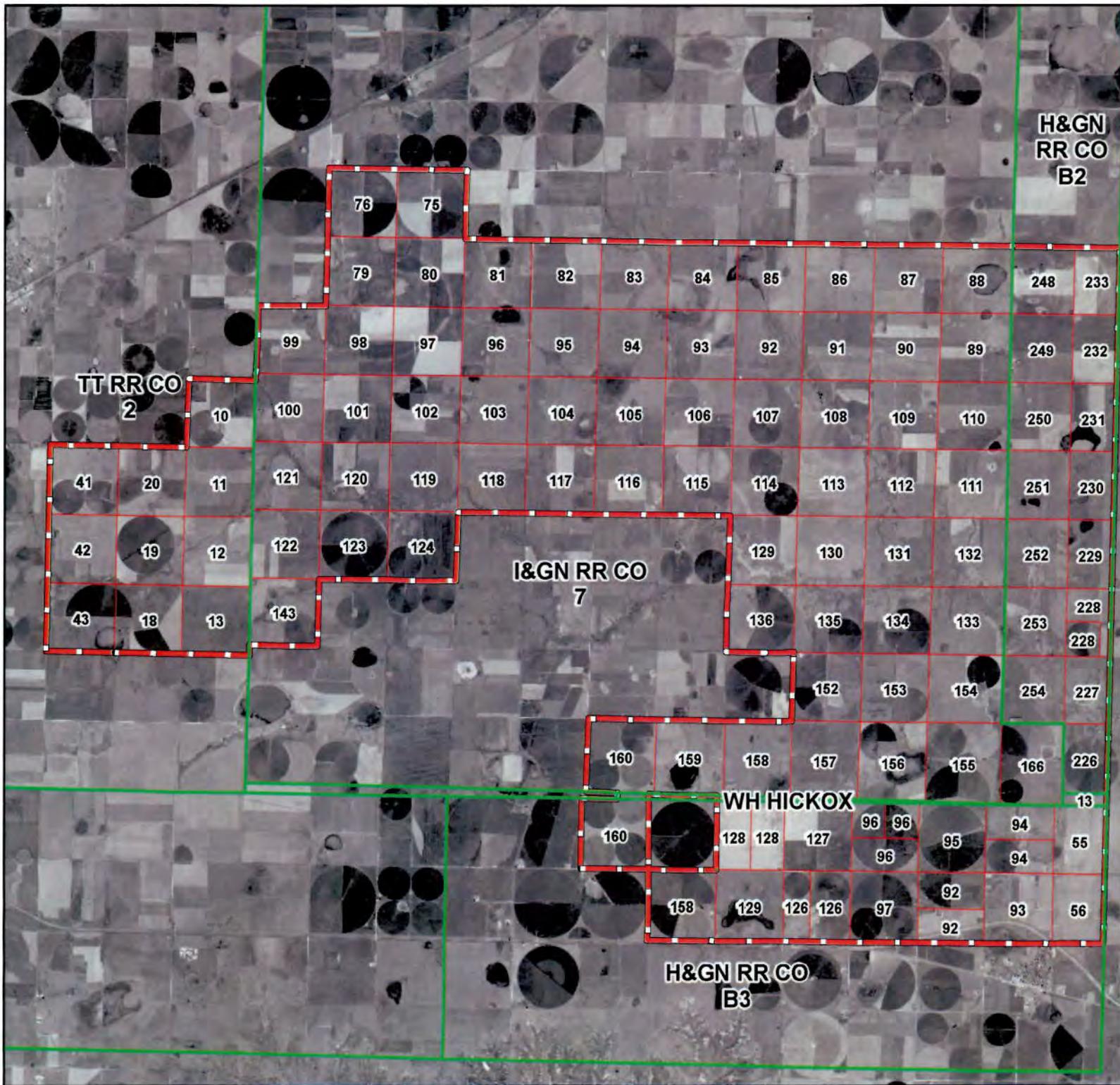
*228*

*11/14/13*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

# **Checklist Item 21**



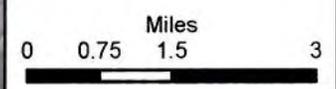
**GRANDVIEW**  
Phase II & III  
Reinvestment  
Zone

Carson County,  
Texas



Date: November 04, 2013  
Map Scale 1:125,000  
Projection: UTM14  
Datum: North American 1983

-  RZ Boundary
-  Surveys
-  Sections



Map produced by E.ON Climate & Renewables NA for internal use only. Final analysis & site locations are to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or redistributed without expressly written permission from E.ON Climate & Renewables NA. Base map data from USGS.

# **Checklist Item 22**

RESOLUTION OF THE COMMISSIONERS  
COURT OF CARSON COUNTY, TEXAS  
DESIGNATING CARSON COUNTY REINVESTMENT ZONE 10

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

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

*Whereas*, on December 9, 2013, a hearing before the Commissioners Court of Carson County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Carson County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

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

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

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

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

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

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

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Carson County Commissioners Court hereby creates Carson County Reinvestment Zone 10, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to a Carson County Reinvestment Zone 10.

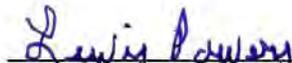
SECTION 4. That Carson County Reinvestment Zone 10 shall take effect on December 9, 2013, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

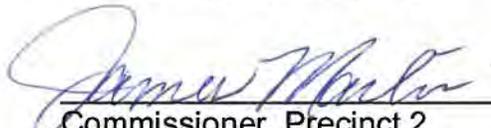
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Carson County Commissioners

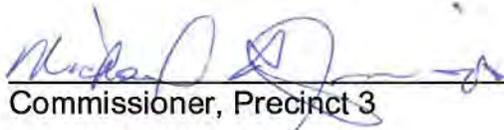
Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that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

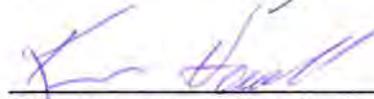
PASSED, APPROVED AND ADOPTED on this the 9th day of December, 2013.

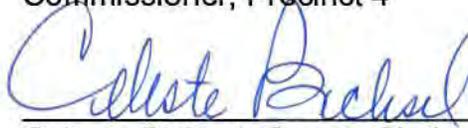
  
\_\_\_\_\_  
County Judge

  
\_\_\_\_\_  
Commissioner, Precinct 1

  
\_\_\_\_\_  
Commissioner, Precinct 2

  
\_\_\_\_\_  
Commissioner, Precinct 3

  
\_\_\_\_\_  
Commissioner, Precinct 4

  
\_\_\_\_\_  
Celeste Bichsel, County Clerk

(County Seal)

**Exhibit A**  
**Legal Description of Carson County Reinvestment Zone 10**

Carson County Reinvestment Zone 10 is comprised of the following parcels. In the event of discrepancy between this Exhibit A and the attached map in Exhibit B, the map in Exhibit B shall control.

**EXHIBIT A**

**PROPERTY DESCRIPTIONS**

All of Sections 226, 227, 228, 229, 230, 231, 232, 233, 248, 249, 250, 251, 252, 253, 254 Block B2, H&GN RR Co. Survey, Carson County, Texas

All of Sections 55, 56, 92, 93, 94, 95, 96, 97, 126, 127, 128, 129, 158 and 160 Block B3, H&GN RR Co. Survey, Carson County, Texas

All of Sections 75, 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 129, 130, 131, 132, 133, 134, 135, 136, 143, 152, 153, 154, 155, 156, 157, 158, 159, 160, 166, Block 7, I&GN RR Co. Survey, Carson County, Texas

All of Sections 10, 11, 12, 13, 18, 19, 20, 41, 42 and 43 Block 2, TT RR Co. Survey, Carson County, Texas

All of WH Hickox strip.

All of NA Steed strip in Carson County, Texas.

**Exhibit B**  
**Map of Carson County Reinvestment Zone 10**

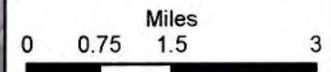
# GRANDVIEW Phase II & III Reinvestment Zone

Carson County,  
Texas



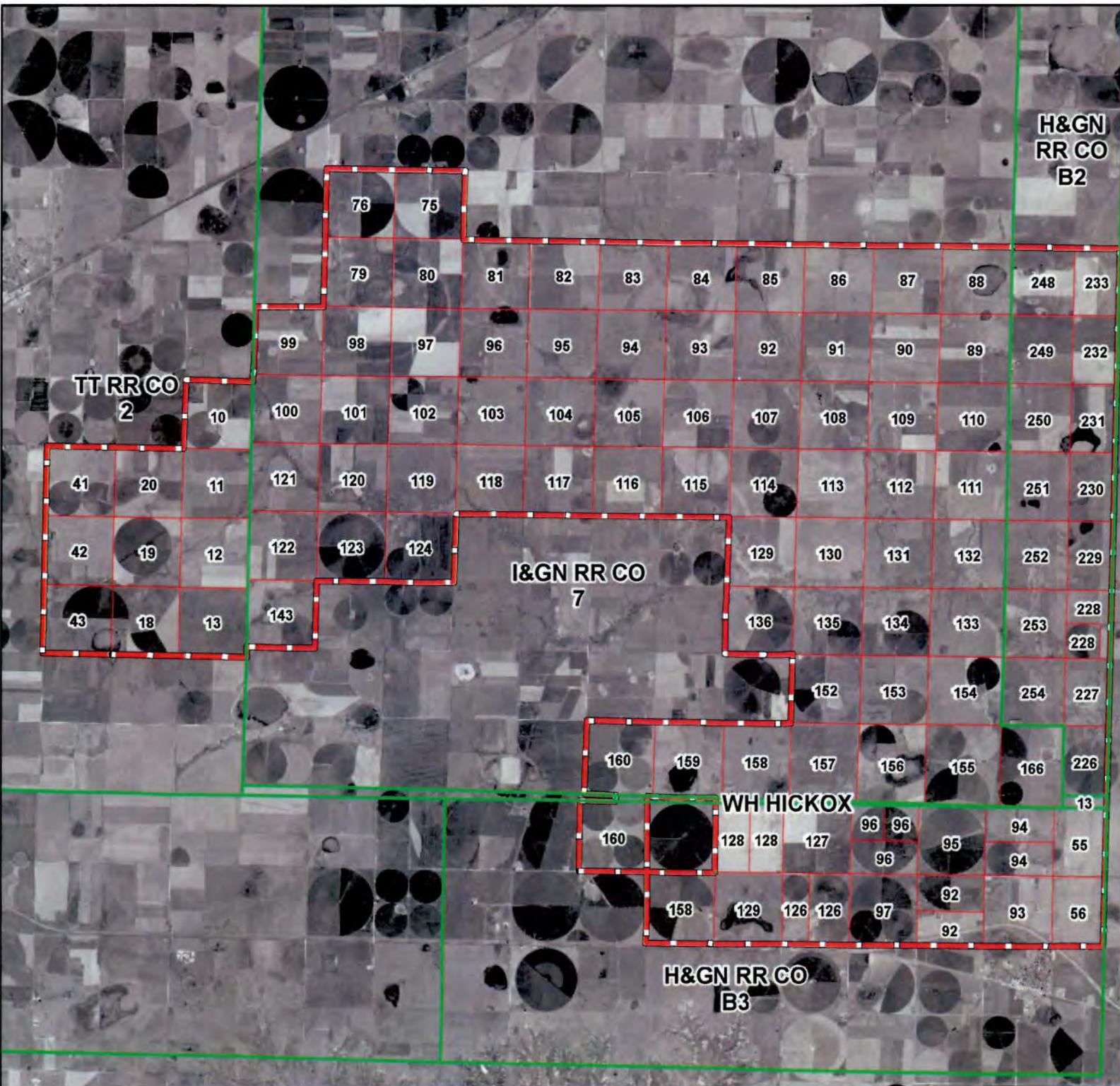
Date: November 04, 2013  
Map Scale 1:125,000  
Projection: UTM14  
Datum: North American 1983

-  RZ Boundary
-  Surveys
-  Sections



**e-on** | Climate & Renewables

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# **Checklist Item 23**

Amendment No. 001  
Attachment 23

**EXHIBIT A**

**PROPERTY DESCRIPTIONS**

All of Sections 226, 227, 228, 229, 230, 231, 232, 233, 248, 249, 250, 251, 252, 253, 254 Block B2, H&GN RR Co. Survey, Carson County, Texas

All of Sections 55, 56, 92, 93, 94, 95, 96, 97, 126, 127, 128, 129, 158 and 160 Block B3, H&GN RR Co. Survey, Carson County, Texas

All of Sections 75, 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 129, 130, 131, 132, 133, 134, 135, 136, 143, 152, 153, 154, 155, 156, 157, 158, 159, 160, 166, Block 7, I&GN RR Co. Survey, Carson County, Texas

All of Sections 10, 11, 12, 13, 18, 19, 20, 41, 42 and 43 Block 2, TT RR Co. Survey, Carson County, Texas

All of WH Hickox strip.

All of NA Steed strip in Carson County, Texas.

# Checklist Item 24

IN THE CARSON COUNTY COMMISSIONERS COURT  
CARSON COUNTY, TEXAS

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

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

I. Abatement Application Procedure

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

B. Eligible Improvements. Improvements eligible for abatement are limited to alternative and renewable energy and power facilities. Alternative or renewable energy and power facilities are the buildings and structures including fixed machinery and equipment used to produce electric power from a renewable or non-depletable power source.

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

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

D. Application Provisions. The application shall consist of a completed Carson County Tax Abatement Application Form, which shall contain the following:

- (1) information showing how the project meets the requirements of the criteria outlined in Section II below;
- (2) a map and description of the property;
- (3) a time schedule for completing the planned improvements;

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

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

- (1) An applicant may request a Tax Abatement Application form from the County Clerk or County Attorney.
- (2) After an applicant completes the Tax Abatement Application, the application must provide a copy to each member of the Carson County Commissioner=s Court and the County Clerk and the County Attorney.
- (3) The Commissioners Court shall issue a determination at any time before the expiration of sixty (60) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners Court shall choose either to deny the application, consider the application or consider the application on an expedited basis.
  - a. *Denial of Application.* If the Commissioners Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners Court that the

application should be denied.

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

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

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

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

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

## II. Criteria for Designating a Reinvestment

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Carson County

A Resolution re: Tax Abatement, Page 5

## Zone and Evaluating Tax Abatement Agreement

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

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Carson County

A Resolution re: Tax Abatement, Page 6

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

### III. Format for Tax Abatement Agreement

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

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

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Carson County

A Resolution re: Tax Abatement, Page 7

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

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

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

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

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Carson County

A Resolution re: Tax Abatement, Page 8

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

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

#### IV. General Provisions

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

#### V. Sunset and Amendment of Guidelines and Criteria

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

UNANIMOUSLY ADOPTED the 14th day of January, 2013.

 \_\_\_\_\_

County Judge

\_\_\_\_\_  
Carson County

A Resolution re: Tax Abatement, Page 9

ATTEST:

Celeste Brichsel

County Clerk

by: Geefa Cates  
Deputy



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Carson County

A Resolution re: Tax Abatement, Page 10



## Franchise Tax Account Status

As of: 12/02/2014 03:00:32 PM

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

GRANDVIEW WIND FARM II, LLC	
Texas Taxpayer Number	32052354019
Mailing Address	353 N CLARK ST FL 30 CHICAGO, IL 60654-4704
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	10/30/2013
Texas SOS File Number	0801875439
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



March 5, 2014

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

Dear Superintendent Lamb:

On Dec. 11, 2013, the Comptroller received the completed application (Application #356) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in November 2013 to the Groom Independent School District (the school district) by Grandview Wind Farm II, 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 (\$275.8 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

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

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

<sup>1</sup> 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 Dec. 11, 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](mailto:robert.wood@cpa.state.tx.us) or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood

**Economic Impact for Chapter 313 Project**

Applicant	Grandview Wind Farm II, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Groom ISD
2011-12 Enrollment in School District	132
County	Carson
Total Investment in District	\$275,825,000
Qualified Investment	\$275,825,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	10
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$962
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$885
Minimum Annual Wage committed to by applicant for qualified jobs	\$50,000
Investment per Qualifying Job	\$27,582,500
Estimated 15 year M&O levy without any limit or credit:	\$29,110,371
Estimated gross 15 year M&O tax benefit	\$19,873,670
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):	\$17,911,721
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,391,665
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$11,198,650
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	61.5%
Percentage of tax benefit due to the limitation	88.0%
Percentage of tax benefit due to the credit	12.0%

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

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

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

After construction, the project will create ten new jobs when fully operational. All ten jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Carson County is located was \$41,850 in 2012. The annual average manufacturing wage for 2012 for Carson County is unavailable. That same year, the county annual average wage for all industries was \$74,672. In addition to a salary of \$50,000, each qualifying position will receive the following benefits: medical insurance, prescription insurance, dental insurance, vision insurance, life & personal accident insurance, short- and long-term disability benefits, free instructor led and online training, tuition reimbursement, employee assistance program, adoption assistance, health care flexible spending account plan, dependent care flexible spending account plan, commuter benefits program, purchasing advantages through Insperity's marketplace, 401(k) plan, making friends international e:exchange program for children of employees, 15 to 25 days of paid vacation per year, 12 paid holidays per year, paid family and medical leave, and paid military leave. The project's total investment is \$275.8 million, resulting in a relative level of investment per qualifying job of \$27.6 million.

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

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

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

During the past two years, 28 projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

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

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

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

Table 1 depicts Grandview Wind Farm II, LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	15	17	32	\$750,000	\$1,250,000	\$2,000,000
2015	100	101	201	\$5,000,000	\$7,000,000	\$12,000,000
2016	10	10	20	\$500,000	\$1,500,000	\$2,000,000
2017	10	12	22	\$500,000	\$1,500,000	\$2,000,000
2018	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2019	10	15	25	\$500,000	\$1,500,000	\$2,000,000
2020	10	17	27	\$500,000	\$1,500,000	\$2,000,000
2021	10	19	29	\$500,000	\$2,500,000	\$3,000,000
2022	10	19	29	\$500,000	\$1,500,000	\$2,000,000
2023	10	17	27	\$500,000	\$2,500,000	\$3,000,000
2024	10	15	25	\$500,000	\$2,500,000	\$3,000,000
2025	10	21	31	\$500,000	\$2,500,000	\$3,000,000
2026	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2027	10	13	23	\$500,000	\$1,500,000	\$2,000,000
2028	10	10	20	\$500,000	\$1,500,000	\$2,000,000
2029	10	6	16	\$500,000	\$1,500,000	\$2,000,000

Source: CPA, REMI, Grandview Wind Farm II, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Groom ISD's ad valorem tax base in 2012-2013 was \$65.5 million. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Groom ISD's estimated wealth per WADA was \$298,306. The impact on the facilities and finances of the district are presented in Attachment 2.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies (Before Credit Credited)	Groom ISD M&O and I&S Tax Levies (After Credit Credited)	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes
2015	\$2,000,000	\$2,000,000	0.2320	\$4,640	\$23,400	\$28,040	\$28,040	\$10,325	\$177	\$38,542
2016	\$239,967,750	\$239,967,750		\$556,725	\$2,807,623	\$3,364,348	\$3,364,348	\$371,632	\$21,285	\$3,757,265
2017	\$230,369,040	\$10,000,000		\$534,456	\$117,000	\$651,456	\$651,456	\$356,767	\$20,434	\$1,028,657
2018	\$220,770,330	\$10,000,000		\$512,187	\$117,000	\$629,187	\$512,183	\$341,901	\$19,582	\$873,667
2019	\$211,171,620	\$10,000,000		\$489,918	\$117,000	\$606,918	\$491,402	\$327,036	\$18,731	\$837,169
2020	\$201,572,910	\$10,000,000		\$467,649	\$117,000	\$584,649	\$469,709	\$312,171	\$17,880	\$799,759
2021	\$191,974,200	\$10,000,000		\$445,380	\$117,000	\$562,380	\$448,208	\$693,713	\$17,028	\$1,158,949
2022	\$182,375,490	\$10,000,000		\$423,111	\$117,000	\$540,111	\$426,898	\$659,028	\$16,177	\$1,102,103
2023	\$172,776,780	\$10,000,000		\$400,842	\$117,000	\$517,842	\$406,645	\$624,342	\$15,325	\$1,046,312
2024	\$163,178,070	\$10,000,000		\$378,573	\$117,000	\$495,573	\$385,672	\$589,656	\$14,474	\$989,802
2025	\$153,579,360	\$153,579,360		\$356,304	\$1,796,879	\$2,153,183	\$557,462	\$554,971	\$13,622	\$1,126,055
2026	\$143,980,650	\$143,980,650		\$334,035	\$1,684,574	\$2,018,609	\$2,018,609	\$743,264	\$12,771	\$2,774,644
2027	\$134,381,940	\$134,381,940		\$311,766	\$1,572,269	\$1,884,035	\$1,884,035	\$693,713	\$11,920	\$2,589,668
2028	\$124,783,230	\$124,783,230		\$289,497	\$1,459,964	\$1,749,461	\$1,749,461	\$644,162	\$11,068	\$2,404,691
2029	\$115,184,520	\$115,184,520		\$267,228	\$1,347,659	\$1,614,887	\$1,614,887	\$594,611	\$10,217	\$2,219,715
						<b>Total</b>	<b>\$15,009,014</b>	<b>\$7,517,292</b>	<b>\$220,691</b>	<b>\$22,746,998</b>

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Grandview Wind Farm II, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Groom ISD I&S Levy	Groom ISD M&O Levy	Groom ISD M&O and I&S Tax Levies	Carson County Tax Levy	Panhandle Ground Water Conservation District #3 Tax Levy	Estimated Total Property Taxes	
2015	\$2,000,000	\$2,000,000	0.2320	\$4,640	\$23,400	\$28,040	\$10,325	\$177	\$38,542	
2016	\$239,967,750	\$239,967,750		\$556,725	\$2,807,623	\$3,364,348	\$1,238,774	\$21,285	\$4,624,407	
2017	\$230,369,040	\$230,369,040		\$534,456	\$2,695,318	\$3,229,774	\$1,189,223	\$20,434	\$4,439,430	
2018	\$220,770,330	\$220,770,330		\$512,187	\$2,583,013	\$3,095,200	\$1,139,672	\$19,582	\$4,254,454	
2019	\$211,171,620	\$211,171,620		\$489,918	\$2,470,708	\$2,960,626	\$1,090,121	\$18,731	\$4,069,478	
2020	\$201,572,910	\$201,572,910		\$467,649	\$2,358,403	\$2,826,052	\$1,040,570	\$17,880	\$3,884,501	
2021	\$191,974,200	\$191,974,200		\$445,380	\$2,246,098	\$2,691,478	\$991,019	\$17,028	\$3,699,525	
2022	\$182,375,490	\$182,375,490		\$423,111	\$2,133,793	\$2,556,904	\$941,468	\$16,177	\$3,514,549	
2023	\$172,776,780	\$172,776,780		\$400,842	\$2,021,488	\$2,422,330	\$891,917	\$15,325	\$3,329,573	
2024	\$163,178,070	\$163,178,070		\$378,573	\$1,909,183	\$2,287,757	\$842,366	\$14,474	\$3,144,596	
2025	\$153,579,360	\$153,579,360		\$356,304	\$1,796,879	\$2,153,183	\$792,815	\$13,622	\$2,959,620	
2026	\$143,980,650	\$143,980,650		\$334,035	\$1,684,574	\$2,018,609	\$743,264	\$12,771	\$2,774,644	
2027	\$134,381,940	\$134,381,940		\$311,766	\$1,572,269	\$1,884,035	\$693,713	\$11,920	\$2,589,668	
2028	\$124,783,230	\$124,783,230		\$289,497	\$1,459,964	\$1,749,461	\$644,162	\$11,068	\$2,404,691	
2029	\$115,184,520	\$115,184,520		\$267,228	\$1,347,659	\$1,614,887	\$594,611	\$10,217	\$2,219,715	
						<b>Total</b>	<b>\$34,882,684</b>	<b>\$12,844,018</b>	<b>\$220,691</b>	<b>\$47,947,393</b>

Source: CPA, Grandview Wind Farm II, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "TABLE II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$25,791,137. The estimated gross 13 year M&O tax benefit, or levy loss, is \$19,873,669.

Attachment 3 is an economic overview of Carson County.

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

# Attachments

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

# **Attachment 1**



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

Grandview Wind Farm II, LLC

Applicant Name  
ISD Name

Form 50-296

Groom ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
pre-year 1	2014-2015	2014			-			
Complete tax years of qualifying time period	1	2015-2016			2,000,000		2,000,000	2,000,000
	2	2016-2017			239,967,750		239,967,750	239,967,750
	3	2017-2018			230,369,040		230,369,040	10,000,000
	4	2018-2019			220,770,330		220,770,330	10,000,000
	5	2019-2020			211,171,620		211,171,620	10,000,000
Tax Credit Period (with 50% cap on credit)	6	2020-2021			201,572,910		201,572,910	10,000,000
	7	2021-2022			191,974,200		191,974,200	10,000,000
	8	2022-2023			182,375,490		182,375,490	10,000,000
	9	2023-2024			172,776,780		172,776,780	10,000,000
	10	2024-2025			163,178,070		163,178,070	10,000,000
Credit Settle-Up Period	11	2025-2026			153,579,360		153,579,360	153,579,360
	12	2026-2027			143,980,650		143,980,650	143,980,650
	13	2027-2028			134,381,940		134,381,940	134,381,940
Post- Settle-Up Period	14	2028-2029			124,783,230		124,783,230	124,783,230
	15	2029-2030			115,184,520		115,184,520	115,184,520

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 these amounts for future years.

*[Signature]*

11/14/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

**Schedule C- Application: Employment Information**

Form 50-296

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

	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	2014-2015	2014	15 FTE	50,000				
Complete tax years of qualifying time period	1	2015-2016	2015	100 FTE	50,000				
	2	2016-2017	2016			10	50,000	10	50,000
	3	2017-2018	2017			10	50,000	10	50,000
	4	2018-2019	2018			10	50,000	10	50,000
	5	2019-2020	2019			10	50,000	10	50,000
Value Limitation Period	6	2020-2021	2020			10	50,000	10	50,000
	7	2021-2022	2021			10	50,000	10	50,000
	8	2022-2023	2022			10	50,000	10	50,000
	9	2023-2024	2023			10	50,000	10	50,000
	10	2024-2025	2024			10	50,000	10	50,000
Credit Settle-Up Period (with 50% cap on credit)	11	2025-2026	2025			10	50,000	10	50,000
	12	2026-2027	2026			10	50,000	10	50,000
	13	2027-2028	2027			10	50,000	10	50,000
Continue to Maintain Viable Presence	14	2028-2029	2028			10	50,000	10	50,000
	15	2029-2030	2029			10	50,000	10	50,000

Notes: For job definitions see TAC §9. 1051(14) and Tax Code §313.021(3).

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

*[Handwritten Signature]*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*11/14/13*

DATE



# Attachment 2



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael Williams  
Commissioner

March 3, 2014

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

Dear Mr. Wood:

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

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Al McKenzie".

Al McKenzie, Manager  
Foundation School Program Support

AM/rk

March 3, 2014

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Grandview Windfarm II LLC project on the number and size of school facilities in Groom Independent School District (GISD). Based on the analysis prepared by McDowell & Brown for the school district and a conversation with the GISD superintendent, Jay Lamb, the TEA has found that the Grandview Windfarm II LLC project would not have a significant impact on the number or size of school facilities in GISD.

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

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk

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

**Prepared by**

**Randy McDowell, RTSBA**

**&**

**Neal Brown**

**School Finance Consultants**

# **Groom ISD Financial Impact of Chapter 313 Agreement**

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

### **Introduction**

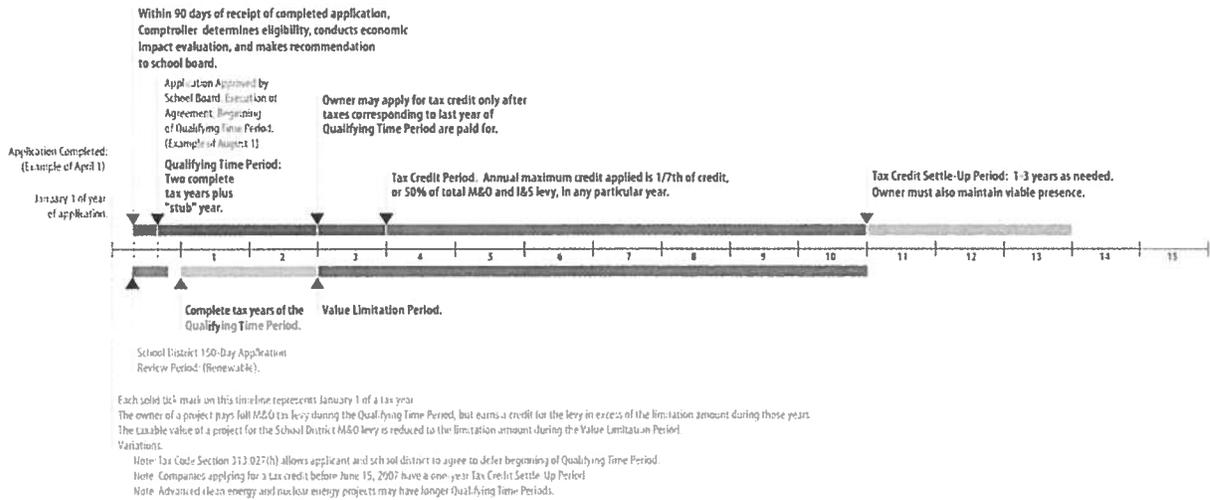
Grandview Wind Farm II, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on November 12, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm II, LLC ("Grandview Wind II"), is requesting the property value limitation as a "renewable energy electric generation" project as listed in Sec. 313.024.(b) of the Tax Code.

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

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

# Groom ISD Financial Impact of Chapter 313 Agreement

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



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

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

## Groom ISD Financial Impact of Chapter 313 Agreement

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has a minimum qualified investment amount of \$10 million. A qualifying entity's taxable value would be reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Groom ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

### Taxable Value Impact from LAVA

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

**TABLE I- Calculation of Taxable Value:**

Tax Year	Additional Value From Grandview Wind II	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	2,000,000	n/a	0	2,000,000
Jan. 1, 2016	239,967,750	n/a	0	239,967,750
Jan. 1, 2017	230,369,040	(10,000,000)	220,369,040	10,000,000
Jan. 1, 2018	220,770,330	(10,000,000)	210,770,330	10,000,000
Jan. 1, 2019	211,171,620	(10,000,000)	201,171,620	10,000,000
Jan. 1, 2020	201,572,910	(10,000,000)	191,572,910	10,000,000
Jan. 1, 2021	191,974,200	(10,000,000)	181,974,200	10,000,000
Jan. 1, 2022	182,375,490	(10,000,000)	172,375,490	10,000,000
Jan. 1, 2023	172,776,780	(10,000,000)	162,776,780	10,000,000
Jan. 1, 2024	163,178,070	(10,000,000)	153,178,070	10,000,000
Jan. 1, 2025	153,579,360	n/a	0	153,579,360
Jan. 1, 2026	143,980,650	n/a	0	143,980,650
Jan. 1, 2027	134,381,940	n/a	0	134,381,940

# Groom ISD Financial Impact of Chapter 313 Agreement

## Grandview Wind II's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind II is \$17.91 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2016-2017 and 2025-2026 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.232 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.1700	0.206	23,400	0	n/a	0	0
2016-2017	1.0400	0.049	2,495,665	0	n/a	0	0
2017-2018	1.1700	0.051	2,695,318	2,578,318	n/a	(1,539,017)	1,039,301
2018-2019	1.1700	0.053	2,583,013	2,466,013	117,004	(80,990)	2,502,027
2019-2020	1.1700	0.054	2,470,708	2,353,708	115,516	(74,236)	2,394,988
2020-2021	1.1700	0.056	2,358,403	2,241,403	114,940	(67,453)	2,288,891
2021-2022	1.1700	0.058	2,246,098	2,129,098	114,173	(62,167)	2,181,104
2022-2023	1.1700	0.060	2,133,793	2,016,793	113,213	(53,364)	2,076,642
2023-2024	1.1700	0.061	2,021,488	1,904,488	111,197	(46,049)	1,969,636
2024-2025	1.1700	0.063	1,909,183	1,792,183	109,901	(38,674)	1,863,411
2025-2026	1.0400	0.066	1,597,225	0	1,595,721	0	1,595,721
2026-2027	1.1700	0.068	1,684,574	0	0	0	0
2027-2028	1.1700	0.000	1,572,269	0	0	0	0
<b>Totals</b>			<b>25,791,137</b>	<b>17,482,005</b>	<b>2,391,665</b>	<b>(1,961,949)</b>	<b>17,911,721</b>

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Financial Impact Study

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

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

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

# Groom ISD Financial Impact of Chapter 313 Agreement

## Calculation of LAVA Impact on District's Finances

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

**TABLE III – District Revenues *without* Grandview Wind II:**

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2015-2016	73,032,403	730,324	453,464	1,980	1,181,808	164,002	1,345,810
2016-2017	73,762,727	737,627	440,241	2,395	1,175,474	164,370	1,339,844
2017-2018	74,500,354	745,004	424,054	3,600	1,165,457	164,749	1,330,206
2018-2019	75,245,358	752,454	411,455	4,812	1,159,097	165,138	1,324,235
2019-2020	75,997,812	759,978	393,642	6,029	1,147,591	165,538	1,313,129
2020-2021	76,757,790	767,578	380,894	7,252	1,141,219	165,947	1,307,167
2021-2022	77,525,368	775,254	368,070	8,481	1,134,842	166,368	1,301,210
2022-2023	78,300,621	783,006	355,172	9,717	1,128,461	166,799	1,295,260
2023-2024	79,083,627	790,836	342,199	10,959	1,122,076	167,240	1,289,316
2024-2025	79,874,464	798,745	329,144	12,208	1,115,681	167,692	1,283,373
2025-2026	80,673,208	806,732	316,010	13,463	1,109,279	168,155	1,277,434
2026-2027	81,479,940	814,799	302,796	14,725	1,102,871	168,629	1,271,500
2027-2028	82,294,740	822,947	289,638	15,993	1,096,592	169,114	1,265,706

## Groom ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2015-2016	75,032,403	750,324	448,822	2,436	1,196,710	168,016	1,364,726
2016-2017	313,730,477	3,137,305	393,538	0	3,530,843	226,716	3,757,559
2017-2018	304,869,394	3,048,694	84,434	2,231,445	901,683	514,403	1,416,086
2018-2019	296,015,688	2,960,157	83,336	2,139,949	903,544	499,502	1,403,046
2019-2020	287,169,432	2,871,694	77,441	2,048,553	900,582	484,614	1,385,196
2020-2021	278,330,700	2,783,307	76,677	1,957,260	902,724	469,738	1,372,462
2021-2022	269,499,568	2,694,996	77,437	1,866,077	906,355	454,875	1,361,231
2022-2023	260,676,111	2,606,761	74,712	1,775,010	906,463	440,026	1,346,489
2023-2024	251,860,407	2,518,604	73,513	1,684,066	908,050	425,189	1,333,239
2024-2025	243,052,534	2,430,525	72,295	1,593,253	909,567	410,365	1,319,932
2025-2026	234,252,568	2,342,526	71,434	1,502,580	911,380	395,555	1,306,935
2026-2027	225,460,590	2,254,606	70,181	1,412,057	912,731	380,758	1,293,489
2027-2028	216,676,680	2,166,767	68,906	1,321,694	913,979	365,975	1,279,954

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

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O		Total District Revenue
						Taxes > Comp Rate	Payment for District Losses	
2015-2016	75,032,403	750,324	448,822	2,436	1,196,710	168,016	0	1,364,726
2016-2017	313,730,477	3,137,305	393,538	0	3,530,843	226,716	0	3,757,559
2017-2018	84,500,354	845,004	(492,494)	618,962	(266,453)	143,522	1,539,017	1,416,086
2018-2019	85,245,358	852,454	310,455	16,275	1,146,633	175,422	80,990	1,403,046
2019-2020	85,997,812	859,978	292,642	17,487	1,135,133	175,827	74,236	1,385,196
2020-2021	86,757,790	867,578	279,894	18,705	1,128,767	176,243	67,453	1,372,462
2021-2022	87,525,368	875,254	267,070	19,929	1,122,395	176,669	62,167	1,361,231
2022-2023	88,300,621	883,006	254,173	21,160	1,116,020	177,105	53,364	1,346,489
2023-2024	89,083,627	890,836	241,198	22,397	1,109,638	177,552	46,049	1,333,239
2024-2025	89,874,464	898,745	228,145	23,640	1,103,249	178,009	38,674	1,319,932
2025-2026	234,252,568	2,342,526	201,613	0	2,544,138	135,219	0	2,679,358
2026-2027	225,460,590	2,254,606	70,181	1,412,057	912,731	380,758	0	1,293,489
2027-2028	216,676,680	2,166,767	68,906	1,321,694	913,979	365,975	0	1,279,954

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79<sup>th</sup> Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses in year three of the LAVA offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82<sup>nd</sup> Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

## Groom ISD Financial Impact of Chapter 313 Agreement

### Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm II, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Grandview Wind II, the projected amount of these payments over the life of the agreement is \$160,579 of the \$17.91 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

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

Fiscal Year	Net Tax Savings	Groom ISD Share \$100/ADA	Grandview Wind II's Share
2015-2016	0	12,727	(12,727)
2016-2017	0	12,664	(12,664)
2017-2018	1,039,301	12,600	1,026,701
2018-2019	2,502,027	12,537	2,489,490
2019-2020	2,394,988	12,475	2,382,514
2020-2021	2,288,891	12,412	2,276,478
2021-2022	2,181,104	12,350	2,168,754
2022-2023	2,076,642	12,288	2,064,354
2023-2024	1,969,636	12,227	1,957,409
2024-2025	1,863,411	12,166	1,851,245
2025-2026	1,595,721	12,105	1,583,616
2026-2027	0	12,044	(12,044)
2027-2028	0	11,984	(11,984)
<b>Totals</b>	<b>17,911,721</b>	<b>160,579</b>	<b>17,751,141</b>

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Impact of Projected Student Growth On District Facilities

**TABLE VII – Campus Capacity and Available Growth**

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

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

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

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

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

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Conclusion

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

Grandview Wind Farm II, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Grandview Wind II is projected to benefit from a 88% tax savings over the first eleven year period of this agreement. Grandview Wind II also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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

# Attachment 3

# Carson County

## Population

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

<b>Panhandle:</b>	2,425	<b>White Deer:</b>	982
<b>Skellytown:</b>	569	<b>Groom:</b>	548

## Economy and Income

### Employment

- September 2011 total employment in Carson County: 3,099 , up 0.8 percent from September 2010. State total employment increased 0.9 percent during the same period.  
*(October 2011 employment data will be available November 18, 2011).*
- September 2011 Carson County unemployment rate: 5.4 percent, up from 4.7 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

### Income

- Carson County's ranking in per capita personal income in 2009: 57th with an average per capita income of \$37,163, down 0.2 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

### Industry

- Agricultural cash values in Carson County averaged \$66.85 million annually from 2007 to 2010. County total agricultural values in 2010 were up 42.1 percent from 2009. Major agriculture related commodities in Carson County during 2010 included:
  - Sorghum      ▪ Other Beef      ▪ Wheat      ▪ Cotton      ▪ Corn
- 2011 oil and gas production in Carson County: 158,747.0 barrels of oil and 8.8 million Mcf of gas. In September 2011, there were 1420 producing oil wells and 543 producing gas wells.

## Taxes

### Sales Tax - Taxable Sales

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

*Quarterly (September 2010 through December 2010)*

- Taxable sales in Carson County during the fourth quarter 2010: \$4.29 million, down 3.9 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

<b>Panhandle:</b>	\$1.50 million, up 0.9 percent from the same quarter in 2009.
<b>White Deer:</b>	\$1.04 million, down 2.7 percent from the same quarter in 2009.
<b>Skellytown:</b>	\$133,132.00, up 0.3 percent from the same quarter in 2009.
<b>Groom:</b>	\$599,521.00, up 7.9 percent from the same quarter in 2009.

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

- Taxable sales in Carson County through the fourth quarter of 2010: \$15.97 million, down 1.8 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

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

*Annual (2010)*

- Taxable sales in Carson County during 2010: \$15.97 million, down 1.8 percent from 2009.
- Carson County sent an estimated \$997,921.88 (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

<b>Panhandle:</b>	\$5.72 million, up 3.5 percent from 2009.
<b>White Deer:</b>	\$3.17 million, up 0.9 percent from 2009.
<b>Skellytown:</b>	\$570,791.00, up 4.5 percent from 2009.
<b>Groom:</b>	\$2.12 million, up 9.3 percent from 2009.

**Sales Tax – Local Sales Tax Allocations**

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

**Monthly**

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Carson County based on the sales activity month of August 2011: \$28,536.32, down 4.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

<b>Panhandle:</b>	\$13,979.14, up 21.0 percent from August 2010.
<b>White Deer:</b>	\$7,475.77, down 32.5 percent from August 2010.
<b>Skellytown:</b>	\$1,664.29, down 10.5 percent from August 2010.
<b>Groom:</b>	\$5,417.12, up 2.7 percent from August 2010.

**Fiscal Year**

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Carson County based on sales activity months from September 2010 through August 2011: \$359,245.74, down 1.6 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

<b>Panhandle:</b>	\$167,505.02, up 10.0 percent from fiscal 2010.
<b>White Deer:</b>	\$101,473.36, up 0.3 percent from fiscal 2010.
<b>Skellytown:</b>	\$22,911.96, down 37.4 percent from fiscal 2010.
<b>Groom:</b>	\$67,355.40, down 10.3 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Carson County based on sales activity months through August 2011: \$234,340.47, down 0.6 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

<b>Panhandle:</b>	\$112,576.02, up 12.1 percent from the same period in 2010.
<b>White Deer:</b>	\$65,544.15, up 9.0 percent from the same period in 2010.
<b>Skellytown:</b>	\$14,312.38, down 47.1 percent from the same period in 2010.
<b>Groom:</b>	\$41,907.92, down 12.7 percent from the same period in 2010.

**12 months ending in August 2011**

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Carson County based on sales activity in the 12 months ending in August 2011: \$359,245.74, down 1.6 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

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

**City Calendar Year-To-Date (RJ 2011)**

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

<b>Panhandle:</b>	\$143,218.50, up 12.9 percent from the same period in 2010.
<b>White Deer:</b>	\$87,250.49, up 5.1 percent from the same period in 2010.
<b>Skellytown:</b>	\$19,342.17, down 38.9 percent from the same period in 2010.
<b>Groom:</b>	\$55,041.28, down 9.8 percent from the same period in 2010.

**Annual (2010)**

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.

- Payments to all cities in Carson County based on sales activity months in 2010: \$360,548.74, up 5.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Panhandle:	\$155,380.52, up 2.4 percent from 2009.
White Deer:	\$96,050.33, down 5.9 percent from 2009.
Skellytown:	\$35,649.27, up 50.3 percent from 2009.
Groom:	\$73,468.62, up 12.0 percent from 2009.

***Property Tax***

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

**State Expenditures**

- Carson County's ranking in state expenditures by county in fiscal year 2010: 206th. State expenditures in the county for FY2010: \$16.67 million, down 0.5 percent from FY2009.
- In Carson County, 8 state agencies provide a total of 39 jobs and \$402,980.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Department of Transportation
  - Department of Public Safety
  - Department of Aging and Disability Services
  - AgriLife Extension Service

**Higher Education**

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

**School Districts**

- Carson County had 3 school districts with 6 schools and 1,179 students in the 2009-10 school year. (Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
  - Groom ISD had 134 students in the 2009-10 school year. The average teacher salary was \$43,590. The percentage of students meeting the 2010 TAKS passing standard for all tests was 91 percent.
  - Panhandle ISD had 660 students in the 2009-10 school year. The average teacher salary was \$42,798. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
  - White Deer ISD had 385 students in the 2009-10 school year. The average teacher salary was \$42,681. The percentage of students meeting the 2010 TAKS passing standard for all tests was 79 percent.

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

Prepared by

**Randy McDowell, RTSBA**

**&**

**Neal Brown**

**School Finance Consultants**

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

## **Introduction**

Grandview Wind Farm II, LLC applied for a property value limitation from Groom Independent School District under Chapter 313 of the Tax Code. The application was submitted on November 12, 2013 and subsequently approved for consideration by the Groom ISD Board of Trustees. Grandview Wind Farm II, LLC (“Grandview Wind II”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

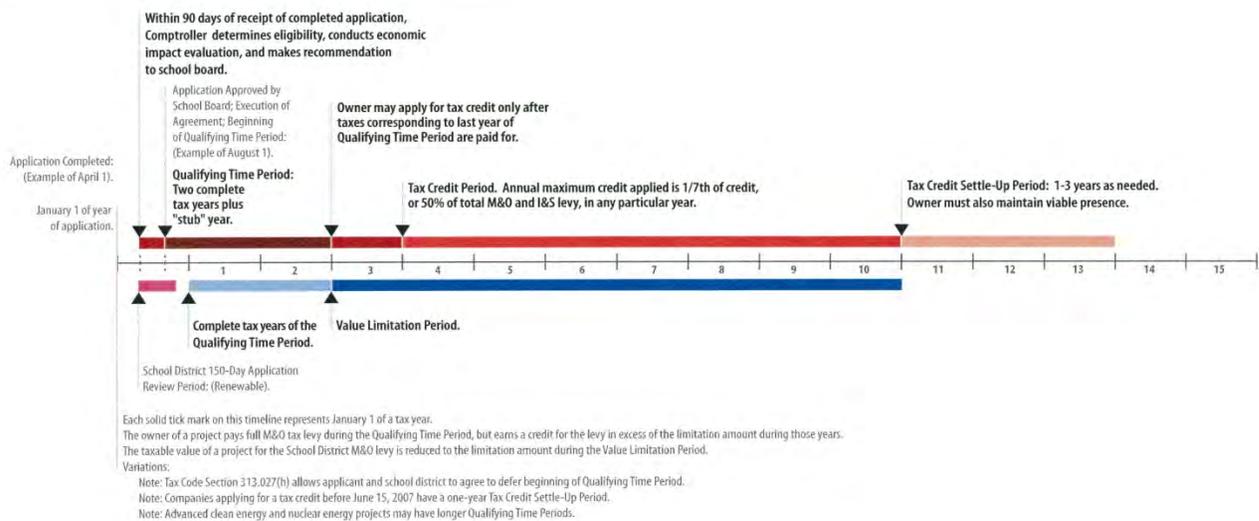
“The Economic Development Act”, Tax Code Chapter 313, was created by House Bill 1200 of the 77<sup>th</sup> Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80<sup>th</sup> Texas Legislative Session in 2007.

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

# Groom ISD Financial Impact of Chapter 313 Agreement

## Appraised Value Limitation and Credit under Tax Code

Chapter 313 for School District Maintenance & Operations (M&O) Tax



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

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

## Groom ISD Financial Impact of Chapter 313 Agreement

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has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Groom ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

### Taxable Value Impact from LAVA

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

**TABLE I- Calculation of Taxable Value:**

Tax Year	Additional Value From Grandview Wind II	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	2,000,000	n/a	0	2,000,000
Jan. 1, 2016	239,967,750	n/a	0	239,967,750
Jan. 1, 2017	230,369,040	(10,000,000)	220,369,040	10,000,000
Jan. 1, 2018	220,770,330	(10,000,000)	210,770,330	10,000,000
Jan. 1, 2019	211,171,620	(10,000,000)	201,171,620	10,000,000
Jan. 1, 2020	201,572,910	(10,000,000)	191,572,910	10,000,000
Jan. 1, 2021	191,974,200	(10,000,000)	181,974,200	10,000,000
Jan. 1, 2022	182,375,490	(10,000,000)	172,375,490	10,000,000
Jan. 1, 2023	172,776,780	(10,000,000)	162,776,780	10,000,000
Jan. 1, 2024	163,178,070	(10,000,000)	153,178,070	10,000,000
Jan. 1, 2025	153,579,360	n/a	0	153,579,360
Jan. 1, 2026	143,980,650	n/a	0	143,980,650
Jan. 1, 2027	134,381,940	n/a	0	134,381,940

# Groom ISD Financial Impact of Chapter 313 Agreement

## Grandview Wind II's Tax Benefit from Agreement

The projected amount of the net tax savings for Grandview Wind II is \$17.91 million over the life of the Agreement. This net savings is after all tax credits have been applied and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement. The M&O rate for 2016-2017 and 2025-2026 is projected to decrease to \$1.04, due to the rollback tax rate calculation.
- The district currently has outstanding bonded indebtedness that are scheduled to payoff in 2027 and currently has a \$.232 I&S rate. The annual debt payment is approximately \$155,000. The additional value of the company will further reduce the I&S tax rate. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.1700	0.206	23,400	0	n/a	0	0
2016-2017	1.0400	0.049	2,495,665	0	n/a	0	0
2017-2018	1.1700	0.051	2,695,318	2,578,318	n/a	(1,539,017)	1,039,301
2018-2019	1.1700	0.053	2,583,013	2,466,013	117,004	(80,990)	2,502,027
2019-2020	1.1700	0.054	2,470,708	2,353,708	115,516	(74,236)	2,394,988
2020-2021	1.1700	0.056	2,358,403	2,241,403	114,940	(67,453)	2,288,891
2021-2022	1.1700	0.058	2,246,098	2,129,098	114,173	(62,167)	2,181,104
2022-2023	1.1700	0.060	2,133,793	2,016,793	113,213	(53,364)	2,076,642
2023-2024	1.1700	0.061	2,021,488	1,904,488	111,197	(46,049)	1,969,636
2024-2025	1.1700	0.063	1,909,183	1,792,183	109,901	(38,674)	1,863,411
2025-2026	1.0400	0.066	1,597,225	0	1,595,721	0	1,595,721
2026-2027	1.1700	0.068	1,684,574	0	0	0	0
2027-2028	1.1700	0.000	1,572,269	0	0	0	0
<b>Totals</b>			<b>25,791,137</b>	<b>17,482,005</b>	<b>2,391,665</b>	<b>(1,961,949)</b>	<b>17,911,721</b>

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Financial Impact Study

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

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

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

# Groom ISD Financial Impact of Chapter 313 Agreement

## Calculation of LAVA Impact on District's Finances

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

**TABLE III – District Revenues *without* Grandview Wind II:**

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold	M&O	Total
		Compressed Rate	State Revenue		Harmless Revenue	Taxes > Comp Rate	District Revenue
2015-2016	73,032,403	730,324	453,464	1,980	1,181,808	164,002	1,345,810
2016-2017	73,762,727	737,627	440,241	2,395	1,175,474	164,370	1,339,844
2017-2018	74,500,354	745,004	424,054	3,600	1,165,457	164,749	1,330,206
2018-2019	75,245,358	752,454	411,455	4,812	1,159,097	165,138	1,324,235
2019-2020	75,997,812	759,978	393,642	6,029	1,147,591	165,538	1,313,129
2020-2021	76,757,790	767,578	380,894	7,252	1,141,219	165,947	1,307,167
2021-2022	77,525,368	775,254	368,070	8,481	1,134,842	166,368	1,301,210
2022-2023	78,300,621	783,006	355,172	9,717	1,128,461	166,799	1,295,260
2023-2024	79,083,627	790,836	342,199	10,959	1,122,076	167,240	1,289,316
2024-2025	79,874,464	798,745	329,144	12,208	1,115,681	167,692	1,283,373
2025-2026	80,673,208	806,732	316,010	13,463	1,109,279	168,155	1,277,434
2026-2027	81,479,940	814,799	302,796	14,725	1,102,871	168,629	1,271,500
2027-2028	82,294,740	822,947	289,638	15,993	1,096,592	169,114	1,265,706

## Groom ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	Total Taxable Value	M&O Taxes			Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue	Recapture Amount			
2015-2016	75,032,403	750,324	448,822	2,436	1,196,710	168,016	1,364,726
2016-2017	313,730,477	3,137,305	393,538	0	3,530,843	226,716	3,757,559
2017-2018	304,869,394	3,048,694	84,434	2,231,445	901,683	514,403	1,416,086
2018-2019	296,015,688	2,960,157	83,336	2,139,949	903,544	499,502	1,403,046
2019-2020	287,169,432	2,871,694	77,441	2,048,553	900,582	484,614	1,385,196
2020-2021	278,330,700	2,783,307	76,677	1,957,260	902,724	469,738	1,372,462
2021-2022	269,499,568	2,694,996	77,437	1,866,077	906,355	454,875	1,361,231
2022-2023	260,676,111	2,606,761	74,712	1,775,010	906,463	440,026	1,346,489
2023-2024	251,860,407	2,518,604	73,513	1,684,066	908,050	425,189	1,333,239
2024-2025	243,052,534	2,430,525	72,295	1,593,253	909,567	410,365	1,319,932
2025-2026	234,252,568	2,342,526	71,434	1,502,580	911,380	395,555	1,306,935
2026-2027	225,460,590	2,254,606	70,181	1,412,057	912,731	380,758	1,293,489
2027-2028	216,676,680	2,166,767	68,906	1,321,694	913,979	365,975	1,279,954

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

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2016-2017	313,730,477	3,137,305	393,538	0	3,530,843	226,716	0	3,757,559
2017-2018	84,500,354	845,004	(492,494)	618,962	(266,453)	143,522	1,539,017	1,416,086
2018-2019	85,245,358	852,454	310,455	16,275	1,146,633	175,422	80,990	1,403,046
2019-2020	85,997,812	859,978	292,642	17,487	1,135,133	175,827	74,236	1,385,196
2020-2021	86,757,790	867,578	279,894	18,705	1,128,767	176,243	67,453	1,372,462
2021-2022	87,525,368	875,254	267,070	19,929	1,122,395	176,669	62,167	1,361,231
2022-2023	88,300,621	883,006	254,173	21,160	1,116,020	177,105	53,364	1,346,489
2023-2024	89,083,627	890,836	241,198	22,397	1,109,638	177,552	46,049	1,333,239
2024-2025	89,874,464	898,745	228,145	23,640	1,103,249	178,009	38,674	1,319,932
2025-2026	234,252,568	2,342,526	201,613	0	2,544,138	135,219	0	2,679,358
2026-2027	225,460,590	2,254,606	70,181	1,412,057	912,731	380,758	0	1,293,489
2027-2028	216,676,680	2,166,767	68,906	1,321,694	913,979	365,975	0	1,279,954

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79<sup>th</sup> Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses in year three of the LAVA offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82<sup>nd</sup> Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

# Groom ISD Financial Impact of Chapter 313 Agreement

## Payments in Lieu of Taxes

Assuming that the District and Grandview Wind Farm II, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Groom ISD by Grandview Wind II, the projected amount of these payments over the life of the agreement is \$160,579 of the \$17.91 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

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

Fiscal Year	Net Tax Savings	Groom ISD Share \$100/ADA	Grandview Wind II's Share
<b>2015-2016</b>	0	12,727	(12,727)
<b>2016-2017</b>	0	12,664	(12,664)
<b>2017-2018</b>	1,039,301	12,600	1,026,701
<b>2018-2019</b>	2,502,027	12,537	2,489,490
<b>2019-2020</b>	2,394,988	12,475	2,382,514
<b>2020-2021</b>	2,288,891	12,412	2,276,478
<b>2021-2022</b>	2,181,104	12,350	2,168,754
<b>2022-2023</b>	2,076,642	12,288	2,064,354
<b>2023-2024</b>	1,969,636	12,227	1,957,409
<b>2024-2025</b>	1,863,411	12,166	1,851,245
<b>2025-2026</b>	1,595,721	12,105	1,583,616
<b>2026-2027</b>	0	12,044	(12,044)
<b>2027-2028</b>	0	11,984	(11,984)
<b>Totals</b>	<b>17,911,721</b>	<b>160,579</b>	<b>17,751,141</b>

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Impact of Projected Student Growth On District Facilities

**TABLE VII – Campus Capacity and Available Growth**

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

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

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

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

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

# Groom ISD Financial Impact of Chapter 313 Agreement

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## Conclusion

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

Grandview Wind Farm II, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Grandview Wind II is projected to benefit from a 88% tax savings over the first eleven year period of this agreement. Grandview Wind II also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

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



# Window on State Government

Susan Combs Texas Comptroller of Public Accounts

## 2013 ISD Summary Worksheet

006/Armstrong

033-901/Groom ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	74,860	N/A	74,860	74,860
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	1,038,120	N/A	1,038,120	1,038,120
D2. Real Prop Farm & Ranch	323,140	N/A	323,140	323,140
E. Real Prop NonQual Acres	12,620	N/A	12,620	12,620
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	99,870	N/A	99,870	99,870
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible				

Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,548,610		1,548,610	1,548,610
Less Total Deductions	15,000		15,000	15,000
Total Taxable Value	1,533,610		1,533,610	1,533,610 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

### Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
1,543,610	1,533,610	1,543,610	1,533,610	1,533,610	1,533,610

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

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

### Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,543,610	1,533,610	1,543,610	1,533,610	1,533,610	1,533,610

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

## 033/Carson

### 033-901/Groom ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	14,054,790	N/A	14,054,790	14,054,790
B. Multi-Family Residences	24,480	N/A	24,480	24,480
C1. Vacant Lots	87,890	N/A	87,890	87,890
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	12,243,280	N/A	12,243,280	12,243,280

D2. Real Prop Farm & Ranch	1,139,290	N/A	1,139,290	1,139,290
E. Real Prop NonQual Acres	5,988,190	N/A	5,988,190	5,988,190
F1. Commercial Real	1,552,040	N/A	1,552,040	1,552,040
F2. Industrial Real	1,649,780	N/A	1,649,780	1,649,780
G. Oil, Gas, Minerals	15,221,410	N/A	15,221,410	15,221,410
J. Utilities	7,415,580	N/A	7,415,580	7,415,580
L1. Commercial Personal	1,928,080	N/A	1,928,080	1,928,080
L2. Industrial Personal	243,410	N/A	243,410	243,410
M. Other Personal	245,840	N/A	245,840	245,840
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,267,990	N/A	1,267,990	1,267,990
Subtotal	63,062,050		63,062,050	63,062,050
Less Total Deductions	5,755,024		5,755,024	5,755,024
Total Taxable Value	57,307,026		57,307,026	57,307,026 T2

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

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T1	T2	T3	T4	T5	T6
59,479,316	57,307,026	59,479,316	57,307,026	57,307,026	57,307,026

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,172,290	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

### Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
59,479,316	57,307,026	59,479,316	57,307,026	57,307,026	57,307,026

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

## 065/Donley

## 033-901/Groom ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,753,113	N/A	2,753,113	2,753,113
D2. Real Prop Farm & Ranch	57,021	N/A	57,021	57,021
E. Real Prop NonQual Acres	301,178	N/A	301,178	301,178
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	76,790	N/A	76,790	76,790
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	3,188,102		3,188,102	3,188,102

Less Total Deductions	74,763		74,763	74,763
Total Taxable Value	3,113,339		3,113,339	3,113,339 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

### Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
3,143,339	3,113,339	3,143,339	3,113,339	3,113,339	3,113,339

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

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

### Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
3,143,339	3,113,339	3,143,339	3,113,339	3,113,339	3,113,339

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

**090/Gray**

**033-901/Groom ISD**

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	95,510	N/A	95,510	95,510
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	13,020	N/A	13,020	13,020
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	2,836,040	N/A	2,836,040	2,836,040
D2. Real Prop Farm & Ranch	6,500	N/A	6,500	6,500
E. Real Prop NonQual Acres	2,518,150	N/A	2,518,150	2,518,150
F1. Commercial Real	72,630	N/A	72,630	72,630
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas,				

Minerals	3,925,640	N/A	3,925,640	3,925,640
J. Utilities	2,544,670	N/A	2,544,670	2,544,670
L1. Commercial Personal	28,370	N/A	28,370	28,370
L2. Industrial Personal	9,150	N/A	9,150	9,150
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	12,049,680		12,049,680	12,049,680
Less Total Deductions	248,146		248,146	248,146
Total Taxable Value	11,801,534		11,801,534	11,801,534 T2

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
11,891,534	11,801,534	11,891,534	11,801,534	11,801,534	11,801,534

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
90,000	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

### Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
11,891,534	11,801,534	11,891,534	11,801,534	11,801,534	11,801,534

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

### 033-901/Groom ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	14,225,160	N/A	14,225,160	14,225,160

B. Multi-Family Residences	24,480	N/A	24,480	24,480
C1. Vacant Lots	100,910	N/A	100,910	100,910
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	18,870,553	N/A	18,870,553	18,870,553
D2. Real Prop Farm & Ranch	1,525,951	N/A	1,525,951	1,525,951
E. Real Prop NonQual Acres	8,820,138	N/A	8,820,138	8,820,138
F1. Commercial Real	1,624,670	N/A	1,624,670	1,624,670
F2. Industrial Real	1,649,780	N/A	1,649,780	1,649,780
G. Oil, Gas, Minerals	19,147,050	N/A	19,147,050	19,147,050
J. Utilities	10,136,910	N/A	10,136,910	10,136,910
L1. Commercial Personal	1,956,450	N/A	1,956,450	1,956,450
L2. Industrial Personal	252,560	N/A	252,560	252,560
M. Other Personal	245,840	N/A	245,840	245,840
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	1,267,990	N/A	1,267,990	1,267,990
Subtotal	79,848,442		79,848,442	79,848,442
Less Total Deductions	6,092,933		6,092,933	6,092,933
Total Taxable Value	73,755,509		73,755,509	73,755,509 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

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by and between

**GROOM INDEPENDENT SCHOOL DISTRICT**

and

**GRANDVIEW WIND FARM II, LLC**

*(Texas Taxpayer ID # 32052354019)*

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TEXAS COMPTROLLER'S APPLICATION NO. 356

Dated

December 9, 2014

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

*STATE OF TEXAS* §

*COUNTY OF CARSON* §

THIS LIMITATION ON APPRAISED VALUE AGREEMENT (“Agreement”) is executed and delivered by and between **GROOM INDEPENDENT SCHOOL DISTRICT** (the “District”), with its central administrative office located in Carson County, Texas (“County”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and **GRANDVIEW WIND FARM II, LLC**, a Texas limited liability company, Texas Taxpayer Identification Number 32052354019 (“Applicant”) and relates to a limitation of the Appraised Value of property for the District’s maintenance and operation taxes pursuant to Chapter 313 of the Texas Tax Code. The District and Applicant are collectively referred to herein as the “Parties” and each individually as a “Party.”

**RECITALS**

**WHEREAS**, the Superintendent of Schools of the District, acting as agent for the District’s Board of Trustees (“Board of Trustees”), timely received from Applicant an Application for an Appraised Value Limitation on Qualified Property pursuant to 34 TEXAS ADMIN. CODE § 9.1053 (“Application”), on or about November 12, 2013;

**WHEREAS**, the District received the application fee as required by TEXAS TAX CODE § 313.025(a)(1) and the District Policy CCG (LOCAL), and agreed to consider the Application on or about November 15, 2013, the date it was determined to be complete by the District (the “Completed Application Date”);

**WHEREAS**, the District timely delivered the requisite number of copies of the Application to the Texas Comptroller of Public Accounts (“Comptroller”) on or about November 15, 2013, for its review pursuant to TEXAS TAX CODE § 313.025(a-1) and (b). The Comptroller deemed the Application complete and thereafter began its analysis of the Application on December 11, 2013 (the “Application Review Start Date”). Thereafter, the Applicant submitted Amendment No. 001 (reinvestment zone documents) on or about February 10, 2014;

**WHEREAS**, pursuant to 34 TEXAS ADMIN. CODE § 9.1054, the Application was delivered for review to the Carson County Appraisal District established in Carson County, Texas (the “Carson County Appraisal District”), pursuant to § 6.01 of the TEXAS TAX CODE;

**WHEREAS**, the Comptroller conducted an economic impact evaluation of the Application pursuant to § 313.025(b) of the TEXAS TAX CODE;

**WHEREAS**, pursuant to § 313.025(d) of the TEXAS TAX CODE, the Board of Trustees timely received the March 5, 2014 recommendation of the Comptroller and a report indicating that the Application was in compliance with the provisions of the TEXAS ECONOMIC DEVELOPMENT ACT, TEXAS TAX CODE §§ 313.001, *et seq.*, and that the Application be approved (the “Recommendation”);

**WHEREAS**, District’s Board of Trustees, by resolution dated April 15, 2014, granted Applicant’s request to extend the statutory deadline by which the District must consider its Application until July 10, 2014, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE § 9.1054(d);

**WHEREAS**, District’s Board of Trustees, by resolution dated June 19, 2014, granted Applicant’s second request to extend the statutory deadline by which the District must consider its Application until November 7, 2014, and the Comptroller was provided notice of such second extension as set out under 34 TEXAS ADMIN. CODE § 9.1054(d);

**WHEREAS**, District’s Board of Trustees, by resolution dated October 14, 2014, agreed to extend the statutory deadline by which the District must consider its Application for a third time until December 31, 2014, and the Comptroller was provided notice of such third extension as set out under 34 TEXAS ADMIN. CODE § 9.1054(d);

**WHEREAS**, on December 9, 2014, 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;

**WHEREAS**, on December 9, 2014, the Board of Trustees made factual findings pursuant to § 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant’s Qualified Property; (iii) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (iv) this Agreement is in the best interest of District and the State of Texas;

**WHEREAS**, on December 8, 2014, the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

**WHEREAS**, on December 9, 2014, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Trustees whose signatures appear below to execute and deliver such Agreement to the Applicant;

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

## **ARTICLE I** **DEFINITIONS**

**Section 1.1 DEFINITIONS.** Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE § 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE § 9.1051.

“Act” means the TEXAS ECONOMIC DEVELOPMENT ACT set forth in Chapter 313 of the Texas Tax Code, as amended, and as applicable to Applicant’s Application, which was filed before January 1, 2014.

“Agreement” means this Agreement, as the same may be modified, amended, restated, or supplemented as approved pursuant to Section 11.2 of this Agreement.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the 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 of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement, or that could impact or alter any calculation of payment from Applicant to the District under Articles IV, V or VI of this Agreement.

“Applicant” means Grandview Wind Farm II, LLC (*Texas Taxpayer ID #32052354019*), the company listed in the Preamble of this Agreement and that is listed as the Applicant on the Application, as of the Application Approval Date. The term “Applicant” shall also include Applicant’s permitted assigns and successors-in-interest as approved according to Section 11.2 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the TEXAS TAX CODE) filed with the District by Applicant on November 12, 2013. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant.

“Application Approval Date” means the date that the Application is approved by the

Board of Trustees of District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either (i) the date on which the District issues its written notice that Applicant has submitted a completed application; or, (ii) the date on which Comptroller issues its written notice that Applicant has submitted a completed application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in § 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Carson County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Groom Independent School District.

“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 Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Carson County, Texas.

“District” or “School District” means the Groom Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries. 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 Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which Applicant is required to Maintain a Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within three business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain a Viable Presence” means the operation over the life of this Agreement of the

facility, facilities, or property for which the tax limitation agreement is granted and the retention over the applicable term of this Agreement, as defined in Section 2.3 below, of not fewer than the number of Qualifying Jobs required by the Act, or as found by the District's Board of Trustees if the number of such jobs required by the Texas Tax Code exceeds the industry standard for number of jobs. Applicant shall be deemed to have maintained a viable presence following an event of Force Majeure that halts facility operations so long as Applicant commences repairs and/or reconstruction of the damage within one hundred eighty (180) days after the event of Force Majeure. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of the court or environmental agency.

"M&O Amount" shall have the meaning assigned to such term in Section 4.2 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 § 45.002 of the TEXAS EDUCATION CODE 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 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 § 1.04(7) of the TEXAS TAX CODE.

"Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement for such year; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year.

“New Jobs” means the jobs defined by 34 TEX. ADMIN. CODE § 9.1051 and which Applicant will create by and through the project which is the subject of its Application. Under the applicable provisions of TEXAS TAX CODE, Chapter 313, effective as of the Application Review Start Date, Eighty Percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

“New Qualifying Jobs” means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the project which is the subject of its Application that meet the criteria of a Qualifying Job as defined in the applicable provisions of Chapter 313 of the TEXAS TAX CODE, and as interpreted by the Comptroller’s Rules effective as of the Application Review Start Date.

“Qualified Investment” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by Comptroller’s Rules, applicable as of the Application Review Start Date.

“Qualified Property” has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller’s Rules and the Texas Attorney General, as these provisions existed as of the Application Review Start Date.

“Qualifying Time Period” means the period that begins on the Application Approval Date and ends on December 31st of the second Full Tax Year that begins after such date of approval as is defined in § 313.021(4)(A) of the TEXAS TAX CODE and during which Applicant shall make investment on the Land where the Qualified Property is to be located in the amount required by the Act, the Comptroller’s Rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

“Reinvestment Zone” means the District’s Reinvestment Zone created pursuant to § 312.0025 of the TEXAS TAX CODE by action of the Board of Trustees or by the County and as further described by the description and/or depiction of said Reinvestment Zone attached hereto as **EXHIBIT 2**, which is incorporated herein by reference for all purposes.

“Revenue Protection Amount” means the amount calculated pursuant to Section 4.2 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 District or the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any Economic Impact Evaluation made in connection with an application, any agreement

between applicant and the school district and any subsequent amendments or assignments, and any school district written finding or report filed with the Comptroller as required under Chapter 313 of the Texas Tax Code.

“Supplemental Payment” has the meaning as set forth in Article VI of this Agreement.

“Tax Credit” means the credit to be received by the Applicant as computed under the provisions of Subchapter D of the Act and 34 TEX. ADMIN. CODE § 9.1056 applicable as of the Application Review Start Date, provided that the Applicant timely complies with the requirements under such provisions, including the filing of a completed application under § 313.103 of the TEXAS TAX CODE and 34 TEX. ADMIN. CODE § 9.1054.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Applicant’s Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to § 313.054 of the TEXAS TAX CODE, applicable as of the Application Review Start Date.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in § 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year), and as set out in **EXHIBIT 1** attached hereto and incorporated herein by reference for all purposes.

“Taxable Value” shall have the meaning assigned to such term in § 1.04(10) of the TEXAS TAX CODE.

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

**Section 2.1. AUTHORITY.** This Agreement is executed by the District as its written agreement with Applicant pursuant to the provisions and authority granted to District under the Texas Tax Code.

**Section 2.2. PURPOSE.** In consideration of the execution of and subsequent performance of the terms and obligations by Applicant pursuant to this Agreement, identified in Section 2.5 and 2.6 and as more fully specified throughout this Agreement, the value of Applicant’s Qualified Property listed and assessed by the County Appraiser(s) for District’s operation and maintenance ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

#### **Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is December 11, 2013, which

will determine Applicant's Qualified Property, the applicable wage standard and the applicable provisions of the Texas Tax Code.

B. The Application Approval Date for this Agreement is December 9, 2014, which will determine the start of Applicant's Qualifying Time Period.

C. The Qualifying Time Period for this Agreement:

1. Starts on December 9, 2014, the Application Approval Date; and,
2. Ends on December 31, 2016.

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2017; and,
2. Ends on December 31, 2024, the tenth full calendar year of this Agreement, as set out in **Exhibit 1** attached hereto.

E. The Final Termination Date for this Agreement is December 31, 2027.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection 2.3.B above. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection 2.3.E above, unless extended by the express terms of this Agreement.

**Section 2.4. TAX LIMITATION.** So long as Applicant makes the Qualified Investment as defined by Section 2.5 below, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Ten Million Dollars (\$10,000,000).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District, set out in Chapter 313 of the TEXAS TAX CODE, as of the Application Review Start Date.

**Section 2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY.** In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, Applicant shall:

A. Have completed the Qualified Investment in the amount of \$10,000,000 by the end of the Qualifying Time Period;

B. Have created and maintained the number of Qualifying Jobs specified in, and in the time period specified on Schedule C of the Application; and

C. Be paying at least the applicable weekly wage for such Qualifying Jobs, as required by Chapter 313 of the TEXAS TAX CODE effective as of the Application Review Start Date.

**Section 2.6. TAX LIMITATION OBLIGATIONS.** In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. Provide payments to District sufficient to protect the future District M&O Revenues through payment of revenue offsets and other mechanisms as set out in Article IV;

B. Provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as set out in Article V;

C. Provide such supplemental payments as set out in Article VI; and

D. Create and Maintain a Viable Presence and perform additional obligations as set out in Article VII of this Agreement.

### **ARTICLE III** **QUALIFIED PROPERTY**

**Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.** When the Qualified Investment is made and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated at the time of this Agreement either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes.

**Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.** The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described on **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 3** unless amended pursuant to the provisions of Section 11.2 of this Agreement.

**Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.** The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified

Property for purposes of this Agreement in compliance with § 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules (applicable as of the Application Review Start Date), and Section 11.2 of this Agreement.

**Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.** If at any time after the Application Approval Date there is a material change in the Qualified Property described in **EXHIBIT 4** and located on the Land described in **EXHIBIT 3**, or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office 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 Land to which the value limitation applies including maps or surveys with sufficient detail and description to locate all such described property on the Land.

**Section 3.5. QUALIFYING USE.** Applicant's Qualified Property described above in Section 3.3 qualifies for a tax limitation agreement under § 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

#### **ARTICLE IV**

#### **PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of § 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), **IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT.** Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of his 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:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the Maintenance and Operations Revenue that 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 had been subject to the full ad valorem maintenance and operations tax without any limitation on value.
- ii. "New M&O Revenue" means the Maintenance and Operations Revenue that District actually received for such school year.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- 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 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 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
- iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations for the M&O Amount made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

**Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement if, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by 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 reimbursement payment of funds to the State or another school district, pursuant to Chapter 41 of the Texas Education Code, because of its participation in this Agreement, Applicant shall make payments to District, up to the Revenue Protection Amount limit set forth in Section 7.1, 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 District.

**Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES.** To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant, on an annual basis, shall also pay to the District all non-reimbursed costs incurred in paying or otherwise crediting amounts for the benefit of Applicant, including, but not limited to (a) any Maintenance and Operations Revenue or Tax Credit to which the Applicant may be entitled pursuant to Chapter 313 of the TEXAS TAX CODE for which the District does not receive reimbursement from the State, whether pursuant to § 42.2515 of the TEXAS EDUCATION CODE or otherwise; (b) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (c) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (e) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly, including any costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property, subject to the limitation provided in Section 2.4 herein.

**Section 4.5. THIRD PARTY CALCULATIONS.** All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District, with Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. If a Consultant cannot be agreed to by the Parties, one shall be selected by the senior state district court judge of a court in the judicial district where the District's central administrative office is located. Applicant will be solely responsible for the payment of Consultant's fees up to seven thousand five hundred dollars (\$7,500) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

**Section 4.6. DATA FOR CALCULATIONS.** The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District's tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

**Section 4.7. DELIVERY OF CALCULATIONS.**

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant

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

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

**Section 4.8. PAYMENT BY APPLICANT.** On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 7.1, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any reasonable and necessary expenses paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District's participation in this Agreement. Provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise not subject to disclosure under the Texas Public Information Act (TEXAS GOVERNMENT CODE § 552.001 *et seq.*).

**Section 4.9. CHALLENGING CALCULATION RESULTS.** The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant will issue a final determination of the calculations within 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 15 days of its receipt, pursuant to District Policy GK (LOCAL).

**Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT.** In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

**Section 4.11. EFFECT STATUTORY OR OTHER LEGAL CHANGES.** If the District will receive less M&O Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district due to the District's participation in this Agreement because of changes to School Finance Law or administrative or legal interpretations by the office of the Comptroller, the Commissioner of Education, the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, then the Applicant shall make payments to the District within thirty

(30) days of receipt of written notice, up to the limitation set forth in Section 7.1 below. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of M&O Revenue not less than that which the District would have received had the District not entered into this Agreement.

**ARTICLE V**  
**PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES**

**Section 5.1. EXTRAORDINARY EXPENSES.** In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

A. All non-reimbursed costs, certified by District's external auditor to have been incurred by 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;

B. Any other loss of District revenues or funds which are, or may be attributable to the payment by Applicant to or on behalf any other third party beneficiary; and,

**SECTION 5.2. PAYMENTS.** Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

**ARTICLE VI**  
**SUPPLEMENTAL PAYMENTS**

**Section 6.1. SEPARATE AND INDEPENDENT AMOUNTS.** In addition to payment of the amounts set forth under Articles IV and V of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall be responsible to the District for supplemental payments, as set forth in this Article VI. Any and all obligations for any supplemental payments shall be separate and independent of Applicant's obligations under Articles IV and V of this Agreement.

**Section 6.2. CALCULATION OF SUPPLEMENTAL PAYMENTS.**

A. Notwithstanding the foregoing, the total annual supplemental payment made to the District pursuant to this Article shall:

- i. be in an amount equal to the greater of One Hundred Dollars (\$100.00) per student in Average Daily Attendance (ADA), as determined for that particular school year in average daily attendance, as defined by § 42.005 of the TEXAS EDUCATION CODE, or such other higher amount as permitted by applicable provisions of TEXAS TAX CODE § 313.027(i); and

ii. only be made during the period starting with the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

B. This limitation does not apply to amounts described by § 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

C. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the foregoing limitation, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided however, the total supplemental payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A.i above, as determined for that school year. This Section 6.2.C. shall only apply if Chapter 313 of the Texas Tax Code is amended so that the District is permitted to receive payments in lieu of taxation greater than as described in Section 6.2.A.i. above; otherwise, Section 6.2.A.i shall apply.

D. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

## **ARTICLE VII**

### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

**Section 7.1. ANNUAL LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to years four (4) through ten (10) of this Agreement, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using 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 4.2 of this Agreement, 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 Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

**Section 7.2. OPTION TO TERMINATE AGREEMENT.** In the event that any payment otherwise due from Applicant to District during years four (4) through ten (10) under Articles IV, V, and VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax

Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 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.

**Section 7.3. EFFECT OF OPTIONAL TERMINATION.** Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. 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 District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration of this Agreement.

## **ARTICLE VIII** **TAX CREDITS**

### **Section 8.1. TAX CREDIT DESCRIPTION AND ELIGIBILITY.**

A. Upon the Applicant's compliance with all requirements of Chapter 313 of the TEXAS TAX CODE and the Comptroller's rules applicable as of the Application Review Start Date, and in addition to the limitation on the Appraised Value of the Qualified Property as described in Section 2.4 above, the Applicant shall be entitled to pursue a Tax Credit from the District in an amount equal to the amount of ad valorem taxes paid to the District on that portion of the Appraised Value of the Qualified Property that exceeds the amount of the limitation agreed to by the Parties in each year of the Qualifying Time Period, subject to any limitation or reduction required by law.

B. The application for a Tax Credit as described in this Article VIII shall be made in accordance with § 313.103 of the TEXAS TAX CODE effective as of the Application Review Start Date, and is solely the Applicant's responsibility.

### **Section 8.2. DISTRICT OBLIGATIONS REGARDING TAX CREDITS.**

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

B. The Board of Trustees shall grant Applicant's application for the tax credit as provided in § 313.104 of the TEXAS TAX CODE effective as of the Application Review Start Date, as well as Comptroller and/or TEA rules.

**Section 8.3. TAX CREDIT PROTECTION REVENUE LOSS.** If the District does not receive aid pursuant to §42.2515 of the TEXAS EDUCATION CODE (or similar or successor statute) after Applicant receives a Tax Credit as described under this Article VIII, and such failure is not the result of District's failure to comply with the requirements of obtaining such aid, then the District shall so notify the Applicant in writing. The Applicant shall, within thirty (30) days after notice, pay to the District the amount of such aid the District did not receive. Conversely, the District shall refund to the Applicant the amount of state aid the District received that was solely attributable to any portion of such state aid paid by Applicant to the District.

## **ARTICLE IX**

### **ADDITIONAL OBLIGATIONS OF APPLICANT**

**Section 9.1. APPLICANT'S OBLIGATION TO MAINTAIN A VIABLE PRESENCE.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain a Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain a Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes commercially reasonable efforts to preserve and maintain a viable presence at the conclusion of such Force Majeure.

**Section 9.2. REPORTS.** In order to receive and maintain the limitation authorized by Section 2.4, and in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772 located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-772.pdf>;

B. The Biennial Progress Report, Form 50-773, located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-773.pdf>; and

C. The Job Creation Compliance Report, Form 50-825, located at the Comptroller website [http://www.texasahead.org/tax\\_programs/chapter313/forms.php](http://www.texasahead.org/tax_programs/chapter313/forms.php).

**Section 9.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS.** During the term of this Agreement, both Parties shall provide Comptroller with all information reasonably necessary for Comptroller to assess performance under this Agreement for the purpose of issuing Comptroller's report, as required by § 313.032 of the TEXAS TAX CODE.

**Section 9.4. DATA REQUESTS.** During the term of this Agreement, and upon the written

request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

**Section 9.5. SITE VISITS AND RECORD REVIEW.** Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with § 22.07 of the TEXAS TAX CODE, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after giving not less than seventy-two (72) hours prior written notice, and will be conducted in a manner not to unreasonably interfere with either the construction or operation of Applicant's Qualified Property.

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

**Section 9.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.** This Agreement is subject to review and audit by the State Auditor pursuant to § 2262.003 of the TEXAS GOVERNMENT CODE and § 331.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the later of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. District and Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the Applicant's Qualified Property, Qualified Investment, Qualifying Jobs, and wages paid for Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by Comptroller, State Auditor's Office, State of Texas or their authorized

representatives. Applicant and District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all such information as requested by Comptroller or the State of Texas. By way of example and not as an exclusion to other breaches or failures, Applicant's failure to comply with this Section shall constitute a Material Breach of this Agreement.

**Section 9.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.** The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any Supplements or Amendments thereto (which are incorporated by reference in this Agreement, the same as if fully set forth herein), without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 TEX. ADMIN. CODE § 9.1053(f)(2)(L), provided that changes to Applicant's development plans made subsequent to filing the Application to which the District has been informed and agreed to in writing shall not be governed by this provision.

## **ARTICLE X**

### **MATERIAL BREACH OR EARLY TERMINATION**

**Section 10.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.** Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to complete its Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of its Application;

D. Applicant failed to make payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as set out in Article IV of this Agreement;

E. Applicant failed to make payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as set out in Article V of this Agreement;

F. Applicant failed to make such supplemental payments as set out in Article VI of this Agreement;

G. Applicant failed to create and Maintain a Viable Presence on and/or with the Qualified Property as set out in Article VIII of this Agreement;

H. Applicant failed to submit the reports required to be submitted by Section 9.2 to the satisfaction of Comptroller on the dates indicated on the form;

I. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller to determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

J. Applicant failed to allow authorized employees of District, Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property;

K. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement;

L. Applicant has made 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 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI, of this Agreement. Voluntary donations made by Applicant to the District after the date of the execution of this Agreement, and not required by this Agreement, are not barred by this provision;

M. Applicant fails to comply in any material respect with any other term of this Agreement; or,

N. Applicant fails to meet its obligations under the applicable Comptroller's Rules or Chapter 313 of the Code.

**Section 10.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.**

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to comply in any material way with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 10.3, then District, as payment of damages for breach, 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 10.2.C on such recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Articles IV, V, and VI of this Agreement.

B. Notwithstanding Section 10.2.A, in the event that District determines that Applicant has failed to Maintain a Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to 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 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 Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 10.2.C. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 10.2.A owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period 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 10.2.A 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 § 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in § 33.01(c) of the TEXAS TAX CODE, or its successor statute.

**Section 10.3. LIMITED STATUTORY CURE OF MATERIAL BREACH.** In accordance with the provisions of § 313.0275 of the TEXAS TAX CODE, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement defined in Sections 10.1.C. or 10.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 10.1.C. or 10.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages

payment required by § 313.0275(b) of the TEXAS TAX CODE, in accordance with the provisions of § 313.0275(c) of the TEXAS TAX CODE.

**Section 10.4. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.**

A. 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 a Viable Presence in District as required by Section 9.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committing a Material Breach of this Agreement, District shall provide 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 District. After receipt of the notice, Applicant shall be given thirty (30) 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.

B. If the Board of Trustees is not satisfied with such response and/or determines that such breach has not been cured, then the Board of Trustees shall, after reasonable notice to 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, Applicant shall have the opportunity, together with its counsel, to be heard before the Board of Trustees in accordance with District Policy GF (LOCAL). 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 10.2.A and B (net of all credits under Section 10.2.A and B., and the amount of any penalty and/or interest under Section 10.2.C that are owed to District.

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

**Section 10.5. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 10.4, 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 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 10.4, such dispute through mediation with a mutually agreeable mediator and at a mutually

convenient time and place for the mediation within the District. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in the county where the District's central administrative office is located. 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) District shall bear one-half of such mediator's fees and expenses and 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.

B. In the event that mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, District shall have the remedies for the collection of the amounts determined under Section 10.2 and as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that District successfully prosecutes legal proceedings under this Section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on Applicant's Qualified Property and Applicant's Qualified Investment pursuant to § 33.07 of the TEXAS TAX CODE to the attorneys representing District pursuant to § 6.30 of the TEXAS TAX CODE.

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required in this Section above, either District or Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in the county where the District's central administration office is located, 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 10.6. 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, District's damages for such a default or breach shall under no circumstances exceed the greater of either (i) any amounts calculated under Sections 10.2 above; or, (ii) the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, 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 10.6 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

**Section 10.7. BINDING ON SUCCESSORS.** In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

## ARTICLE XI.

### **Agreement for Limitation on Appraised Value**

Between Groom ISD and Grandview Wind Farm II, LLC (App No. 356)

December 9, 2014

Page 23 of 30

*Modified Texas Economic Development Act Agreement*

*Comptroller Form 50-286 (January 2014)*

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**MISCELLANEOUS PROVISIONS**

**Section 11.1. INFORMATION AND NOTICES.**

A. 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 overnight 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 “notice 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 of the Party addressed following the date of such electronic receipt.

B. Notices to District shall be addressed to District’s Authorized Representative as follows:

To the District:

Groom Independent School District  
Attn: Jay Lamb, Superintendent  
(or the successor Superintendent)  
304 W. 3<sup>rd</sup>  
Groom, TX 79039  
Phone #: (806) 248-7557  
Fax #: (806) 248-7474  
Email: jay.lamb@region16.net

With a copy to:

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

C. Notices to Applicant shall be addressed to its Authorized Representative as follows:

To Applicant

Grandview Wind Farm II, LLC  
Makell Matney, Vice President  
701 Brazos Street, Suite 1400  
Austin, TX 78701  
Phone #: (512)482-4067  
Fax #: (512)494-9581  
Email: makell.matney@eon.com

With a copy to:

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

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

**Section 11.2. AMENDMENTS TO AGREEMENT; WAIVERS.**

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of subsection B hereof. 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.

B. By official action of the District's Board of Trustees, this Agreement may only be amended according to the following:

- i. Applicant shall submit to District, with notice to the Comptroller:
  - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
  - b. any changes to the information that was provided in the Application that was approved by District and considered by Comptroller; and,
  - c. and any additional information requested by District necessary for it to evaluate the Amendment or modification.

C. Any Amendment of the Agreement to add or replace Qualified Property pursuant to this Section 11.2 of this Agreement shall:

- i. require that all property added by an Amendment be eligible property as defined by § 313.024 of the TEXAS TAX CODE; and,
- ii. clearly identify the property, investment, and employment information added by an Amendment from the property, investment, and employment information in the original Agreement.

D. This Agreement may not be amended to extend the value limitation time period beyond its statutory term.

**Section 11.3. ASSIGNMENT.** The Applicant may assign this Agreement, or a part of this Agreement, to an Affiliate, or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment or collaterally assign the Agreement to any party providing financing to the Applicant or its Affiliate provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment Applicant shall remain liable to the District for all outstanding taxes and other obligations accrued under this Agreement prior to the date of such assignment and the Applicant's assignor shall be liable to the District for all outstanding taxes and other obligations accruing after the date of the assignment. Notwithstanding anything else to the contrary, Applicant further agrees

to pay any additional expenses incurred by District to third party consultants or its attorney arising from such assignment or partial assignment.

**Section 11.4. 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 11.5. MAINTENANCE OF COUNTY 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 where such Qualified Property is located shall determine the Market Value thereof and include both such Market Value and the appropriate limitation valuation under this Agreement in its appraisal records.

**Section 11.6. 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 state district court in the judicial district where the District's central administrative office is located.

**Section 11.7. 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 11.8. 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 effectuate the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 11.8, 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 11.9. PAYMENT OF EXPENSES.** Except as otherwise 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 11.10. 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 the drafting hereof shall not be construed for or against any Party.

**Section 11.11. 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 11.12. PUBLICATION OF DOCUMENTS.** The Parties acknowledge that District is required to publish the Application and its required schedules, and all Amendments thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement and all Amendments thereto, as follows:

A. Within seven (7) days of such document, the District shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on Comptroller's website;

C. This Section does not require the publication of information that is confidential under § 313.028 of the TEXAS TAX CODE.

**Section 11.13. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.** Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

**Section 11.14. DUTY TO DISCLOSE.** If circumstances change or additional information

is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Agreement.

*[the remainder of this page is intentionally left blank]*

Draft

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 9<sup>th</sup> day of December, 2014.

**GRANDVIEW WIND FARM II, LLC**

**GROOM INDEPENDENT SCHOOL DISTRICT**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

**ATTEST:**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DRY

**EXHIBIT 1**

<b><u>Year of Agreement</u></b>	<b><u>Date of Appraisal</u></b>	<b><u>School Year</u></b>	<b><u>Tax Year</u></b>	<b><u>Summary Description</u></b>
0	January 1, 2014	2014-15	2014	No appraisal limitation.
1	January 1, 2015	2015-16	2015	No appraisal limitation.
2	January 1, 2016	2016-17	2016	No appraisal limitation.
3	January 1, 2017	2017-18	2017	\$10 million appraisal limitation.
4	January 1, 2018	2018-19	2018	\$10 million appraisal limitation. Possible tax credit for Applicant.
5	January 1, 2019	2019-20	2019	\$10 million appraisal limitation. Possible tax credit for Applicant.
6	January 1, 2020	2020-21	2020	\$10 million appraisal limitation. Possible tax credit for Applicant.
7	January 1, 2021	2021-22	2021	\$10 million appraisal limitation. Possible tax credit for Applicant.
8	January 1, 2022	2022-23	2022	\$10 million appraisal limitation. Possible tax credit for Applicant.
9	January 1, 2023	2023-24	2023	\$10 million appraisal limitation. Possible tax credit for Applicant.
10	January 1, 2024	2024-25	2024	\$10 million appraisal limitation. Possible tax credit for Applicant.
11	January 1, 2025	2025-26	2025	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
12	January 1, 2026	2026-27	2026	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
13	January 1, 2027	2027-28	2027	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.

**EXHIBIT 2**

**DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE**

The Carson County Commissions Court created Carson County Reinvestment Zone 10 on December 9, 2013, which is more particularly described as follows:

All of Sections 226, 227, 228, 229, 230, 231, 232, 233, 248, 249, 250, 251, 252, 253, 254 Block B2, H&GN RR Co. Survey, Carson County, Texas

All of Sections 55, 56, 92, 93, 94, 95, 96, 97, 126, 127, 128, 129, 158 and 160, Block B3, H&GN RR Co. Survey, Carson County, Texas

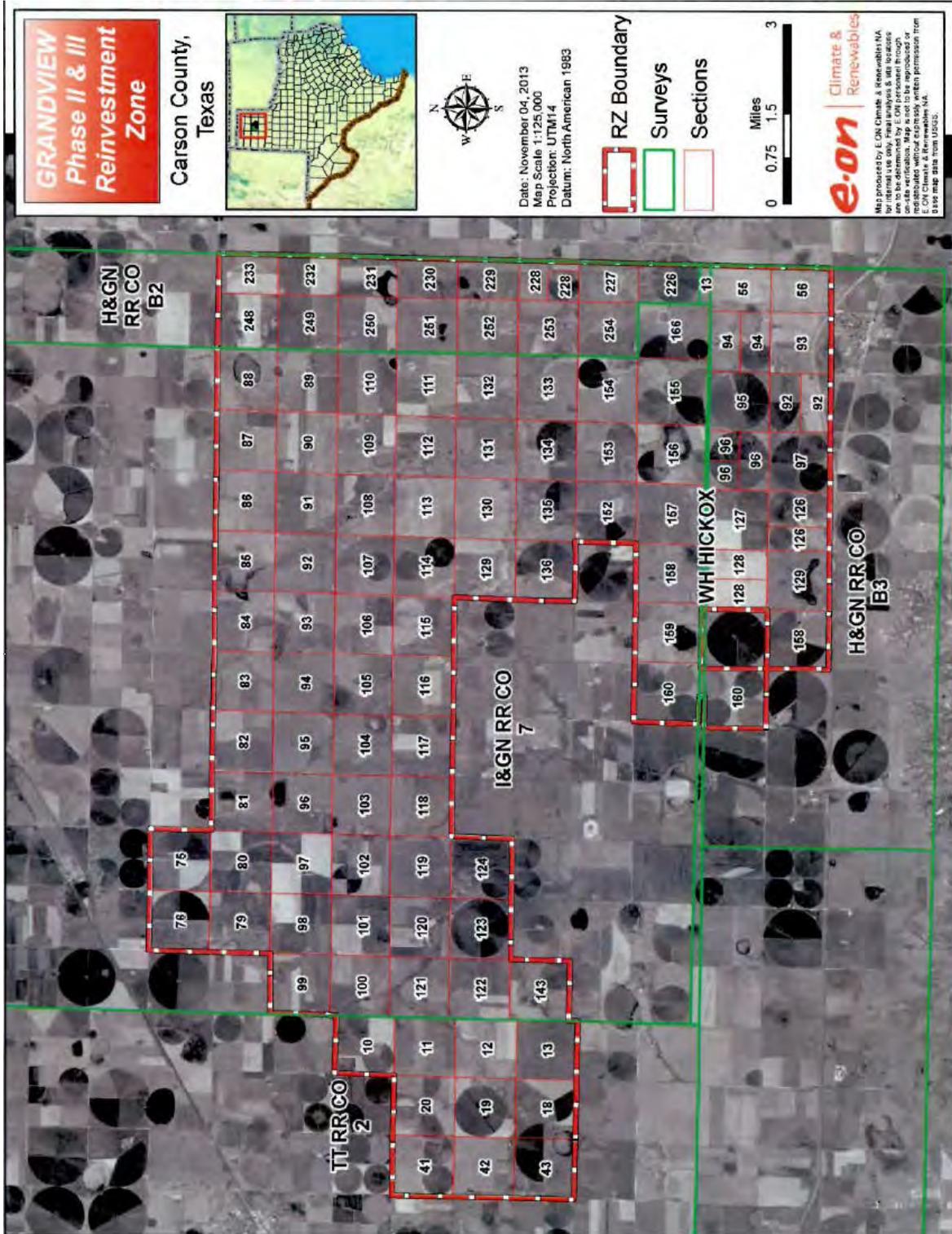
All of Sections 75, 76, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 129, 130, 131, 132, 133, 134, 135, 136, 143, 152, 153, 154, 155, 156, 157, 158, 159, 160, 166, Block 7, I&GN RR Co. Survey, Carson County, Texas

All of Sections 10, 11, 12, 13, 18, 19, 20, 41, 42 and 43, Block 2, TT RR Co. Survey, Carson County, Texas

All of WH Hickox strip.

All of NA Steed strip in Carson County, Texas.

Map of Carson County Reinvestment Zone No. 10



Agreement for Limitation on Appraised Value  
 Between Groom ISD and Grandview Wind Farm II, LLC (App No. 356)  
 December 9, 2014

Texas Economic Development Act Agreement  
 Comptroller Form 50-286 (January 2014)

### EXHIBIT 3

#### DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Property owned by the Applicant and located within the boundaries of both the Groom Independent School District and the Carson County Reinvestment Zone 10 will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the following tracts of land, except any such property that would otherwise be Qualified Property of the Applicant that is located on any such real property outside the boundaries of either the Groom Independent School District and the Carson County Reinvestment Zone 10, is included, to wit:

All of Sections 230, 231, 232, 233, 248, 249, 250, and 251, Block B2, H&GN RR Co. Survey, Carson County, Texas

All of Sections 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, and 129, Block 7, I&GN RR Co. Survey, Carson County, Texas

## EXHIBIT 4

### DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Grandview Wind Farm II, LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts (the "Project"). The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install approximately 118 GE 1.7 megawatt turbines on property in Carson County, TX.

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

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

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 8, 2014

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

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

Dear Superintendent Lamb:

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Robert B. Wood P.P.".

Robert B. Wood  
Director  
Economic Development & Analysis

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

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
GROOM INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Groom Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Grandview Wind II, LLC (“Grandview Wind II”) for a limitation on appraised value agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about November 12, 2013, Grandview Wind II submitted to the District an application under Texas Code, Chapter 313 (the “Application”) for a limitation on appraised value agreement (“Agreement”), which was deemed complete by the District on November 15, 2013; and

WHEREAS, on or about December 15, 2013, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about December 11, 2013, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code § 313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the “Deadline”), unless the Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, due to ongoing negotiations with Grandview Wind II, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the Deadline; and,

WHEREAS, on April 7, 2014, Grandview Wind II submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District’s best interest to extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Grandview Wind II’s request, and extend the Deadline for an additional sixty (60) days in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

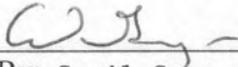
BE IT FURTHER RESOLVED, the superintendent is directed to provide notice to Grandview Wind II of the Board's decision to grant its request.

Passed and approved by the Groom Independent School District Board of Trustees on this 15th day of April, 2014.

Groom Independent School District



By: Greg Hendricks, Vice President  
Groom Board of Trustees



By: Cecil Gwyn, Member  
Groom Board of Trustees

EXHIBIT A



April 7, 2014

Jay Lamb, Superintendent  
Groom ISD  
PO Box 598  
Groom, TX 79039

[via email: jay.lamb@region16.net](mailto:jay.lamb@region16.net)

Re: Request for Extension to consider 313 Application

Dear Mr. Lamb,

Due to ongoing negotiations regarding the terms of the Limitation on Appraised Value Agreement (the "LAVA"), we do not believe that the LAVA with Grandview Wind Farm II, LLC will be approved by the Comptroller in time for the parties to execute the LAVA within the 151 day deadline imposed by Texas Tax Code Chapter 313, Section 313.025(b). Accordingly, we ask that Groom ISD extend that deadline by no less than 60 days.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to be 'PB', with a long, sweeping horizontal line extending to the right.

Paul Bowman  
Senior Vice President

**Groom Independent School District**

P.O. Box 598

Groom, Texas 79039

*Excellence Now: A Commitment to the Future*

(806) 248-7557

Superintendent: Jay Lamb

Principal: Matt Johnson

April 16, 2014

Grandview Wind II, LLC  
c/o Paul Bowman, Senior Vice President  
E.On  
701 Brazos Street, Suite 1400  
Austin, TX 78701

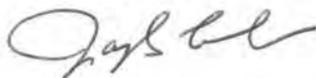
Re: Request for Extension on Application of Grandview Wind Farm II, LLC  
For a Limited Assessed Valuation Agreement

Dear Mr. Bowman:

Please be advised that at a properly called meeting of the Groom Independent School District Board of Trustees on April 15, 2014, the Board took action on the request for an extension to consider the application of Grandview Wind Farm II, LLC for a Limited Assessed Valuation Agreement with Groom ISD. The District approved the request, and has granted the extension on the application up to an additional 60 day period (*i.e.*, Thursday, July 10, 2014). See enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,



Jay Lamb, Superintendent

cc: Makell Matney, E.On *via email*

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
GROOM INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Groom Independent School District ("the District") does hereby make the following resolution regarding a pending application by Grandview Wind II, LLC ("Grandview Wind II") for a limitation on appraised value agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about November 12, 2013, Grandview Wind II submitted to the District an application under Texas Code, Chapter 313 (the "Application") for a limitation on appraised value agreement ("Agreement"), which was deemed complete by the District on November 15, 2013; and

WHEREAS, on or about November 15, 2013, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about December 11, 2013, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code § 313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the "Deadline"), unless the Comptroller's economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, by Resolution dated April 15, 2014, the District granted Applicant's first request for an extension of the Deadline, and provided notice to Applicant on April 16, 2014 that the deadline was extended to July 10, 2014 Deadline; and,

WHEREAS, due to potential changes in the scope of the project, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the extended Deadline of July 10, 2014; and,

WHEREAS, on June 5, 2014, Grandview Wind II submitted a second request to the District to extend the Deadline, a copy of which is attached here to as Exhibit "A."

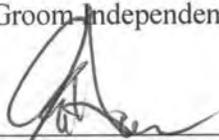
NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District's best interest to extend the Deadline as requested for a second time, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Grandview Wind II's second request, and extend the Deadline for an additional one hundred twenty (120) days in order to complete negotiations and allow the Comptroller sufficient time to review and approve the proposed Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent is directed to provide notice to Grandview Wind II of the Board's decision to grant its request, and extend the Deadline until November 7, 2014.

Passed and approved by the Groom Independent School District Board of Trustees on this 19th day of June, 2014.

Groom Independent School District



By: Vice President of the Board of Trustees



By: Member of the Board of Trustees

EXHIBIT A



June 5, 2014

Mr. Jay Lamb, Superintendent  
Groom Independent School District  
304 W. 3rd Street  
P.O. Box 598  
Groom, Texas 79068

Re: Request for Extension on Application for Appraised Value Limitation on Qualified Property Agreement submitted to Groom Independent School District by Grandview Wind Farm II, LLC, as the "Applicant," dated November 12, 2013, (the "Application", the capitalized terms used herein, but not otherwise defined herein being used herein as defined in the Application)

Dear Superintendent Lamb:

Please accept this letter as Grandview Wind Farm II, LLC's (the "Applicant") request to Groom Independent School District (the "District") for and extension for the District's consideration of the above-referenced Application pursuant to §313.025(b) of the Texas Tax Code in order to allow Applicant to supplement and amend the above-referenced Application. Accordingly, we ask that the District extend the deadline for the District's consideration of the Application by no less than 120 days. The amendments to the Application include the following:

1. Change in and Relocation of Qualified Property. At the time the Application was submitted, Applicant intended to construct a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts to be located entirely within the District (the "Grandview II Project"). According to the Application, the exact number of wind turbines (including without limitation the towers, nacelles, rotors, and reinforced concrete foundations) and the size of each turbine for the Grandview II Project would vary depending upon the wind turbines selected. The original plans were to install an aggregate of 118 GE 1.7 megawatt turbines or 83 GE 2.4 megawatt turbines to be located entirely within the District boundaries.

As the development of the Grandview II Project has progressed, Applicant has had to relocate part of the Qualified Property to the Grandview-Hopkins Independent School District ("GV-Hopkins ISD"). As amended, the planned Grandview II Project will continue to consist of a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts, but it will be located across the boundaries of two (2) different school districts: Groom ISD and GV-Hopkins ISD. Approximately sixty-four percent (64%) of the Qualified Property will be located within the boundaries of Groom ISD and approximately thirty-six percent (36%) of the Qualified Property will be located within the boundaries of GV-Hopkins ISD. An Application for Appraised Value Limitation on Qualified Property Agreement has been submitted to GV-Hopkins ISD for the remaining Qualified Property in the Grandview II Project.

2. Request for Waiver of Jobs Requirement. Applicant inadvertently filed the Application without a request for a waiver of the jobs requirement pursuant to §313.025(f-1) of

the Texas Tax Code. The job creation requirement set forth in Texas Tax Code § 313.051(b) (i.e., 10 jobs) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Grandview II Project. As described above, the Grandview III Project will be located across multiple school district boundaries and the jobs created for the Grandview II Project will likewise be allocated across these multiple school district boundaries.

A copy of this letter has been delivered to the Texas Comptroller of Public Accounts (the "Comptroller").

With kind regards,



Paul Bowman  
Sr. Vice President, Development

Enclosure

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

Mr. Fred Stormer  
Underwood Law Firm, P.C.  
500 S. Taylor, Suite 1200 LB 233  
P.O. Box 9158  
Amarillo, Texas 79105-9158

**Groom Independent School District**

P.O. Box 598

Groom, Texas 79039

*Excellence Now: A Commitment to the Future*

(806) 248-7557

Superintendent: Jay Lamb

Principal: Matt Johnson

June 20, 2014

Grandview Wind II, LLC  
c/o Paul Bowman, Senior Vice President  
E.On  
701 Brazos Street, Suite 1400  
Austin, TX 78701

Re: Request for Extension on Application of Grandview Wind II, LLC  
For a Limited Assessed Valuation Agreement

Dear Mr. Bowman:

Please be advised that at a properly called meeting of the Groom Independent School District Board of Trustees on June 19, 2014, the Board took action on the second request for an extension to consider the application Grandview Wind II, LLC for a Limited Assessed Valuation Agreement with Groom ISD. The District approved the request, and has granted the extension on the application up to an additional 120 day period (*i.e.*, Friday, November 7, 2014). *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,



Jay Lamb, Superintendent

cc: Makell Matney, E.On  
*email*

*via*

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
GROOM INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Groom Independent School District ("the District") does hereby make the following resolution regarding a pending application by Grandview Wind II, LLC ("Grandview Wind II") for a limitation on appraised value agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about November 12, 2013, Grandview Wind II submitted to the District an application under Texas Code, Chapter 313 (the "Application") for a limitation on appraised value agreement ("Agreement"), which was deemed complete by the District on November 15, 2013; and

WHEREAS, on or about November 15, 2013, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about December 11, 2013, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code § 313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the "Deadline"), unless the Comptroller's economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, by Resolution dated April 15, 2014, the District granted Applicant's first request for an extension of the Deadline, and provided notice to Applicant on April 16, 2014 that the deadline was extended to July 10, 2014 Deadline; and,

WHEREAS, by Resolution dated June 19, 2014, the District granted Applicant's second request for an extension of the Deadline, and provided notice to Applicant on June 20, 2014 that the deadline was extended to November 7, 2014; and,

WHEREAS, negotiations are ongoing and it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact, and approve and execute such an Agreement before the extended Deadline of November 7, 2014; and,

WHEREAS, on October 10, 2014, Grandview Wind II submitted a third request to the District to extend the Deadline, a copy of which is attached hereto as Exhibit "A."

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and

operative provisions hereof, and that it is in the District's best interest to extend the Deadline as requested for a second time, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Grandview Wind II's third request, and extend the Deadline through the end of 2014 in order to complete negotiations and allow the Comptroller sufficient time to review and approve the proposed Agreement of the parties; and,

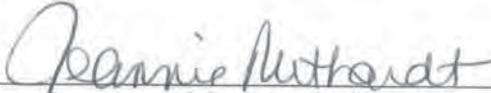
BE IT FURTHER RESOLVED, the Superintendent is directed to provide notice to Grandview Wind II of the Board's decision to grant its request, and extend the Deadline until December 31, 2014.

Passed and approved by the Groom Independent School District Board of Trustees on this 14th day of October, 2014.

Groom Independent School District



By: President of the Board of Trustees



By: Secretary of the Board of Trustees

October 10, 2014

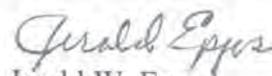
Mr. Jay Lamb, Superintendent  
Groom Independent School District  
304 W. 3rd Street  
P.O. Box 598  
Groom, Texas 79068

Re: Request for Extension on Application for Appraised Value Limitation on Qualified Property Agreement submitted to Groom Independent School District by Grandview Wind Farm II, LLC, as the "Applicant," dated November 12, 2013, (the "**Application**", the capitalized terms used herein, but not otherwise defined herein being used herein as defined in the Application)

Dear Superintendent Lamb:

This law firm represents Grandview Wind Farm II, LLC's (the "**Applicant**") with respect to the above-referenced Application. Reference is made to that certain letter dated June 5, 2014, from Applicant requesting Groom Independent School District (the "**District**") for and extension for the District's consideration of the above-referenced Application pursuant to §313.025(b) of the Texas Tax Code in order to allow Applicant to supplement and amend the above-referenced Application. A copy of the letter is attached. This extension request was granted by the District for a period of 120 days. Please accept this letter as Applicant's request to the District for an additional extension for the District's consideration of the above-referenced Application for the reasons stated in the June 5th letter. Accordingly, we ask that the District extend the deadline for the District's consideration of the Application until December 31, 2014.

With kind regards,

  
Jerald W. Epps

Enclosure

cc: Mr. Fred Stormer  
Underwood Law Firm, P.C.  
500 S. Taylor, Suite 1200 LB 233  
P.O. Box 9158  
Amarillo, Texas 79105-9158



June 5, 2014

Mr. Jay Lamb, Superintendent  
Groom Independent School District  
304 W. 3rd Street  
P.O. Box 598  
Groom, Texas 79068

Re: Request for Extension on Application for Appraised Value Limitation on Qualified Property Agreement submitted to Groom Independent School District by Grandview Wind Farm II, LLC, as the "Applicant," dated November 12, 2013, (the "**Application**"), the capitalized terms used herein, but not otherwise defined herein being used herein as defined in the Application)

Dear Superintendent Lamb:

Please accept this letter as Grandview Wind Farm II, LLC's (the "**Applicant**") request to Groom Independent School District (the "**District**") for and extension for the District's consideration of the above-referenced Application pursuant to §313.025(b) of the Texas Tax Code in order to allow Applicant to supplement and amend the above-referenced Application. Accordingly, we ask that the District extend the deadline for the District's consideration of the Application by no less than 120 days. The amendments to the Application include the following:

1. Change in and Relocation of Qualified Property. At the time the Application was submitted, Applicant intended to construct a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts to be located entirely within the District (the "**Grandview II Project**"). According to the Application, the exact number of wind turbines (including without limitation the towers, nacelles, rotors, and reinforced concrete foundations) and the size of each turbine for the Grandview II Project would vary depending upon the wind turbines selected. The original plans were to install an aggregate of 118 GE 1.7 megawatt turbines or 83 GE 2.4 megawatt turbines to be located entirely within the District boundaries.

As the development of the Grandview II Project has progressed, Applicant has had to relocate part of the Qualified Property to the Grandview-Hopkins Independent School District ("**GV-Hopkins ISD**"). As amended, the planned Grandview II Project will continue to consist of a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts, but it will be located across the boundaries of two (2) different school districts: Groom ISD and GV-Hopkins ISD. Approximately sixty-four percent (64%) of the Qualified Property will be located within the boundaries of Groom ISD and approximately thirty-six percent (36%) of the Qualified Property will be located within the boundaries of GV-Hopkins ISD. An Application for Appraised Value Limitation on Qualified Property Agreement has been submitted to GV-Hopkins ISD for the remaining Qualified Property in the Grandview II Project.

2. Request for Waiver of Jobs Requirement. Applicant inadvertently filed the Application without a request for a waiver of the jobs requirement pursuant to §313.025(f-1) of

the Texas Tax Code. The job creation requirement set forth in Texas Tax Code § 313.051(b) (i.e., 10 jobs) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Grandview II Project. As described above, the Grandview III Project will be located across multiple school district boundaries and the jobs created for the Grandview II Project will likewise be allocated across these multiple school district boundaries.

A copy of this letter has been delivered to the Texas Comptroller of Public Accounts (the "Comptroller").

With kind regards,



Paul Bowman  
Sr. Vice President, Development

Enclosure

---

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

Mr. Fred Stormer  
Underwood Law Firm, P.C.  
500 S. Taylor, Suite 1200 LB 233  
P.O. Box 9158  
Amarillo, Texas 79105-9158

**Groom Independent School District**

P.O. Box 598

Groom, Texas 79039

*Excellence Now: A Commitment to the Future*

(806) 248-7557

Superintendent: Jay Lamb

Principal: Matt Johnson

October 15, 2014

Grandview Wind II, LLC  
c/o Paul Bowman, Senior Vice President  
E.On  
701 Brazos Street, Suite 1400  
Austin, TX 78701

Re: Request for Extension on Application of Grandview Wind II, LLC  
For a Limited Assessed Valuation Agreement

Dear Mr. Bowman:

Please be advised that at a properly called meeting of the Groom Independent School District Board of Trustees on October 14, 2014, the Board took action on the third request for an extension to consider the application Grandview Wind II, LLC for a Limited Assessed Valuation Agreement with Groom ISD. The District approved the request, and has granted the extension on the application through the end of 2014, *i.e.*, December 31, 2014. *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,



Jay Lamb, Superintendent

cc: Makell Matney, E.On

*via email*