

**FINDINGS
of the
*GRANDVIEW-HOPKINS
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES***

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

**ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY**

SUBMITTED BY

GRANDVIEW WIND FARM II, LLC

Comptroller Application Number 1010

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

STATE OF TEXAS §
 §
COUNTY OF GRAY §

PREAMBLE

On the 9th day of December, 2014, a public meeting of the Board of Trustees of the Grandview-Hopkins 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 Limitation on 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 and reviewing the Comptroller’s Economic Impact Evaluation under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Grandview-Hopkins Independent School District makes the following Findings regarding the Application:

On or about the 13th day of May, 2014, the Board of Trustees for the Grandview-Hopkins Independent School District, received an Application for Appraised Value Limitation on Qualified Property from Grandview Wind II, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the construction of a wind power electric generation facility (the “Property”). See Application, Tabs 7 and 8, attached hereto as Attachment A. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. On behalf of the Applicant, the District submitted Amendment No. 001 (revised project description, revised Schedule C and Tax Identification Number) to the Comptroller on or about June 13, 2014, and the Comptroller acknowledged receipt of the Application on or about May 22, 2014, and the Comptroller issued its notice of completeness by letter dated June 19, 2014, the Application Review Start Date. Thereafter, on behalf of the Applicant, the District filed Amendment No. 002 (reinvestment zone documents) on or about June 25, 2014, and Amendment No. 003 (revised Schedule B) on or about August 15, 2014. The Application and Amendment Nos.

001, 002 and 003 are collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of June 19, 2014 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Grandview Wind Farm II, LLC is 32052354019. Grandview Wind Farm 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 Gray 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. 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 Certificate for a Limitation on Appraised Value on September 4, 2014 that the Application be approved (the “Certification”). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification 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 Grandview-Hopkins 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 Grandview-Hopkins 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 V of §313.054 of the Texas Tax Code. *See* Comptroller’s “2013 ISD Summary Worksheet,” attached hereto as Attachment G; *see also* Attachment D.

The District’s Board of Trustees, by resolution dated November 11, 2014, agreed with Applicant to extend the statutory deadline by which the District must consider its Application until December 31, 2014, and the Comptroller was provided notice of such extension as set out under 34 Texas Administrative Code §9.1054(d). *See* Resolution authorizing extension of consideration period and notice to Applicant attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Grandview Wind II regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the “Agreement”) pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. Some of the terms agreed to by the parties were at variance with specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code §9.1055(e)(1). The proposed changes were rejected because of the variance from the Comptroller Form 50-286. At the specific direction of the Comptroller’s Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller’s Office, the parties changed only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these Findings as Attachment H, and that form of 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 review letter from the Comptroller, attached to these Findings as Attachment I. In November, 2014, the Texas Comptroller’s Office announced its intention to modify Comptroller Form 50-286 and to permit amendments to existing agreements including the Agreement for which these Findings are being made.

After review of the Comptroller’s Certification 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.

Based on the Application and the Comptroller’s Certification, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(5) as a renewable energy electric generation project.

In support of Finding Number 1, the Comptroller’s Certification states:

Determination required by 313.025(h)

- | | |
|-------------------|--|
| Sec. 313.024(a) | Applicant is subject to tax imposed by Chapter 171. |
| Sec. 313.024(b) | Applicant is proposing to use the property for an eligible project. |
| Sec. 313.024(d) | Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1010. |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

See Attachment C.

Board Finding Number 2.

The Project proposed by Applicant is reasonably likely to generate tax revenue sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.

In support of Finding Number 2, the Certification states:

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period.

Also in support of Finding Number 2, the Economic Impact Evaluation states:

Attachment B - Tax Revenue over 25 Years

This represents the Comptroller's determination that Grandview Wind Farm II, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$97,000	\$97,000	\$858,537	\$858,537
	2018	\$97,000	\$194,000	\$810,760	\$1,669,296
	2019	\$97,000	\$291,000	\$762,983	\$2,432,279
	2020	\$97,000	\$388,000	\$715,206	\$3,147,485
	2021	\$97,000	\$485,000	\$667,429	\$3,814,915
	2022	\$97,000	\$582,000	\$619,652	\$4,434,567
	2023	\$97,000	\$679,000	\$571,876	\$5,006,443
	2024	\$97,000	\$776,000	\$524,099	\$5,530,542
	2025	\$97,000	\$873,000	\$476,322	\$6,006,864
	2026	\$97,000	\$970,000	\$428,545	\$6,435,409
Maintain Viable Presence (5 Years)	2027	\$477,768	\$1,447,768	\$0	\$6,435,409
	2028	\$429,991	\$1,877,760	\$0	\$6,435,409
	2029	\$382,215	\$2,259,974	\$0	\$6,435,409
	2030	\$334,438	\$2,594,412	\$0	\$6,435,409
	2031	\$286,661	\$2,881,073	\$0	\$6,435,409
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$238,884	\$3,119,957	\$0	\$6,435,409
	2033	\$238,884	\$3,358,842	\$0	\$6,435,409
	2034	\$238,884	\$3,597,726	\$0	\$6,435,409
	2035	\$238,884	\$3,836,610	\$0	\$6,435,409
	2036	\$238,884	\$4,075,494	\$0	\$6,435,409
	2037	\$238,884	\$4,314,378	\$0	\$6,435,409
	2038	\$238,884	\$4,553,262	\$0	\$6,435,409
	2039	\$238,884	\$4,792,146	\$0	\$6,435,409
	2040	\$238,884	\$5,031,031	\$0	\$6,435,409
	2041	\$238,884	\$5,269,915	\$0	\$6,435,409
		\$5,269,915	is less than	\$6,435,409	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, RE Roserock, LLC

Employment Indirect and Induced Tax Effects

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	175	170	345	\$8,056,125	\$12,085,477	\$20,141,602	\$ 1,113,892	\$ (572,205)	\$ 1,686,097
2016	5	12	17	\$230,175	\$2,211,231	\$2,441,406	\$ 160,217	\$ 228,882	\$ (68,665)
2017	5	11	16	\$230,175	\$1,967,091	\$2,197,266	\$ 183,105	\$ 213,623	\$ (30,518)
2018	5	3	8	\$230,175	\$1,112,598	\$1,342,773	\$ 129,700	\$ 198,364	\$ (68,664)
2019	5	3	8	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 175,476	\$ (61,035)
2020	5	3	8	\$230,175	\$990,528	\$1,220,703	\$ 122,070	\$ 160,217	\$ (38,147)
2021	5	3	8	\$230,175	\$624,317	\$854,492	\$ 99,182	\$ 114,441	\$ (15,259)
2022	5	3	8	\$230,175	\$868,458	\$1,098,633	\$ 99,182	\$ 106,812	\$ (7,630)
2023	5	3	8	\$230,175	\$624,317	\$854,492	\$ 99,182	\$ 91,553	\$ 7,629
2024	5	3	8	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 83,923	\$ 30,518
2025	5	7	12	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 76,294	\$ 38,147
2026	5	1	6	\$230,175	\$380,177	\$610,352	\$ 129,700	\$ 68,665	\$ 61,035
2027	5	5	10	\$230,175	\$746,388	\$976,563	\$ 106,812	\$ 30,518	\$ 76,294
2028	5	7	12	\$230,175	\$990,528	\$1,220,703	\$ 114,441	\$ 7,629	\$ 106,812
2029	5	3	8	\$230,175	\$990,528	\$1,220,703	\$ 122,070	\$ 22,888	\$ 99,182
2030	5	5	10	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 15,259	\$ 99,182
2031	5	3	8	\$230,175	\$746,388	\$976,563	\$ 91,553	\$ (15,259)	\$ 106,812
2032	5	7	12	\$230,175	\$258,106	\$488,281	\$ 99,182	\$ (15,259)	\$ 114,441
2033	5	5	10	\$230,175	\$746,388	\$976,563	\$ 99,182	\$ (45,776)	\$ 144,958
2034	5	3	8	\$230,175	\$502,247	\$732,422	\$ 68,665	\$ (38,147)	\$ 106,812
2035	5	(1)	4	\$230,175	\$258,106	\$488,281	\$ 30,518	\$ (61,035)	\$ 91,553
2036	5	3	8	\$230,175	\$258,106	\$488,281	\$ -	\$ (99,182)	\$ 99,182
2037	5	1	6	\$230,175	-\$230,175	\$0	\$ (45,776)	\$ (137,329)	\$ 91,553
2038	5	(3)	2	\$230,175	-\$230,175	\$0	\$ (15,259)	\$ (137,329)	\$ 122,070
2039	5	(1)	4	\$230,175	\$13,966	\$244,141	\$ (30,518)	\$ (160,217)	\$ 129,699
2040	5	(3)	2	\$230,175	-\$474,316	-\$244,141	\$ (61,035)	\$ (198,364)	\$ 137,329
TOTAL							\$ 3,173,829	\$ 114,442	\$ 3,059,387
							<u>\$8,329,302</u> is greater than <u>\$6,435,409</u>		

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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.

See Attachment D.

Board Finding Number 3.

The new jobs creation requirement under §313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to §313.025(f-1). To the extent permitted by Chapter 313 of the Texas Tax Code, the Board of Trustees waives the job creation requirement down to the number of jobs contained in the Application, throughout Applicant's entire Project either in the District or in other school districts in which the Project is located, in lieu of the number of jobs set forth in Texas Tax Code §313.051(b), as authorized by and pursuant to the provisions of Texas Tax Code §313.025(f-1).

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. According to the Applicant, the industry standard requires approximately one (1) full time position for every 15 turbines, which is less than the requirements of §313.051(b). Applicant intends to install approximately 40 turbines within Grandview-Hopkins ISD, with a rated capacity of 1.7 MW turbines. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. Applicant reported in its Application that it would create a total of five (5) new qualifying jobs for that portion of the project in Grandview-Hopkins ISD to service and support a wind farm of approximately 220 MW, which is in line with industry standards.

See Attachments A and D.

Board Finding Number 4.

The Applicant will create five (5) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3). To the extent permitted by Chapter 313 of the Texas Tax Code, the Board of Trustees further acknowledges that during the term of the Agreement the number of new qualifying jobs set forth in the Application may be located and performed within the entire Project, either in the District or in other school districts in which the Project is located, as authorized by and pursuant to the provisions of Texas Tax Code §313.025(f-1);

See Attachment A.

Board Finding Number 5.

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. The limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in Texas.

In support of Finding Number 5, the Economic Impact Evaluation states:

The Comptroller determines that the limitation on appraised value is a determining factor in the Grandview Wind Farm II, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the application, the company is considering several projects in Texas, Oklahoma, Indiana, Illinois and Colorado.
- The applicant also states that the appraised value limitation and other tax abatements granted by the Groom ISD and Carson county [sic] gave this project a stronger financial return than other options being considered by the Board of Directors.

See Attachment D. See also, Attachment A, Tab 5.

Board Finding Number 6.

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

In support of this Finding, Randy McDowell and Neal Brown estimate in the District's Financial Impact Report, based on Grandview Wind Farm II's Application, that the project would add \$98,463,929 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. See also Table 4 of Attachment D. In addition, the projected revenue gains from the proposed Agreement would be approximately \$700,000, based on a supplemental payment of \$50,000 per year, for years 2015-2028. See Table VI of Attachment E.

Board Finding Number 7.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Grandview-Hopkins 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.

In support of this finding, the District's Financial Impact Report states:

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

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

This minimal projected student growth can easily be accommodated with the current facilities of Grandview-Hopkins ISD.

See Attachment E. See also TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 8.

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

See Attachments A and D.

Board Finding Number 9.

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
2014-2015	0.97	0.078	0	0	0	0
2015-2016	0.97	0.076	0	0	0	0
2016-2017	0.97	0.045	955,100	858,100	(249,613)	608,487
2017-2018	0.97	0.047	907,345	810,345	(48,384)	761,962
2018-2019	0.97	0.046	859,590	762,590	(44,592)	717,998
2019-2020	0.97	0.048	811,835	714,835	(40,674)	674,161
2020-2021	0.97	0.048	764,080	667,080	(36,872)	630,209
2021-2022	0.97	0.000	716,325	619,325	(32,127)	587,198
2022-2023	0.97	0.000	668,570	571,570	(29,134)	542,436
2023-2024	0.97	0.000	620,815	523,815	(25,179)	498,636
2024-2025	0.97	0.000	573,060	476,060	(21,354)	454,706
2025-2026	0.97	0.000	525,305	428,305	(17,381)	410,924
2026-2027	0.92	0.000	452,934	0	0	0
2027-2028	0.97	0.000	429,795	0	0	0
2028-2029	0.97	0.000	382,040	0	0	0
2029-2030	0.97	0.000	334,285	0	0	0
2030-2031	0.97	0.000	286,530	0	0	0
Totals			9,287,610	6,432,026	(545,310)	5,886,716

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 Table 3 of Attachment D.

Board Finding Number 10.

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	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	0.97	0.078	0	0	0	0
2015-2016	0.97	0.076	0	0	0	0
2016-2017	0.97	0.045	955,100	858,100	(249,613)	608,487
2017-2018	0.97	0.047	907,345	810,345	(48,384)	761,962
2018-2019	0.97	0.046	859,590	762,590	(44,592)	717,998
2019-2020	0.97	0.048	811,835	714,835	(40,674)	674,161
2020-2021	0.97	0.048	764,080	667,080	(36,872)	630,209
2021-2022	0.97	0.000	716,325	619,325	(32,127)	587,198
2022-2023	0.97	0.000	668,570	571,570	(29,134)	542,436
2023-2024	0.97	0.000	620,815	523,815	(25,179)	498,636
2024-2025	0.97	0.000	573,060	476,060	(21,354)	454,706
2025-2026	0.97	0.000	525,305	428,305	(17,381)	410,924
2026-2027	0.92	0.000	452,934	0	0	0
2027-2028	0.97	0.000	429,795	0	0	0
2028-2029	0.97	0.000	382,040	0	0	0
2029-2030	0.97	0.000	334,285	0	0	0
2030-2031	0.97	0.000	286,530	0	0	0
Totals			9,287,610	6,432,026	(545,310)	5,886,716

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 4 of the Economic Impact Evaluation. See Table 4 of Attachment D.

Board Finding Number 11.

The Board of Trustees hired consultants to review and verify the information in the Application from Grandview Wind Farm II. Based upon the consultants' review, the Comptroller's Economic Impact Evaluation, and the Comptroller's Certification, the Board has determined that the information provided by the Applicant in its Application, as it may have been amended, was true and correct when it was submitted (see Attachments C, D and E).

Board Finding Number 12.

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 A and C.

Board Finding Number 13.

The Project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to and ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

Board Finding Number 14.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, 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 District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax years 2016-2025. However, the negative consequences of granting the value limitation are offset through the revenue protection 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 H.

Board Finding Number 15.

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 Farm II's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller. Should a new template be adopted that corrects the improper cross references, clarifies wording and grammatical errors, and corrects contractual ambiguities not acceptable to the parties, the Board finds that it would be in the District's best interest to agree to amend the Agreement.

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

Grandview-Hopkins Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

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

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

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED and is hereby authorized to be executed and delivered by the Trustee whose signature appears below on behalf of the Grandview-Hopkins 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,

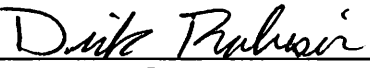
IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Grandview-Hopkins Independent School District Board of Trustees.

Dated this 9th day of December, 2014.

Grandview-Hopkins Independent School District

By 
Signature
Ryan Davis President
Printed Name and Title

Attest:

By 
Signature
Dirk Robison 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 Certification Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2013 ISD Property Value Summary Worksheet
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's December 8, 2014 Agreement Review Letter
J	Job Waiver Request
K	Resolution authorizing extension request with notice to Applicant

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



June 19, 2014

Bryan Hanna
Superintendent
Grandview-Hopkins Independent School District
11676 FM 293
Groom, Texas 79039

Dear Superintendent Hanna:

On May 22, 2014, the Comptroller's office received from Grandview-Hopkins Independent School District (Grandview-Hopkins ISD) an application from Grandview Wind Farm II, LLC for a limitation on appraised value (App #1010). Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency.

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined it includes the information necessary to be determined as complete. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact John Villarreal with our office. He can be reached by email at john.villarreal@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-5241, or direct in Austin at 512-463-5241.

Sincerely,

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

Robert Wood
Director
Economic Development & Analysis

cc: Fred Stormer, Underwood Attorneys at Law
Paul Bowman, EON
Makell Matney, EON



Application for Appraised Value Limitation on Qualified Property

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

Economic Development
and Analysis
Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. 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. For more information, see guidelines on Comptroller's website.

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. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. 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, issue a certificate for a limitation on appraised value 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links on this Web page to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

5/13/2014

Date Application Received by District

Bryan

First Name

Hanna

Last Name

Superintendent

Title

Grandview-Hopkins ISD

School District Name

11676 FM 293

Street Address

Mailing Address

Groom

City

806-669-3831

Phone Number

TX

State

806-669-3044

Fax Number

79039

ZIP

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/
50-296-A • 02-14/1

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

Fred	Stormer
First Name	Last Name
Attorney	
Title	
Underwood Attorneys at Law	
Firm Name	
806-379-0306	806-379-0316
Phone Number	Fax Number
	fred.stormer@uwlaw.com
Mobile Number <i>(optional)</i>	Email Address
4. On what date did the district determine this application complete?	5/21/2014
5. Has the district determined that the electronic copy and hard copy are identical?	☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Paul	Bowman	
First Name	Last Name	
Sr. VP Development	EON	
Title	Organization	
701 Brazos Street, Ste. 1400		
Street Address		
Mailing Address		
City	State	78701
Austin	TX	ZIP
Phone Number	Fax Number	
512-482-4027	512-494-9581	
Mobile Number <i>(optional)</i>	Business Email Address	
2. Will a company official other than the authorized company representative be responsible for responding to future information requests?	☒ Yes ☐ No	
2a. If yes, please fill out contact information for that person.		
Makell	Matney	
First Name	Last Name	
Sr. Development Manager	EON	
Title	Organization	
701 Brazos Street, Ste. 1400		
Street Address		
Mailing Address		
Austin	TX	78701
City	State	ZIP
512-482-4067	512-494-9581	
Phone Number	Fax Number	
512-658-9767	makell.matney@eon.com	
Mobile Number <i>(optional)</i>	Business Email Address	
3. Does the applicant authorize the consultant to provide and obtain information related to this application?	☐ Yes ☒ No	

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

NA

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "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.

2. 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 ☐ N/A
3. 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 ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Grandview Wind Farm II, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32052354019
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement

Groom ISD No. 356 - Grandview Wind Farm II, LLC

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach 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.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☒ Yes ☐ No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☒ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board October 1, 2014
2. Beginning of qualifying time period January 1, 2015
3. First year of limitation January 1, 2016
4. Begin hiring new employees October 1, 2015
5. Commencement of commercial operations December 31, 2015
6. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
7. When do you anticipate the new buildings or improvements will be placed in service? December 31, 2015

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Carson & Gray Counties
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Carson & Gray CADs
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Gray 0.489301 (38%) Carson 0.498586 (62%) City: N/A
(Name, tax rate and percent of project)
 Hospital District: N/A Water District: Panhandle Water Dist #3 .00848 (100%)
(Name, tax rate and percent of project)
 Other (describe): Groom ISD 1.386 (64%) Other (describe): Clarendon College .05 (100%)
(Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☒ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: 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 Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 10,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. 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 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of new buildings or new improvements with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. 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 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new 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
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? June 15, 2014

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 45,000.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 45,000.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☒ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2014
(year)
3. 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 Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 5
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,019.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,440.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 889.24
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 46,035.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 46,035.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.024(d-2)? ☐ Yes ☒ No
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Bryan Hanna

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Bryan Hanna

Signature (Authorized School District Representative)

5/13/2014

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here

Paul Bowman

Print Name (Authorized Company Representative (Applicant))

Sr. VP Development

Title

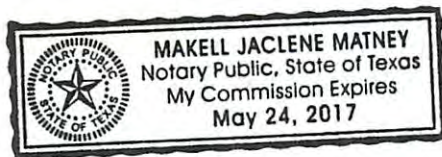
sign
here

Paul Bowman

Signature (Authorized Company Representative (Applicant))

5/13/2014

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

13th day of May, 2014

Makell J. Matney
Notary Public in and for the 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 Section 37.10.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of new buildings or new improvements c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* *To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 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)*

TAB 3



June 11, 2014

To whom it may concern,

E.ON Climate & Renewables North America, LLC (Texas Taxpayer number 12000751680) recently timely filed its Form 05-164 (Texas Franchise Tax Extension Request) with the Texas Comptroller's office. Included on the list of affiliated entities was Grandview Wind Farm II, LLC. On the form, Grandview Wind Farm II, LLC listed its parent's Federal Employer Identification Number (FEIN) as its applicable number as to date the company had not received its Texas Taxpayer number. Further, the company has not and will not request its own FEIN as none is required for federal tax purposes as the company doesn't currently have employees or other circumstances requiring an application. I will also note that the form specifically provides that if the taxpayer does not have a Texas Taxpayer number the taxpayer's FEIN should be entered.

From our experience with the Texas Comptroller and the Form 05-164 in question it is very common to file initial Franchise Tax extensions utilizing the FEIN and subsequently file with the Texas Taxpayer number. In multiple previous filings with numerous entities we have not received written notice that the Extension nor the final return was incorrectly filed on this account.

Therefore, we regret not utilizing the company's newly assigned Texas Taxpayer ID of 32052354019, however do feel the form has been correctly filed and not yet to receive notice contradicting this fact. Further, I can confirm that the company will be included on the company's final tax report due November 15th, 2014.

Best Regards,

A handwritten signature in dark ink, appearing to read 'Mark Brusius', written over a light blue horizontal line.

Mark Brusius



Franchise Tax Account Status

As of: 06/11/2014 05:44:12 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

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 4

Grandview Wind Farm II, LLC
Application for Appraised Value Limitations on Qualified Property

Tab 4

Section 7 – Project Description

Grandview Wind Farm II, LLC (the “Project”) anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts located within Carson County and Gray County, Texas, and across two (2) different school districts: Groom Independent School District and Grandview-Hopkins Independent School District. The exact number of wind turbines (including without limitation the towers, nacelles, rotors, and reinforced concrete foundations) and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install 118 GE 1.7 megawatt turbines on property in Carson County, Texas. Approximately 36% of the Qualified Investment/Qualified Property of the Project is currently anticipated to be located within the boundaries of Grandview-Hopkins Independent School District.

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 - 112 wind turbine generators, with a capacity of 1.6 megawatts to 2.4 megawatts per generator. 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. Applicant anticipates completing construction by fourth quarter of 2015. All of the qualified property for which the applicant is seeking a limitation on appraised value is on land leased by the applicant.

The Project will be located within Carson and Gray Counties. It will be within the Groom Independent School District (GISD) and the Grandview-Hopkins Independent School District. Current land use for the private property 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 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.
- 83 - 112 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 ____ miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

TAB 5

Grandview Wind Farm II, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 5

Section 8 – Limitation as Determining Factor

- 1) N/A
- 2) Grandview Wind Farm II, LLC has entered into contracts for work for preliminary land work.
- 3) N/A
- 4) N/A
- 5) N/A
- 6) Grandview Wind Farm II, LLC is located in Carson County and Gray County. The property in Carson County is already in a Reinvestment Zone but no Reinvestment Zone has been created in Gray County yet. The project has received property tax abatement for 10 years from Carson County and received a recommendation from the Comptroller for our Groom ISD application on March 5, 2014. Please see Exhibit I for copies of the applicable documents.
- 7) N/A
- 8) The Company is considering several projects in Texas, Oklahoma, Indiana, Illinois and Colorado. The Company has received tax incentives on several projects which are considered favorably in the analysis of the investment. When presenting the options to our Board of Directors for approval, the Grandview Wind Farm II project had a stronger financial return due to the Grandview-Hopkins Independent School District appraised value limitation and other tax abatements granted by Groom Independent School District and Carson County.
- 9) N/A
- 10) N/A

TAX ABATEMENT AGREEMENT

Between

CARSON COUNTY and Grandview Wind Farm II, LLC

State of Texas

County of Carson

This Tax Abatement Agreement (the "Agreement") is made and entered into by and between Carson County, Texas ("County"), acting through its duly elected officers and Grandview Wind Farm II, LLC, and its owners and assigns, ("Owner"), as owner of Eligible Property (as hereinafter defined) to be located on the tract of land comprising the Carson County Reinvestment Zone 9 and 10, more specifically described in Attachment A to this Agreement and this Agreement becomes effective upon final signature by both parties. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV(D) herein unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as in effect on the date hereof, and by the Carson County Guidelines and Criteria for Granting Tax Abatements.

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below:

- A. "Abatement" means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein.
- B. "Calendar Year" means each year beginning January 1 and ending on December 31.
- C. "Certificate" means a letter, provided by the Owner to the County, certifying that Owner has completed construction of the wind power project described herein, outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the project. Upon receipt of the Certificate, the County may inspect the property in accordance with this Agreement to determine that the Improvements are in place as certified.
- D. "Certified Appraised Value" means the appraised value, for property tax purposes,

of the property within Carson County Reinvestment Zone 9 and Reinvestment Zone 10, as certified by the Carson County Appraisal District for each taxable year.

- E. "Eligible Property" means property eligible for Abatement under the Carson County Guidelines and Criteria for Granting Tax Abatements, including: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed 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 and the Carson County Guidelines and Criteria for Granting Tax Abatements. 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.
- F. "Improvements" means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure or fixture erected on or affixed to the land. Improvements specifically include the Owner's wind turbines and towers, padmount transformers, collection system, operations and maintenance buildings, meteorological towers, substations and switching station that will be located in Carson County.
- G. "Owner" means Grandview Wind Farm II, LLC, the entity, acting in its own name or by and through one or more wholly owned Affiliates for the benefit of Grandview Wind Farm II, LLC, that owns or leases the Real Property for which Abatement is being granted, and any assignee or successor in interest of Grandview Wind Farm II, LLC. The term "Grandview Wind Farm II, LLC" means and includes the Owner.
- H. "Real Property" means Eligible Property meeting the description for real property provided by Chapter 1 of the Texas Tax Code.
- I. "Reinvestment Zone" means collectively Carson County Reinvestment Zone 9 and Reinvestment Zone 10, the reinvestment zone (as that term is defined in Chapter 312 of the Texas Tax Code) created by Carson County and described in Attachment A to this Agreement.
- J. "Site" means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.
- K. "Turbine Nameplate Capacity" means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall

generating capacity.

III. Improvements in Reinvestment Zone

Owner contemplates making the following Improvements in consideration for the Abatement set forth in Paragraph IV of the Agreement:

- A. Owner agrees to use commercially reasonable efforts to construct Improvements on the Site consisting of a wind power facility of a minimum nameplate capacity of One Hundred megawatts (100 MW) ("Minimum MW") with a currently anticipated capacity of approximately Two Hundred megawatts (200 MW) of overall Turbine Nameplate Capacity located in the Reinvestment Zone. The Project may be constructed in one or more phases, and each phase may have its own LLC or other form of special purpose project company. Owner may assign rights and responsibilities contained herein to each such project entity in relation to the number of megawatts to be installed by such project company. The Certified Appraised Value will depend upon annual appraisals by the Carson County Appraisal District. The number of turbines will vary depending on the types of turbines used and the size of the wind power facility, but the overall Turbine Nameplate Capacity of the installed Improvements will not be less than the minimum stated One Hundred megawatts (100 MW) unless approved by the County and subject to the renegotiation of the terms of this Agreement.
- B. Improvements also shall only include property in the Reinvestment Zone meeting the definition of "Eligible Property" that is used to produce wind power and perform other functions related to the production of wind generated electrical power.
- C. The agreements provided herein are conditioned on the Owner commencing construction of the Improvements by no later than December 31, 2013, and using commercially reasonable efforts to complete construction by no later than December 31, 2018.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. The County and Owner specifically agree and acknowledge that the property in the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. The Certified Appraised Value of property existing in the Reinvestment

Zone prior to execution of this Agreement shall be fully taxable at all times;

3. Prior to commencement of the abatement period designated in Paragraph IV (B), 100% of property taxes levied on the Certified Appraised Value of Owner's real and personal property located in the Reinvestment Zone will be owed and payable by Owner;
 4. 100% of County property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts as provided for by Paragraph IV(B) below; and
 5. 100% of the Certified Appraised Value of Eligible Property existing in the Reinvestment Zone shall be fully taxable after expiration of the abatement period designated in Paragraph IV(B).
- B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all Carson County property taxes as follows:
1. Beginning on the date upon which the Owner's completed project or discrete project phase is placed on the tax rolls and ending upon the conclusion of ten full Calendar Years thereafter, the Abatement is 100%.
 2. The foregoing percentage of property taxes on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place in the Reinvestment Zone) are abated in the respective period designated above.
 3. The foregoing percentage of property taxes on the Certified Appraised Value of any and all otherwise taxable personal property owned by Owner and located in the Reinvestment Zone are abated in the respective period designated above.
 4. The base year (as of January 1, 2013) value for the proposed Improvements is zero.
- C. A portion of all the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that such exemptions shall not apply to the Improvements.
- D. As additional consideration for this Abatement, Owner agrees to make an annual payment to the County of One Thousand, Five Hundred Dollars per megawatt (\$1,500.00/MW) of Turbine Nameplate Capacity included in the Certificate (and

actually installed in the Reinvestment Zone at the time such payment is due) during the ten (10) years the abatement is in effect. The first such payment shall be due and payable on the first day of the first month after the Owner provides the Certificate to the County and delinquent if not paid on or before ninety (90) days after such due date, with the remaining nine (9) payments due and payable annually on or before the anniversary of the first payment due date and delinquent if not paid on or before ninety (90) days after such date.

- E. Owner agrees that the Minimum MW described in Paragraph III, once constructed, will remain in place until at least twenty (20) Calendar Years after the date the Certificate for such Improvements is provided to Carson County by the Owner ("Term"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements below the Certified Appraised Value of the Minimum MW. In the event that Owner removes Improvements so that the Minimum MW are no longer installed in the Reinvestment Zone, the Owner's removal shall not be deemed a default under this Agreement if, at Owner's election, Owner pays to County as liquidated damages for such removal all taxes for such removed Improvements below the Minimum MW which otherwise would have been paid to the County for the then-remaining portion of the Term had the Improvements not been removed. For each year of the Term remaining, the amount of taxes due as liquidated damages for Owners removal of Improvements shall be calculated based upon the (i) forecasted value of the Minimum MW Improvements and (ii) applicable tax rate, in each case of the year such taxes are assessed, such forecasted value to be based on the appraised value of the last complete tax year in which the Improvements were in operation and the scheduled depreciation thereof. Such payments shall be due on the date such taxes would have been due had the Minimum MW Improvements not been removed. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), THE REMEDY PROVIDED ABOVE SHALL BE AT THE SOLE OPTION OF THE OWNER AND IF ELECTED BY OWNER SHALL BE THE OWNER'S SOLE LIABILITY. IF OWNER DOES NOT MAKE SUCH ELECTION, THE COUNTY AT ITS OPTION MAY PROCEED WITH A NOTIFICATION OF DEFAULT WHICH INCLUDES RIGHTS TO RECAPTURE TAXES AS PROVIDED IN ARTICLE VII BELOW. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE. NOTWITHSTANDING ANYTHING HEREIN, THIS SECTION IV(E) SHALL NOT APPLY TO EVENTS OF FORCE MAJEURE (AS DEFINED BELOW).

V. Representations

The County and Owner make the following respective representations:

- A. Owner represents and agrees that if constructed, (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the property during the Term; (ii) construction of the proposed Improvements described in Paragraph III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns' use of the property in the Reinvestment Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.
- B. The County represents that (i) the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Carson County Guidelines and Criteria for Granting Tax Abatements as both exist on the effective date of this Agreement; (ii) no abatement will apply to Improvements or the land on which they are located if such land is owned or leased by a member of the County Commissioners Court as of the effective date of this Agreement, (iii) that the property on which the Improvements will be located within the Reinvestment Zone is located within the legal boundaries of the County and (iv) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

VI. Access to and Inspection of Property by County Employees

- A. Owner shall allow the County's employees access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hour notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- B. Owner shall, within ninety (90) days after the beginning of each Calendar Year, certify annually to the County its compliance with this Agreement by providing a written statement to the same to the County Judge.

VII. Default, Remedies and Limitations of Liability

- A. The County may declare a default if Owner breaches any material term or condition of this Agreement. If the County declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure as provided for below, or the County may modify the Agreement upon mutual agreement with Owner. In the event of default, the County may pursue the remedies provided for in Paragraph VII(B) and VII(C) below, as applicable. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of "Force Majeure". "Force Majeure" means any contingency or cause beyond the reasonable control of Owner, including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or defacto governmental action (unless caused by acts or omissions of Owner), fires, explosions, floods, tornadoes and strikes.
- B. The County shall notify (i) Owner and (ii) any lender of record in the Real Property Records of Carson County of any default in writing in the manner prescribed herein. All contact information for purposes of a notice default shall be provided to the County Judge. The Notice shall specify the basis for the declaration of default, and Owner shall have ninety (90) days from the date of such notice to cure any default, except that where the default is incapable of being cured within ninety (90) days using reasonable business efforts, Owner shall commence performance of the cure within thirty (30) days after receipt of notice and diligently pursue those efforts until the default is cured. Owner and any lender of which the County has notice shall maintain the right to cure any defect, including any defect caused by an assignee or contractor of Owner during the same cure period identified in the foregoing sentence.
- C. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Minimum MW Improvements as provided for by this Agreement, the County shall be entitled to cancel the Agreement and recapture property tax revenue actually lost as a result of the Agreement, subject to the above provisions regarding notice and right to cure.
- D. LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VII(C) OF THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN PARAGRAPH IV(E) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPHS IV(E) AND VII(B), ALONG WITH ANY REASONABLY INCURRED COSTS AND FEES, SHALL BE THE

COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO MAKE THE SPECIFIED IMPROVEMENTS OR TAKE OTHER ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

- E. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN NINETY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND PAYMENT OF LIQUIDATED DAMAGES AS PROVIDED IN THE AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the County or the State of Texas.

IX. Assignment of Agreement

The parties agree that the rights and obligations under this Agreement may be assigned, in whole or in part, by Owner to one or more assignees, provided Owner provides the County with twenty (20) days written notice prior to any such assignment and provides the County with a copy of the assignment agreement or a memorandum of the same after it has been entered into. Upon such an assignment, the assignor shall no longer have any interest or liability with respect to the assigned rights and obligations, and a new abatement agreement with the same terms and conditions as this Agreement but with respect only to such assigned rights and obligations shall be deemed to exist between the assignee and the County. Upon the written request of the assignor or assignee, the County shall acknowledge in writing any such assignment and any such new abatement agreement.

X. Notice

All notices, demands and other communications of any type (collectively, "Notices") given shall be given in accordance with this Section. All Notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notice delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Article VII, such notice shall be given by at least one of the methods of delivery consistent with Section VII(E). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Grandview Wind Farm II, LLC
Attn: Legal Department
353 N. Clark Street, Floor 30
Chicago, IL 60654

Copy to: Grandview Wind Farm II, LLC
Attn: Patrick Woodson
701 Brazos, Suite 1400
Austin, Texas 78701

To the County: Carson County Judge
Carson County Courthouse
P.O. Box 369
Panhandle TX 79068
Fax: 806-537-2244

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the

term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Carson County Guidelines and Criteria for Granting Tax Abatements. To the extent this Agreement modifies any requirement or procedures set forth in the Carson County Guidelines and Criteria, those Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XV. Cooperation

The Parties acknowledge that this tax abatement is entered into in order to enhance the development of wind generated electricity projects in Carson County. In addition the Parties acknowledge that the Reinvestment Zone is located in close proximity to a major ERCOT point of interconnection such that the potential exists for future transmission line development to occur in the Reinvestment Zone to enhance the development of wind generated electricity in the County or surrounding counties. Grandview Wind Farm II, LLC agrees to reasonably cooperate with the sponsor/owner ("Competing Line Owner") of such other planned transmission lines, which cooperation may include Grandview Wind Farm II, LLC using commercially reasonable efforts: i) to attempt to agree with the Competing Line Owner on mutually acceptable arrangements to facilitate the routing, construction and interconnection of transmission lines, including if necessary to exchange portions of respective lease or easement properties to avoid a future line crossing; or (ii) to allow a third party transmission line to cross its Grandview Wind Farm II, LLC's leased property (and transmission line, whether planned or constructed) if the Competing Line Owner executes a crossing agreement with Grandview Wind Farm II, LLC containing terms and conditions reasonably acceptable to both Grandview Wind Farm II, LLC and the Competing Line Owner which stipulates, among other things, that: the Competing Line Owner's line will cross the Grandview Wind Farm II, LLC property or

transmission line in a manner and location acceptable to Grandview Wind Farm II, LLC based upon plans and specifications and construction requirements and scheduling approved by Grandview Wind Farm II, LLC.

XVI. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVII. Coordination of Local Hiring and Services

Owner shall require its general contractor to use reasonable commercial efforts to maximize its use of Carson County labor and services and supplies purchased from Carson County businesses in the course of performing under this Agreement, as is further described in the Local Spending and Support Plan attached to this Agreement as Attachment B.

XVIII. Road Maintenance

During construction of the Improvements, Owner agrees to use commercially reasonable efforts to minimize the disruption to County roads caused by the construction process and agrees to repair any damage caused to County roads by Owner or its agents during the construction period. After construction, Owner will leave such County roads in a state of equal or better condition than they were in prior to construction, excepting normal wear and tear. Any upgrade or requirement to upgrade any road used or necessary for Owner's operations will be borne solely by Owner. After construction, the County will only be responsible for the normal routine maintenance of the County roads.

In Testimony of which, this Agreement has been executed by the County as authorized by the County Commissioners Court and executed by the Owner on the respective dates shown below.

[signature pages to follow]

ATTEST/SEAL:

CARSON COUNTY, TEXAS, by:

Lewis Powers
County Judge

Abstain
Commissioner, Precinct 1

James Martin
Commissioner, Precinct 2

Mike D. [Signature]
Commissioner, Precinct 3

K. [Signature]
Commissioner, Precinct 4

Celeste Bichsel
Attest: Celeste Bichsel, County Clerk

Date

Grandview Wind Farm II, LLC

By: _____

Its _____

Date: _____

ATTEST/SEAL:

CARSON COUNTY, TEXAS, by:

County Judge

Commissioner, Precinct 1

Commissioner, Precinct 2

Commissioner, Precinct 3

Commissioner, Precinct 4

Attest: Celeste Bichsel, County Clerk

Date

Grandview Wind Farm II, LLC

By: *JB*

 Patricia Bichsel

Its *JB*

Date: 12-9-13

Attachment A

Attached is the Order Designating Reinvestment Zone dated August 23, 2013, (Carson County Reinvestment Zone 9), duly passed by the Carson County Commissioners Court, and a map depicting the location of Carson County Reinvestment Zone 9.

Attached is the Order Designating Reinvestment Zone dated December 9, 2013, (Carson County Reinvestment Zone 10), duly passed by the Carson County Commissioners Court, and a map depicting the location of Carson County Reinvestment Zone 10

**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 as Carson County Reinvestment Zone 10.

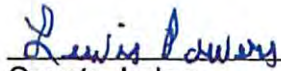
SECTION 4. That Carson County Reinvestment Zone 10 shall take effect on December 9, 2013, and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from such date of designation, and may be renewed for an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

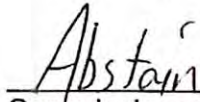
SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

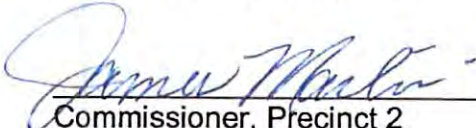
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Carson County Commissioners

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.

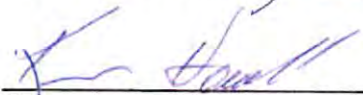
PASSED, APPROVED AND ADOPTED on this the 9th day of December, 2013.

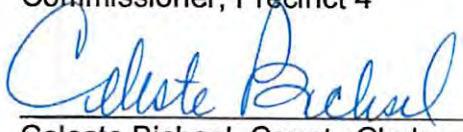

County Judge


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



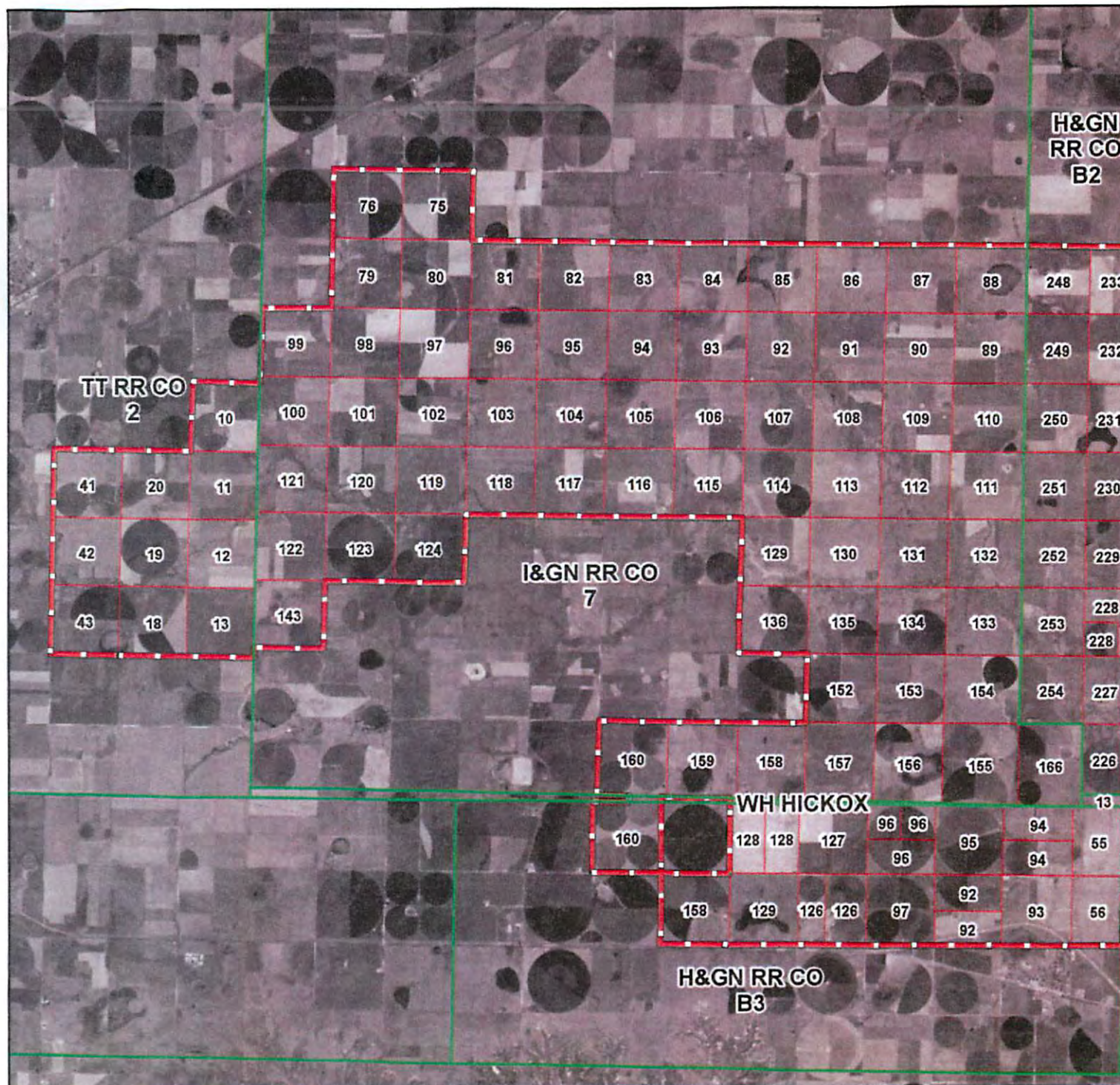
Date: November 04, 2013
Map Scale 1:125,000
Projection: UTM14
Datum: North American 1983

-  RZ Boundary
-  Surveys
-  Sections

Miles
0 0.75 1.5 3

e-on Climate & Renewables

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Attachment B

Local Spending and Support Plan

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

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. 3rd 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 313¹. 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

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

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

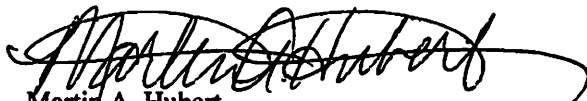
Note that any new building or other improvement existing as of the application review start date of Dec. 11, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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 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

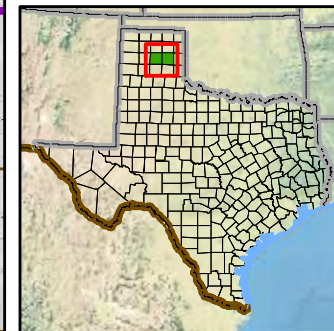
Enclosure

cc: Robert Wood

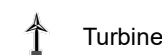
TAB 6

GRANDVIEW II School Districts

Carson & Gray
Counties, Texas



Date: April 29, 2014
Map Scale 1:75,000
Projection: UTM14
Datum: North American 1983



Turbine



County Roads



Project Boundary



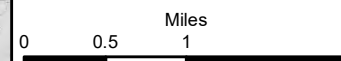
Grandview-Hopkins ISD



Groom ISD



Counties



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County Road 12

Groom ISD
64% of Turbines

Grandview -
Hopkins ISD
36% of Turbines

FM 295

GRAY CO.
CARSON CO.



TAB 7

Grandview Wind Farm II, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 7
Section 11 – Investment

Description of Qualified Investment

4a. & 4b. 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 112 GE 1.7 megawatt turbines on property in both Carson and Gray Counties.

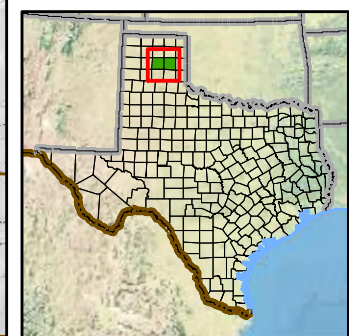
The additional improvements for the Project may include but are not limited to:

- 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.
- 112 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 ___ miles in length.
- Underground power cables from, and various cable accessories, with grounding.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

4c. Please see attached map.

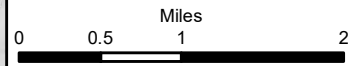
GRANDVIEW II Wind Farm

Carson & Gray
Counties, Texas

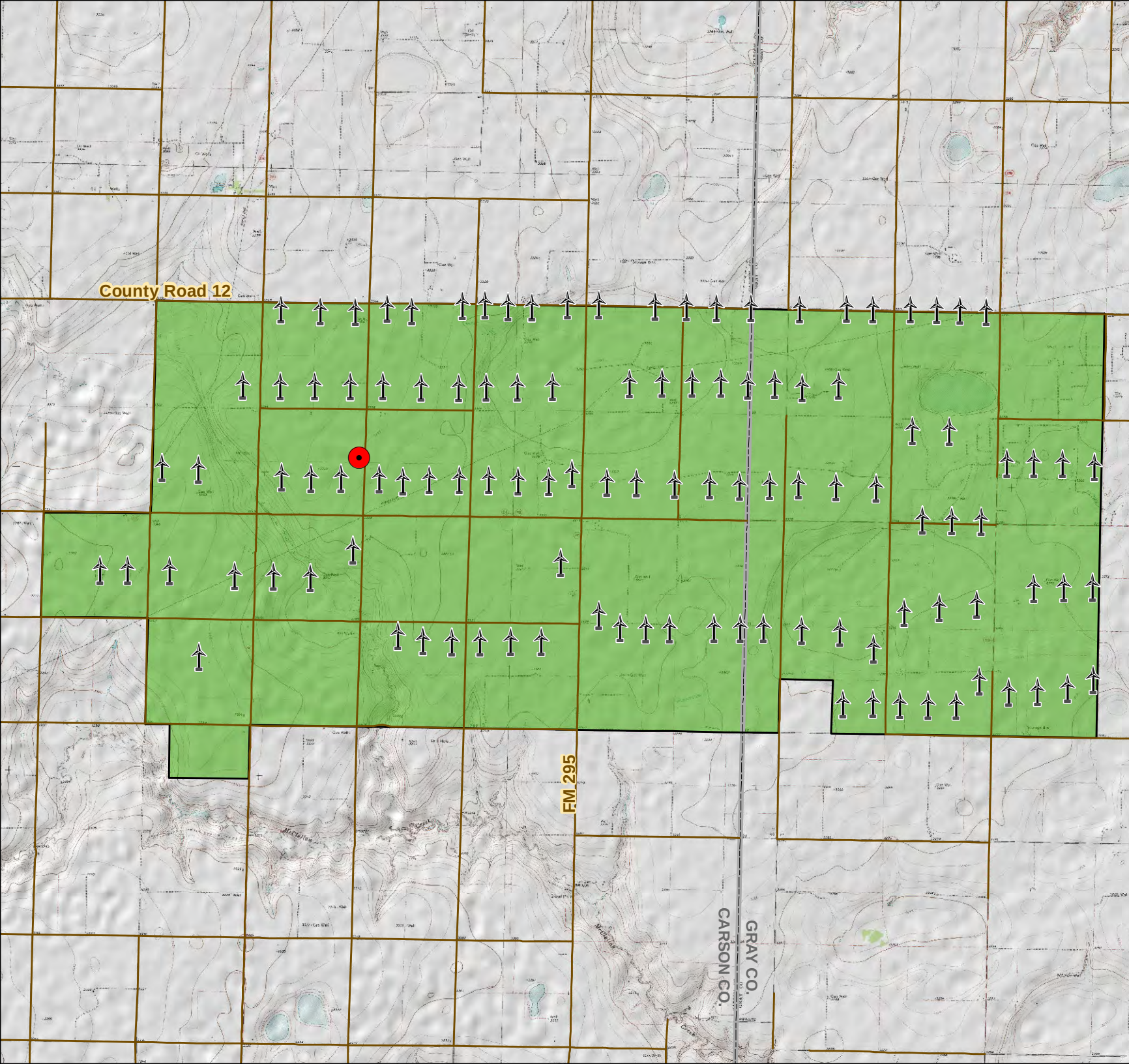


Date: May 21, 2014
Map Scale 1:75,000
Projection: UTM14
Datum: North American 1983

-  Turbine
-  Substation
-  County Roads
-  Project Boundary
-  Counties



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TAB 8

TAB 9

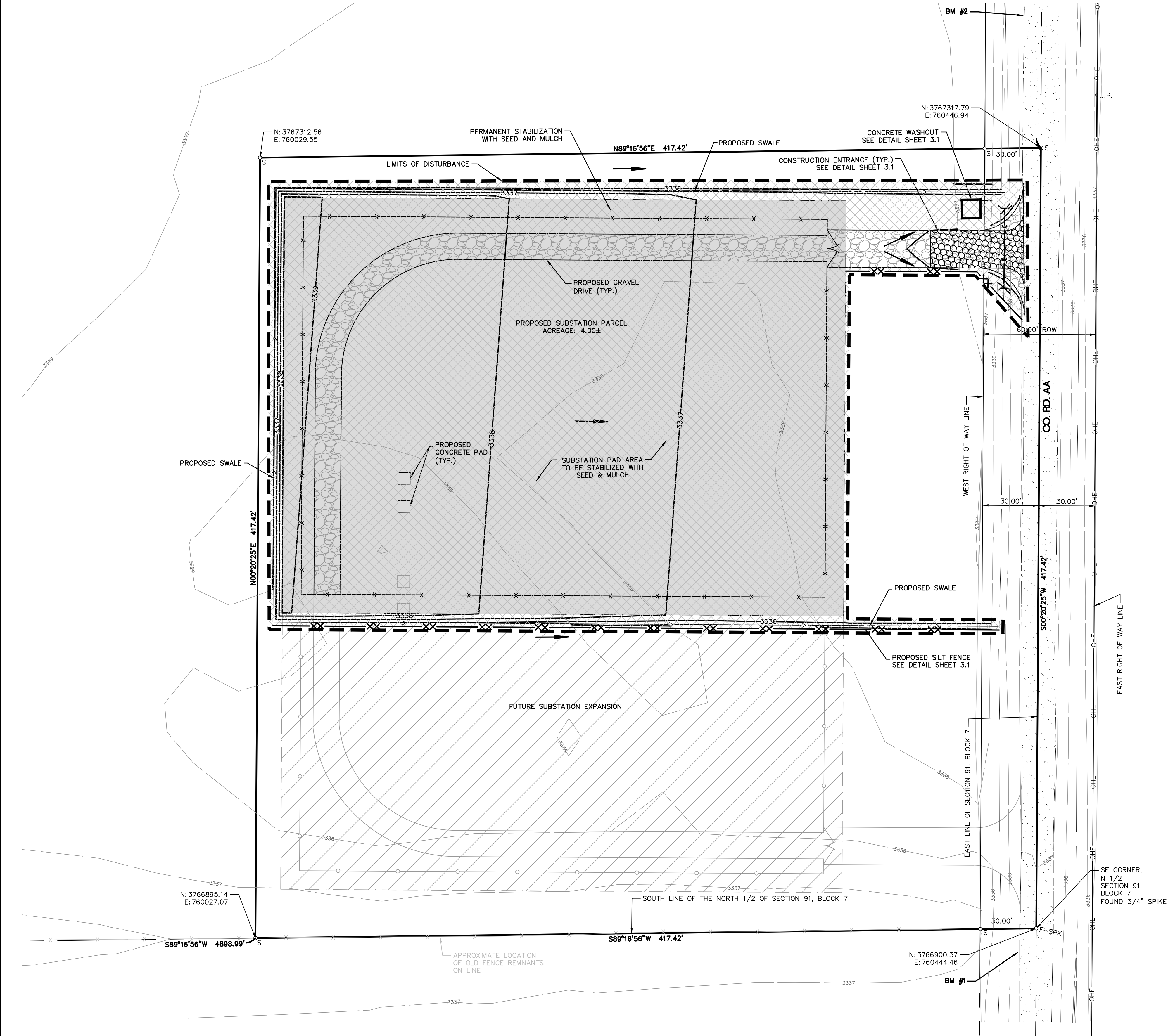
N/A

TAB 10

Grandview Wind Farm II, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 10

Section 13 – Information on Property Not Eligible to Become Qualified Property

Grandview Wind Farm II, LLC constructed an access road to the substation, cleared and grubbed the area, poured foundations for medium voltage breaker, installed a 6' galvanized chain link fence with one (1) vehicular access gate around substation and posted (3'x5') project signage on fence.



SOIL EROSION AND SEDIMENTATION CONTROL NOTES

1. ALL EROSION AND SEDIMENT CONTROLS SHALL BE MAINTAINED AND INSPECTED IN ACCORDANCE WITH THE CONDITIONS OF PART III IN THE TPDES GENERAL PERMIT (TXR150000).
2. EROSION AND SEDIMENT CONTROLS SHALL BE MAINTAINED AND REPLACED AS NECESSARY AT NO ADDITIONAL COST TO THE OWNER.
3. THE EROSION CONTROL MEASURES INCLUDED IN THE SOIL EROSION AND SEDIMENTATION CONTROL PLAN SHALL BE INSTALLED PRIOR TO INITIAL LAND DISTURBANCE ACTIVITIES. SEDIMENT SHALL BE PREVENTED FROM DISCHARGING FROM THE PROJECT SITE BY INSTALLING AND MAINTAINING SILT FENCE, ETC. AS SHOWN ON THIS PLAN.
4. THE CONTRACTOR SHALL CONTROL WASTES, GARBAGE, DEBRIS, WASTEWATER, AND OTHER SUBSTANCES ON THE SITE IN SUCH A WAY THAT THEY SHALL NOT BE TRANSPORTED FROM THE SITE BY THE ACTION OF WINDS, STORM WATER RUNOFF, OR OTHER FORCES. PROPER DISPOSAL OR MANAGEMENT OF ALL WASTES AND UNUSED BUILDING MATERIAL, APPROPRIATE TO THE NATURE OF THE WASTE OR MATERIAL IS REQUIRED. COMPLIANCE IS REQUIRED WITH ALL STATE OR LOCAL REGULATIONS REGARDING WASTE DISPOSAL, SANITARY SEWER, OR SEPTIC SYSTEMS.
5. PUBLIC OR PRIVATE ROADWAYS SHALL BE KEPT CLEARED OF ACCUMULATED SEDIMENT. BULK CLEARING OF ACCUMULATED SEDIMENT SHALL NOT INCLUDE FLUSHING THE AREA WITH WATER. CLEARED SEDIMENT SHALL BE RETURNED TO THE POINT OF LIKELY ORIGIN OR OTHER SUITABLE LOCATION.
6. EXCEPT AS PREVENTED BY INCLEMENT WEATHER CONDITIONS, ALL DISTURBED AREAS TO REMAIN INACTIVE FOR MORE THAN 14 CALENDAR DAYS SHALL BE STABILIZED BY SEEDING, SODDING, MULCHING, COVERING, OR BY OTHER EQUIVALENT EROSION CONTROL MEASURES.
7. THIS EROSION CONTROL PLAN SHALL BE IMPLEMENTED ON ALL DISTURBED AREAS WITHIN THE CONSTRUCTION SITE. ALL MEASURES INVOLVING EROSION CONTROL PRACTICES SHALL BE INSTALLED UNDER THE GUIDANCE OF QUALIFIED PERSONNEL EXPERIENCED IN EROSION CONTROL, AND FOLLOWING THE PLANS AND SPECIFICATIONS INCLUDED HEREIN.
8. DURING THE PERIOD OF CONSTRUCTION ACTIVITY, ALL EROSION CONTROL MEASURES SHALL BE MAINTAINED BY THE CONTRACTOR. AT COMPLETION OF CONSTRUCTION, THE CONTRACTOR SHALL COORDINATE THE TRANSFER OF MAINTENANCE RESPONSIBILITIES, IF REQUIRED, WITH THE OWNER. MAINTENANCE SHALL BE IN ACCORDANCE WITH THE TEXAS COMMISSION OF ENVIRONMENTAL QUALITY STANDARDS AND SPECIFICATIONS FOR SOIL EROSION AND SEDIMENT CONTROL AND THE SOIL EROSION AND SEDIMENTATION CONTROL PLAN.
9. EXISTING VEGETATION SHALL BE PROTECTED AS MUCH AS PRACTICAL.
10. ALL TEMPORARY EROSION AND SEDIMENT CONTROL PRACTICES SHALL BE REMOVED AND DISPOSED OF WITHIN THIRTY DAYS AFTER FINAL SITE STABILIZATION IS ACHIEVED OR AFTER THE TEMPORARY PRACTICES ARE NO LONGER NEEDED. TRAPPED SEDIMENT SHALL BE PERMANENTLY STABILIZED TO PREVENT FURTHER EROSION.
11. THIS EROSION CONTROL PLAN MUST BE RETAINED ON-SITE AT ALL TIMES DURING THE PERIOD OF CONSTRUCTION.
12. AREA OF DISTURBANCE = 1.80 ACRES.

CONSTRUCTION SEQUENCE SCHEDULE

1. INSTALLATION OF SOIL EROSION AND SEDIMENT CONTROL SE/SC MEASURES
 - A.) INSTALL STABILIZED CONSTRUCTION ENTRANCE
 - B.) INSTALL SILT FENCE
2. CONTAIN STOCKPILE LOCATIONS WITHIN SITE AND INSTALL EROSION CONTROL MEASURES AS NECESSARY.
3. START CONSTRUCTION OF SUBSTATION PAD ON DECEMBER 9, 2013.
4. TEMPORARILY SEED IMMEDIATELY THROUGHOUT CONSTRUCTION, DENUDED AREAS THAT WILL BE INACTIVE FOR 14 DAYS OR MORE.
5. PERMANENTLY STABILIZE ALL AREAS.
6. REMOVE ALL TEMPORARY SE/SC MEASURES AFTER THE SITE IS STABILIZED WITH VEGETATION.

* SOIL EROSION AND SEDIMENT CONTROL MAINTENANCE MUST OCCUR AT LEAST ONCE EVERY 14 CALENDAR DAYS AND WITHIN 24 HOURS OF THE END OF EVERY 0.5 IN. OR GREATER RAINFALL EVENT.

EXISTING SOILS

PxA PANTEX SILTY CLAY LOAM, 0 TO 1 PERCENT SLOPES

NOTES TO CONTRACTOR:

1. A COMPLETED TCEQ SMALL CONSTRUCTION SITE NOTICE MUST BE POSTED ON-SITE PRIOR TO THE START OF CONSTRUCTION IN A LOCATION THAT IS SAFE AND READILY AVAILABLE TO THE GENERAL PUBLIC. THE SITE NOTICE MUST INCLUDE:
 - THE SITE-SPECIFIC TPDES AUTHORIZATION NUMBER FOR THE PROJECT IF ASSIGNED.
 - THE OPERATOR NAME, CONTACT NAME AND CONTACT PHONE NUMBER.
 - A BRIEF DESCRIPTION OF THE PROJECT.
 - THE LOCATION OF THE SWPPP.
2. PROVIDE A COPY OF THE SIGNED AND CERTIFIED CONSTRUCTION SITE NOTICE TO THE COUNTY JUDGE 48 HOURS PRIOR TO START OF CONSTRUCTION.

SWPPP:

1. REFER TO SWPPP FOR ADDITIONAL INFORMATION AND REQUIREMENTS.

SITE DATA TABLE	
TOTAL PROJECT AREA (ACRES)	4.0
TOTAL DISTURBED AREA (ACRES)	1.8
EXISTING IMPERVIOUS AREA (ACRES)	0.0
PROPOSED IMPERVIOUS AREA (ACRES)	0.2

LEGEND

	EXIST. BOUNDARY LINE
	EXIST. CONTOUR
	PROP. CONTOUR
	EXIST. OVERHEAD ELECTRIC
	EXIST. ROAD R.O.W.
	EXIST. ASPHALT
	EXIST. UTILITY POLE
	PROP. CULVERT
	PROP. SILT FENCE
	LIMITS OF DISTURBANCE
	PROP. GRAVEL
	PROP. SUBSTATION PAD
	TEMPORARY STABILIZED CONSTRUCTION ENTRANCE
	PERMANENT SEED & MULCH



THE LOCATIONS OF EXISTING UNDERGROUND UTILITIES ARE SHOWN IN AN APPROXIMATE WAY ONLY AND HAVE NOT BEEN INDEPENDENTLY VERIFIED BY THE OWNER OR ITS REPRESENTATIVE. THE CONTRACTOR SHALL DETERMINE THE EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE COMMENCING WORK, AND AGREES TO BE FULLY RESPONSIBLE FOR ANY AND ALL DAMAGES WHICH MIGHT BE OCCASIONED BY THE CONTRACTOR'S FAILURE TO EXACTLY LOCATE AND PRESERVE ANY AND ALL UNDERGROUND UTILITIES.

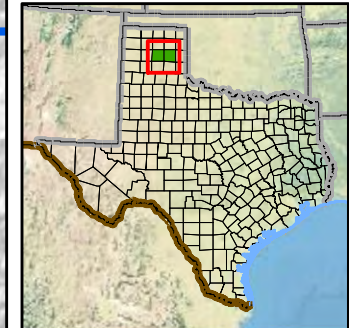
NOTICE:
CONSTRUCTION SITE SAFETY IS THE SOLE RESPONSIBILITY OF THE CONTRACTOR. NEITHER THE OWNER NOR THE ENGINEER SHALL BE EXPECTED TO ASSUME ANY RESPONSIBILITY FOR SAFETY OF THE WORK, OF PERSONS ENGAGED IN THE WORK, OF ANY NEARBY STRUCTURES, OR OF ANY OTHER PERSONS.

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TAB 11

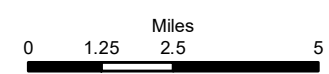
GRANDVIEW II Reinvestment Zones

Carson & Gray
Counties, Texas

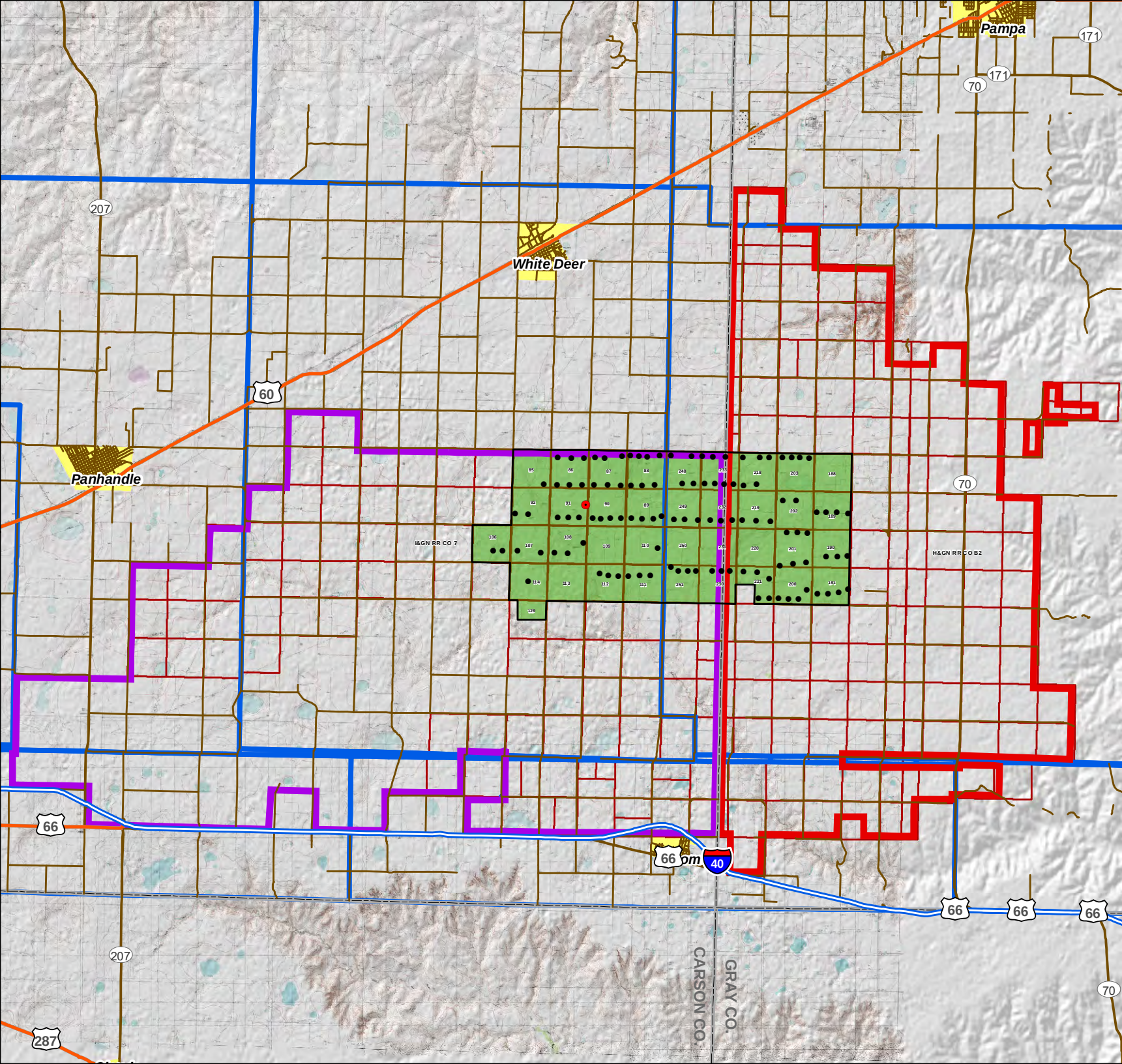


Date: May 21, 2014
Map Scale 1:210,000
Projection: UTM14
Datum: North American 1983

- Turbine
- Proposed Substation
- County Roads
- Carson Co RZ
- Gray Co RZ
- Surveys
- Project Boundary
- Sections
- Counties



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TAB 12



May 13, 2014

Mr. Bryan Hanna, Superintendent
Grandview-Hopkins Independent School District
11676 FM Road 293
Groom, TX 79039

Re: Chapter 313 Job Waiver Request

Dear Mr. Hanna,

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

Grandview Wind Farm II, LLC, requests that the Grandview-Hopkins Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Grandview Wind Farm II, LLC has committed to create 10 total jobs for the project, 5 of which will be in Groom ISD.

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

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

With kind regards,

A handwritten signature in blue ink, appearing to be "PB", followed by a long horizontal line extending to the right.

Paul Bowman
Sr. Vice President, Development

TAB 13

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Gray County	Private	31	2	31-33	Manufacturing	\$1,323
2013	2nd Qtr	Gray County	Private	31	2	31-33	Manufacturing	\$1,289
2013	3rd Qtr	Gray County	Private	31	2	31-33	Manufacturing	\$1,183
2012	4th Qtr	Gray County	Private	31	2	31-33	Manufacturing	\$1,439

Quarterly Employment and Wages (QCEW)

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 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Gray County	Private	00	0	10	Total, All Industries	\$928
2013	2nd Qtr	Gray County	Private	00	0	10	Total, All Industries	\$906
2013	3rd Qtr	Gray County	Private	00	0	10	Total, All Industries	\$877
2012	4th Qtr	Gray County	Private	00	0	10	Total, All Industries	\$994

CALCULATION OF WAGE REQUIREMENTS

TOTAL REGION MANUFACTURING

Council of Government	Hourly	Weekly	Annual
1. Panhandle Regional Planning Commission	\$20.12	\$808.40	\$41,850

$\$808.40 \times 1.10 = \$889.24$

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

TOTAL - MANUFACTURING

Year	Quarter	Average Weekly Wages	Annualized
2013	3Q	\$1,183	\$61,516
2013	2Q	\$1,289	\$67,028
2013	1Q	\$1,323	\$68,796
2012	4Q	<u>\$1,439</u>	<u>\$74,828</u>
		\$1,309	\$68,068
	X	<u>110% of County Average Weekly Wage for all Jobs</u>	
		\$1,440	\$74,875

TOTAL – ALL INDUSTRIES

Year	Quarter	Average Weekly Wages	Annualized
2013	3Q	\$877	\$45,604
2013	2Q	\$906	\$47,112
2013	1Q	\$928	\$48,256
2012	4Q	<u>\$994</u>	<u>\$51,688</u>
		\$926	\$48,152
	X	<u>110% of County Average Weekly Wage for all Jobs</u>	
		\$1,019	\$52,967

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.

TAB 14

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name Grandview Wind Farm II, LLC
ISD Name Grandview Hopkins ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2014-2015	2014			\$ 45,000.00	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	\$ 45,000.00
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	QTP1	2015-2016	2015	\$ 98,463,929.00	\$ -	\$ -	\$ -	\$ 98,463,929.00
	QTP2	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]								
				\$ 98,463,929.00		\$ 45,000.00	\$ -	\$ 98,508,929.00
Total Qualified Investment (sum of green cells)				Enter amounts from TOTAL row above in Schedule A2				
				\$ 98,463,929.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Applicant Name Grandview Wind Farm II, LLC
ISD Name Grandview Hopkins ISD

Form 50-296A
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PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 98,463,929.00		\$ 45,000.00		\$ 98,508,929.00
Each year prior to start of value limitation period** Insert as many rows as necessary	0	2014-2015	2014					
Each year prior to start of value limitation period** Insert as many rows as necessary	0	2015-2016	2015	\$ 98,463,929.00				\$ 98,463,929.00
Value limitation period***	1	2016-2017	2016					
	2	2017-2018	2017					
	3	2018-2019	2018					
	4	2019-2020	2019					
	5	2020-2021	2020					
	6	2021-2022	2021					
	7	2022-2023	2022					
	8	2023-2024	2023					
	9	2024-2025	2024					
	10	2025-2026	2025					
Total Investment made through limitation				\$ 98,463,929.00		\$ 45,000.00		\$ 98,508,929.00
Continue to maintain viable presence	11	2026-2027	2026					
	12	2027-2028	2027					
	13	2028-2029	2028					
	14	2029-2030	2029					
	15	2030-2031	2030					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2031-2032	2031					
	17	2032-2033	2032					
	18	2033-2034	2033					
	19	2034-2035	2034					
	20	2035-2036	2035					
	21	2036-2037	2036					
	22	2037-2038	2037					
	23	2038-2039	2038					
	24	2039-2040	2039					
	25	2040-2041	2040					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Applicant Name

Grandview Wind Farm II, LLC

Form 50-296A

ISD Name

Grandview Hopkins ISD

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			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 buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>(Insert as many rows as necessary)</i>	0	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2016-2017	2016	\$ -	\$ -	\$ 98,463,929.00	\$ 98,463,929.00	\$ 98,463,929.00	\$ 10,000,000.00
	2	2017-2018	2017	\$ -	\$ -	\$ 93,540,732.55	\$ 93,540,732.55	\$ 93,540,732.55	\$ 10,000,000.00
	3	2018-2019	2018	\$ -	\$ -	\$ 88,617,536.10	\$ 88,617,536.10	\$ 88,617,536.10	\$ 10,000,000.00
	4	2019-2020	2019	\$ -	\$ -	\$ 83,694,339.65	\$ 83,694,339.65	\$ 83,694,339.65	\$ 10,000,000.00
	5	2020-2021	2020	\$ -	\$ -	\$ 78,771,143.20	\$ 78,771,143.20	\$ 78,771,143.20	\$ 10,000,000.00
	6	2021-2022	2021	\$ -	\$ -	\$ 73,847,946.75	\$ 73,847,946.75	\$ 73,847,946.75	\$ 10,000,000.00
	7	2022-2023	2022	\$ -	\$ -	\$ 68,924,750.30	\$ 68,924,750.30	\$ 68,924,750.30	\$ 10,000,000.00
	8	2023-2024	2023	\$ -	\$ -	\$ 64,001,553.85	\$ 64,001,553.85	\$ 64,001,553.85	\$ 10,000,000.00
	9	2024-2025	2024	\$ -	\$ -	\$ 59,078,357.40	\$ 59,078,357.40	\$ 59,078,357.40	\$ 10,000,000.00
	10	2025-2026	2025	\$ -	\$ -	\$ 54,155,160.95	\$ 54,155,160.95	\$ 54,155,160.95	\$ 10,000,000.00
Continue to maintain viable presence	11	2026-2027	2026	\$ -	\$ -	\$ 49,231,964.50	\$ 49,231,964.50	\$ 49,231,964.50	\$ 49,231,964.50
	12	2027-2028	2027	\$ -	\$ -	\$ 44,308,768.05	\$ 44,308,768.05	\$ 44,308,768.05	\$ 44,308,768.05
	13	2028-2029	2030	\$ -	\$ -	\$ 39,385,571.60	\$ 39,385,571.60	\$ 39,385,571.60	\$ 39,385,571.60
	14	2029-2030	2031	\$ -	\$ -	\$ 34,462,375.15	\$ 34,462,375.15	\$ 34,462,375.15	\$ 34,462,375.15
	15	2030-2031	2030	\$ -	\$ -	\$ 29,539,178.70	\$ 29,539,178.70	\$ 29,539,178.70	\$ 29,539,178.70
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2031-2032	2031	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	17	2032-2033	2032	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	18	2033-2034	2033	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	19	2034-2035	2034	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	20	2035-2036	2035	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	21	2036-2037	2036	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	22	2037-2038	2037	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	23	2038-2039	2038	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	24	2039-2040	2039	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25
	25	2040-2041	2040	\$ -	\$ -	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25	\$ 24,615,982.25

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name Grandview Wind Farm II, LLC
ISD Name Grandview Hopkins ISD

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2014-2015	2014	0	\$ -	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	175 FTE	\$ 46,035.00	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2016-2017	2016			N/A	5	\$ 46,035.00
	2	2017-2018	2017			N/A	5	\$ 46,035.00
	3	2018-2019	2018			N/A	5	\$ 46,035.00
	4	2019-2020	2019			N/A	5	\$ 46,035.00
	5	2020-2021	2020			N/A	5	\$ 46,035.00
	6	2021-2022	2021			N/A	5	\$ 46,035.00
	7	2022-2023	2022			N/A	5	\$ 46,035.00
	8	2023-2024	2023			N/A	5	\$ 46,035.00
	9	2024-2025	2024			N/A	5	\$ 46,035.00
	10	2025-2026	2025			N/A	5	\$ 46,035.00
Years Following Value Limitation Period	11 through 26	2026-2027	2026			N/A	5	\$ 46,035.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

☒

Yes

☐

No
- C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒

Yes

☐

No
- C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

☐

Yes

☒

No

Schedule D: Other Incentives (Estimated)

Applicant Name Grandview Wind Farm II, LLC
ISD Name Grandview Hopkins ISD

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State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Gray (Application Pending)	2016	2025	\$ 406,511.00	Avg 50% Per Yr	\$ 203,255.50
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 406,511.00		\$ 203,255.50

Additional information on incentives for this project:

TAB 15

N/A

TAB 16

**RESOLUTION OF THE COMMISSIONERS
COURT OF GRAY COUNTY, TEXAS
DESIGNATING GRANDVIEW II REINVESTMENT ZONE**

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

WHEREAS, the County Commissioners Court of Gray 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 Gray County for Granting a Tax Abatement in Reinvestment Zone created in Gray County, Texas (the "Guidelines"); and

WHEREAS, on June 18, 2014, a hearing before the County Commissioners Court of Gray 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 Gray 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 Gray 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 GRAY 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 Gray 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 the adoption of the reinvestment zone has been properly called, held and conducted, and that notices 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 creation of the reinvestment zone will result in benefits to Gray County, Texas and to 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 or expansion of primary employment or to attract investment in the zone that will be a benefit to the property and that would contribute to economic development within the Gray County, Texas

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Gray County Commissioners Court hereby creates Grandview II Reinvestment Zone, 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 as Grandview II Reinvestment Zone.

SECTION 4. That Grandview II Reinvestment Zone shall take effect upon adoption by the Gray County Commissioners Court 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 the date of such 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 Gray County Commissioners Court at which this Resolution was adopted, was posted at a place convenient 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 newspapers of general circulation within the County, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 18th day of June, 2014.

GRAY COUNTY COMMISSIONERS' COURT

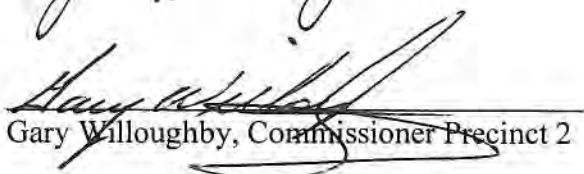


Richard Peet, Gray County Judge



Joe Wheeley, Commissioner Precinct 1

Neil Fulton, Commissioner Precinct 3



Gary Willoughby, Commissioner Precinct 2

Jeff Haley, Commissioner Precinct 4

Exhibit "A"
Legal Description of Reinvestment Zone

The real property in Gray County, Texas, described as follows:

All of Sections 104, 105, 106, 107, 108, 109, 110, 111, 112, 126, 127, 128, 129 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225 and 226 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The Southwest Quarter (SW/4) of Section 85 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The West Half (W/2) & Southeast Quarter (SE/4) of Section 96 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The East Half (E/2) of Section 114 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The South Half (S/2) of Section 155 Block B2, H&GN RR CO. Survey, Gray County, Texas.

All of Sections 1, 17 18, 19, 35, 36, 37, 38, 52, 53, and 54 Block B3, H&GN RR CO. Survey, Gray County, Texas.

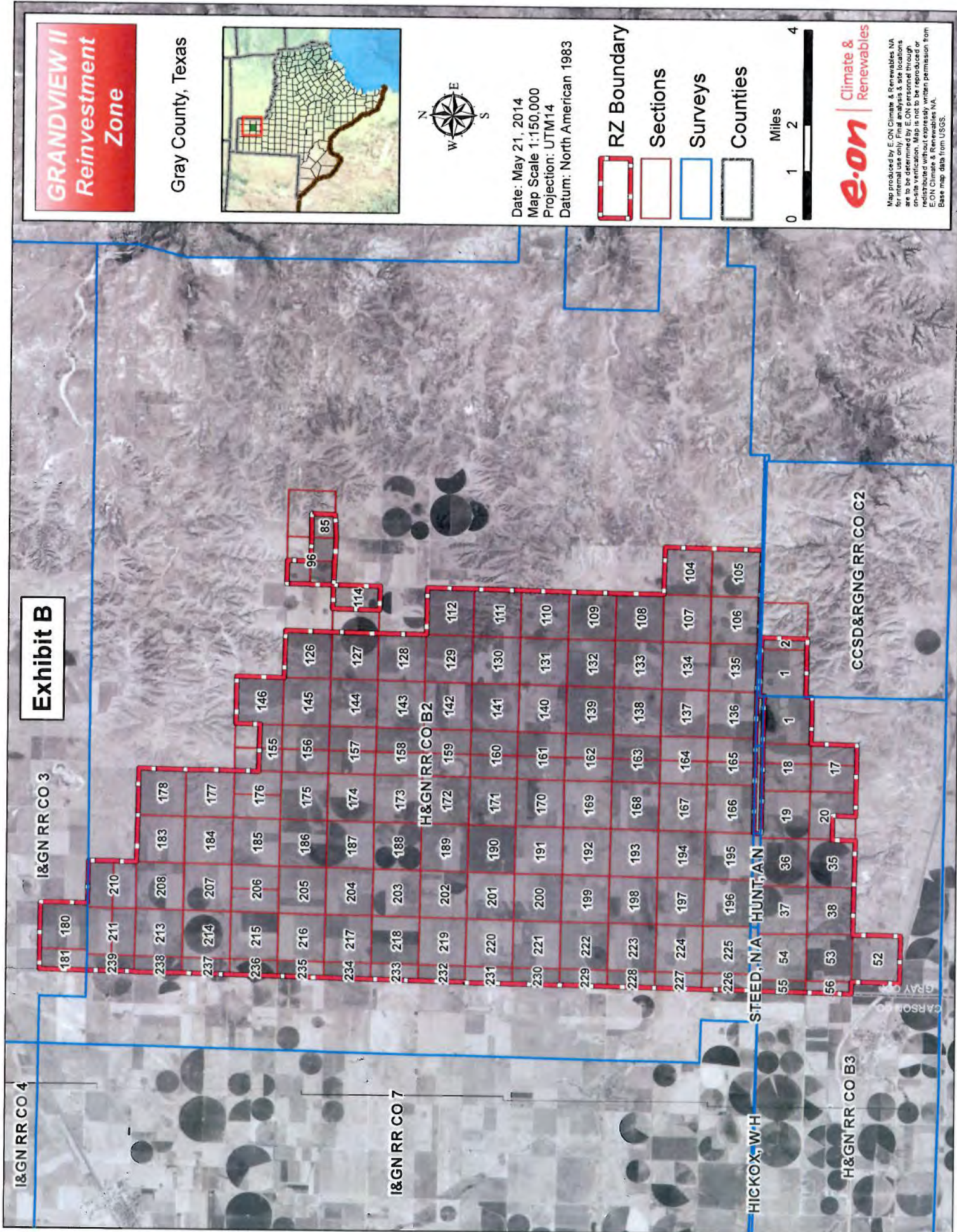
The North Half (N/2) & Southeast Quarter (SE/4) of Section 20 Block B3, H&GN RR CO. Survey, Gray County, Texas.

All of Section 180 Block 3, I&GN RR CO. Survey, Gray County, Texas.

All of Section 1 and the West Half of the West Half (W2/W/2) of Section 2, BLK C2, CCSD Survey, Gray County, Texas.

All of the NA Steed, AN Hunt Railroad and DB Hill Survey, Gray County, Texas.

Exhibit B



**GRANDVIEW II
Reinvestment
Zone**

Gray County, Texas



Date: May 21, 2014
Map Scale 1:150,000
Projection: UTM14
Datum: North American 1983

- RZ Boundary**
- Sections**
- Surveys**
- Counties**



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.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED
IN THE JURISDICTION OF
GRAY COUNTY, TEXAS**

STATE OF TEXAS }
 }
COUNTY OF GRAY }

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WHEREAS, the creation and retention of job opportunities that bring new wealth is one of the highest civic priorities; and, 0

WHEREAS, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and, 0
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WHEREAS, Gray County must compete with other localities across the nation currently offering tax inducements to attract new and modernization projects; and,

WHEREAS, any tax incentives offered in Gray County would reduce needed tax revenue unless these tax incentives are strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs or investments in industries that bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and, P
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WHEREAS, Texas laws requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to the granting of any future tax abatement, which guidelines and criteria are to remain unchanged for a two-year period unless amended by minimum votes, as provided by said state law; and, 0
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WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the County of Gray, or any other taxing jurisdiction, is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis; and, 2

WHEREAS, these guidelines and criteria are approved for circulation to all affected taxing jurisdictions for consideration as a common policy for all jurisdictions that choose to participate in tax abatement agreements; and

WHEREAS, the Commissioners Court of Gray County, Texas has approved and authorized these guidelines and criteria;

NOW THEREFORE BE IT RESOLVED THAT, said guidelines and criteria are as follows:

Sec. 1. Definitions

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Gray for economic development purposes.
- B. "Affected jurisdiction" means the County of Gray and any other taxing jurisdiction with any substantial parts of its area located in Gray County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.
- C. "Agreement" means a contractual agreement between a property owner or lessee, or both, and an

affected jurisdiction for the purposes of tax abatement.

- D. "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property improvements made after January 1 but before the execution of the Agreement.
- E. "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.
- F. "Distribution Center Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, primarily to receive, store, service, or distribute goods or materials owned by the facility operator.
- G. "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- H. "Facility" means property improvements completed or in the process of construction that together comprise an integral whole.
- I. "Manufacturing Facility" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- J. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- K. "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- L. "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.
- M. "Productive life" means the number of years a property improvement is expected to be in service in a facility.
- N. "Regional entertainment facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.
- O. "Research facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- P. "Regional service facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.
- Q. "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5 or any successor to such rule.

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Sec. 2. Criteria for Abatement and Designation a Reinvestment Zone.

- A. Authorized facility. A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.
- B. Creation of new value. Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement by and among Gray County and the property owner or lessee, subject to such limitation as Gray County may require. V
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- C. New and existing facilities. Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion. L
- D. Eligible property. Abatement may be extended to the value of permanent buildings and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility. 0
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- E. Ineligible property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas. 3
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- F. Value and term of abatement. A tax abatement agreement granted by Gray County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed. P
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- G. Economic qualification. In order to be eligible to receive tax abatement the planned improvement: 0
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 - 1. Must be reasonably expected to have an increase in positive net benefit to Gray County of at least \$100,000 in the case of new businesses and \$50,000 in the case of existing businesses over the life of the tax abatement agreement (such amounts computed to include, but not limited to, new payroll and new capital investment);
 - 2. Must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis; and
 - 3. Must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Gray to another.
- H. Existing business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, such existing businesses may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$50,000.00 and modernization or expansion changes the appraised value to \$100,000.00, \$50,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)
- I. Taxability. From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:
 - 1. The value of ineligible property shall be fully taxable; and,
 - 2. The base year value of existing eligible property as determined each year shall be fully taxable; and,
 - 3. The additional value of new eligible property shall be taxable in the manner described in Section 2.

Sec. 3. Application and Hearing.

- A. Any present or potential owner of taxable property in the jurisdiction of the taxing entities of the County of Gray, Texas may request tax abatement by filing a written request with the Gray County Commissioners Court.
- B. The application shall consist of a completed application form accompanied by:
 - 1. a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;
 - 2. a descriptive list of the improvements that will be a part of the facility; a map and property description; and
 - 3. A time schedule for undertaking and completing the planned improvements.

In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the application. The application form may require any financial and other information that may be appropriate for evaluating the financial capacity of the applicant and any other factors.

- C. After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame the Commissioners Court shall choose to deny the application, consider the application, or consider the application on an expedited basis.
- D. Consideration of Application. If the County determines that the application should be further considered, then the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. At the hearing, the Commissioners Court will evaluate the application against the criteria in Section 2 and decide whether to designate the property for which 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 and may then arrange to consider for approval the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven (7) days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, 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.
- E. Expedited Consideration of Application. If the County determines that the application should receive expedited consideration, then the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court's next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which the abatement is sought, along with a copy of the proposed tax abatement agreement. During the Commissioners Court meeting, the Commissioners Court shall evaluate the application against the criteria in Section 2 and shall decide whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then immediately

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consider for approval the tax abatement agreement between the applicant and the County. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or the decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

- F. Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.
- G. When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.
- H. Tax abatement may not be approved if the County finds that the application was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
- I. Request for variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Gray County. Such request shall include all the items listed in Section 3 above, together with a complete description of the circumstances that prompt the applicant to request variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

Sec. 4. Standards for denying Approval of Abatement.

- A. If any affected jurisdiction is able to conclusively show cause in the public hearing why the granting of the abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity, or the providing of services, Gray County shall deny the approval of abatement.
- B. An abatement agreement shall not be granted if it is determined that:
 - 1. There would be substantial adverse effect on the providing of government services or tax bases;
 - 2. The applicant has insufficient financial capacity;
 - 3. Planned or potential use of the property would constitute a hazard to public safety, health, or morals; or,
 - 4. Codes or laws would be violated.

Sec. 5. Effect of Approval of Application

Gray County Commissioners Court acts only for the taxing entity of Gray County and for no other taxing entity within Gray County. The County's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the affected jurisdictions may grant tax abatements, and enter into tax abatement agreements with applicants.

Sec. 6. Tax Abatement Agreements

The Gray County Commissioners Court after approval of an application shall enter into an agreement with the applicant. Such agreements shall be executed with the owner of the facility, and with the lessee when required. Such agreements shall include:

- A. The estimated value to be abated and the base year value;
- B. The percentage of value to be abated each year;

- C. The commencement date and the termination date of abatement;
- D. The proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list;
- E. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment;
- F. Size of investment and average number of jobs involved. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County; and
- G. The agreement shall stipulate that employees, or designated representatives, or both, of Gray County will have access to the reinvestment zone during the terms of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual.

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Sec. 7 Recapture

- A. If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 60 days from the date of termination.
- B. If the Gray County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the agreement may be terminated; provided, however if such failure cannot be cured within such sixty (60)-day period and the company or individual has commenced remedial action to cure such failure (and continued to diligently and timely pursue the completion of such remedial action), the company or individual shall be entitled to a total of one hundred eighty (180) days after receipt of notice within which to cure such default.
- C. If the company or individual (1) allows its ad valorem taxes owed to the County of Gray, or any other taxing entity in Gray County, to become delinquent after all applicable notice and cure periods and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

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Sec. 8. Administration

- A. The Chief Appraiser of the Gray County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief appraiser shall notify the affected jurisdictions that levy taxes of the amount of the assessment.

- B. Upon completion of construction, a designated representative of Gray County shall annually evaluate each facility receiving abatement to insure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 9. Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Gray County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld, conditioned or delayed.

Sec. 10. Sunset Provision

The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years from the Effective Date (defined below) unless amended by a three-quarters vote of the Gray County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

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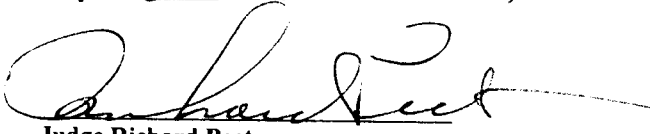
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The foregoing was lawfully approved by County Commissioner's Court, effective as the 15 day of Feb 2013 (the "Effective Date").



Judge Richard Peet
Gray County Judge

Joe Wheeley
Commissioner Precinct 1

Gary Willoughby
Commissioner Precinct 2

Commissioner Precinct 3
Neil Fulton

Commissioner Precinct 4
Jeff Haley

ATTEST:

Susan Winborne
Gray County Clerk

Clerk's Seal stamped above

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TAB 17

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Bryan Hanna

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Bryan Hanna

Signature (Authorized School District Representative)

5/13/2014

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
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Paul Bowman

Print Name (Authorized Company Representative (Applicant))

Sr. VP Development

Title

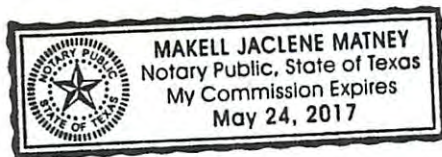
sign
here

Paul Bowman

Signature (Authorized Company Representative (Applicant))

5/13/2014

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

13th day of May, 2014

Makell J. Matney
Notary Public in and for the 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 Section 37.10.



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 <i>of</i> PUBLIC ACCOUNTS P.O. Box 13528 • AUSTIN, TX 78711-3528
	

September 4, 2014

Bryan Hanna
Superintendent
Grandview-Hopkins Independent School District
11676 FM 293
Groom, Texas 79039

Dear Superintendent Hanna:

On Jun. 19, 2014, the Comptroller issued written notice that Grandview Wind Farm II, LLC (the applicant) submitted a completed application (Application #1010) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on May 13, 2014, to the Grandview-Hopkins Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1010.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

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

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of June 19, 2014, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Martin A. Hubert", with a long horizontal flourish extending to the right.

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of Grandview Wind Farm II, LLC (the project) applying to Grandview-Hopkins Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Grandview Wind Farm II, LLC.

Applicant	Grandview Wind Farm II, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy
School District	Grandview-Hopkins ISD
2011-12 Enrollment in School District	46
County	Gray
Proposed Total Investment in District	\$98,508,929
Proposed Qualified Investment	\$98,463,929
Limitation Amount	\$10,000,000
Number of new qualifying jobs committed to by applicant	5
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$885
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$885
Minimum annual wage committed to by applicant for qualified jobs	\$46,035
Minimum weekly wage required for non-qualifying jobs	\$1,019
Minimum annual wage required for non-qualifying jobs	\$52,967
Investment per Qualifying Job	\$19,701,786
Estimated M&O levy without any limit (15 years)	\$8,696,256
Estimated M&O levy with Limitation (15 years)	\$2,259,974
Estimated gross M&O tax benefit (15 years)	\$6,435,409
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

TABLE 3. CHLORINATED AND CHLORINATED-FLUORINATED POLYMERIZATION MONOMERS

Source: CPA, Grandview Wind Farm II, LLC

¹Tax Rate per \$100 Valuation

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Grandview-Hopkins ISD I&S Tax Levy	Grandview-Hopkins ISD M&O Tax Levy	Grandview-Hopkins ISD M&O and I&S Tax Levies	Gray County Tax Levy	Clarendon College Tax Levy	Panhandle Water District #3 Tax Levy	Estimated Total Property Taxes
				0.0790	0.9700		0.4893	0.0500	0.0085	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$98,508,929	\$10,000,000		\$77,822	\$97,000	\$174,822	\$241,003	\$49,254	\$8,354	\$473,433
2017	\$93,583,483	\$10,000,000		\$73,931	\$97,000	\$170,931	\$228,952	\$46,792	\$7,936	\$454,611
2018	\$88,658,036	\$10,000,000		\$70,040	\$97,000	\$167,040	\$216,902	\$44,329	\$7,518	\$435,789
2019	\$83,732,590	\$10,000,000		\$66,149	\$97,000	\$163,149	\$204,852	\$41,866	\$7,101	\$416,968
2020	\$78,807,143	\$10,000,000		\$62,258	\$97,000	\$159,258	\$192,802	\$39,404	\$6,683	\$398,146
2021	\$73,881,697	\$10,000,000		\$58,367	\$97,000	\$155,367	\$180,752	\$36,941	\$6,265	\$379,324
2022	\$68,956,250	\$10,000,000		\$54,475	\$97,000	\$151,475	\$168,702	\$34,478	\$5,847	\$360,503
2023	\$64,030,804	\$10,000,000		\$50,584	\$97,000	\$147,584	\$156,652	\$32,015	\$5,430	\$341,681
2024	\$59,105,357	\$10,000,000		\$46,693	\$97,000	\$143,693	\$144,602	\$29,553	\$5,012	\$322,860
2025	\$54,179,911	\$10,000,000		\$42,802	\$97,000	\$139,802	\$132,551	\$27,090	\$4,594	\$304,038
2026	\$49,254,465	\$49,254,465		\$38,911	\$477,768	\$516,679	\$241,003	\$24,627	\$4,177	\$786,486
2027	\$44,329,018	\$44,329,018		\$35,020	\$429,991	\$465,011	\$216,902	\$22,165	\$3,759	\$707,837
2028	\$39,403,572	\$39,403,572		\$31,129	\$382,215	\$413,343	\$192,802	\$19,702	\$3,341	\$629,189
					Total	\$2,968,155	\$2,518,477	\$448,216	\$76,017	\$6,010,865
					Diff	\$6,435,409	\$1,867,770	\$0	\$0	\$8,303,179
Assumes School Value Limitation and Tax Abatements with the County, Clarendon College, and the Panhandle Water District.										

Source: CPA, Grandview Wind Farm II, LLC

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that Grandview Wind Farm II, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$97,000	\$97,000	\$858,537	\$858,537
	2018	\$97,000	\$194,000	\$810,760	\$1,669,296
	2019	\$97,000	\$291,000	\$762,983	\$2,432,279
	2020	\$97,000	\$388,000	\$715,206	\$3,147,485
	2021	\$97,000	\$485,000	\$667,429	\$3,814,915
	2022	\$97,000	\$582,000	\$619,652	\$4,434,567
	2023	\$97,000	\$679,000	\$571,876	\$5,006,443
	2024	\$97,000	\$776,000	\$524,099	\$5,530,542
	2025	\$97,000	\$873,000	\$476,322	\$6,006,864
	2026	\$97,000	\$970,000	\$428,545	\$6,435,409
Maintain Viable Presence (5 Years)	2027	\$477,768	\$1,447,768	\$0	\$6,435,409
	2028	\$429,991	\$1,877,760	\$0	\$6,435,409
	2029	\$382,215	\$2,259,974	\$0	\$6,435,409
	2030	\$334,438	\$2,594,412	\$0	\$6,435,409
	2031	\$286,661	\$2,881,073	\$0	\$6,435,409
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$238,884	\$3,119,957	\$0	\$6,435,409
	2033	\$238,884	\$3,358,842	\$0	\$6,435,409
	2034	\$238,884	\$3,597,726	\$0	\$6,435,409
	2035	\$238,884	\$3,836,610	\$0	\$6,435,409
	2036	\$238,884	\$4,075,494	\$0	\$6,435,409
	2037	\$238,884	\$4,314,378	\$0	\$6,435,409
	2038	\$238,884	\$4,553,262	\$0	\$6,435,409
	2039	\$238,884	\$4,792,146	\$0	\$6,435,409
	2040	\$238,884	\$5,031,031	\$0	\$6,435,409
	2041	\$238,884	\$5,269,915	\$0	\$6,435,409
		\$5,269,915	is less than	\$6,435,409	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, RE Roserock, LLC

Employment Indirect and Induced Tax Effects

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2015	175	170	345	\$8,056,125	\$12,085,477	\$20,141,602	\$ 1,113,892	\$ (572,205)	\$ 1,686,097
2016	5	12	17	\$230,175	\$2,211,231	\$2,441,406	\$ 160,217	\$ 228,882	\$ (68,665)
2017	5	11	16	\$230,175	\$1,967,091	\$2,197,266	\$ 183,105	\$ 213,623	\$ (30,518)
2018	5	3	8	\$230,175	\$1,112,598	\$1,342,773	\$ 129,700	\$ 198,364	\$ (68,664)
2019	5	3	8	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 175,476	\$ (61,035)
2020	5	3	8	\$230,175	\$990,528	\$1,220,703	\$ 122,070	\$ 160,217	\$ (38,147)
2021	5	3	8	\$230,175	\$624,317	\$854,492	\$ 99,182	\$ 114,441	\$ (15,259)
2022	5	3	8	\$230,175	\$868,458	\$1,098,633	\$ 99,182	\$ 106,812	\$ (7,630)
2023	5	3	8	\$230,175	\$624,317	\$854,492	\$ 99,182	\$ 91,553	\$ 7,629
2024	5	3	8	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 83,923	\$ 30,518
2025	5	7	12	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 76,294	\$ 38,147
2026	5	1	6	\$230,175	\$380,177	\$610,352	\$ 129,700	\$ 68,665	\$ 61,035
2027	5	5	10	\$230,175	\$746,388	\$976,563	\$ 106,812	\$ 30,518	\$ 76,294
2028	5	7	12	\$230,175	\$990,528	\$1,220,703	\$ 114,441	\$ 7,629	\$ 106,812
2029	5	3	8	\$230,175	\$990,528	\$1,220,703	\$ 122,070	\$ 22,888	\$ 99,182
2030	5	5	10	\$230,175	\$746,388	\$976,563	\$ 114,441	\$ 15,259	\$ 99,182
2031	5	3	8	\$230,175	\$746,388	\$976,563	\$ 91,553	\$ (15,259)	\$ 106,812
2032	5	7	12	\$230,175	\$258,106	\$488,281	\$ 99,182	\$ (15,259)	\$ 114,441
2033	5	5	10	\$230,175	\$746,388	\$976,563	\$ 99,182	\$ (45,776)	\$ 144,958
2034	5	3	8	\$230,175	\$502,247	\$732,422	\$ 68,665	\$ (38,147)	\$ 106,812
2035	5	(1)	4	\$230,175	\$258,106	\$488,281	\$ 30,518	\$ (61,035)	\$ 91,553
2036	5	3	8	\$230,175	\$258,106	\$488,281	\$ -	\$ (99,182)	\$ 99,182
2037	5	1	6	\$230,175	-\$230,175	\$0	\$ (45,776)	\$ (137,329)	\$ 91,553
2038	5	(3)	2	\$230,175	-\$230,175	\$0	\$ (15,259)	\$ (137,329)	\$ 122,070
2039	5	(1)	4	\$230,175	\$13,966	\$244,141	\$ (30,518)	\$ (160,217)	\$ 129,699
2040	5	(3)	2	\$230,175	-\$474,316	-\$244,141	\$ (61,035)	\$ (198,364)	\$ 137,329
						TOTAL	\$ 3,173,829	\$ 114,442	\$ 3,059,387
							<u>\$8,329,302</u>	is greater than	<u>\$6,435,409</u>

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller determines that the limitation on appraised value is a determining factor in the Grandview Wind Farm II, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- According to the application, the company is considering several projects in Texas, Oklahoma, Indiana, Illinois and Colorado.
- The applicant also states that the appraised value limitation and other tax abatements granted by the Groom ISD and Carson county gave this project a stronger financial return than other options being considered by the Board of Directors.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

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.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach 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.
2. Check the project characteristics that apply to the proposed project:

☐ Land has no existing improvements	☒ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☒ Yes ☐ No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☒ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**

Grandview Wind Farm II, LLC
Application for Appraised Value Limitations on Qualified Property

Tab 5

Section 8 – Limitation as Determining Factor

- 1) N/A
- 2) Grandview Wind Farm II, LLC has entered into contracts for work for preliminary land work.
- 3) N/A
- 4) N/A
- 5) N/A
- 6) Grandview Wind Farm II, LLC is located in Carson County and Gray County. The property in Carson County is already in a Reinvestment Zone but no Reinvestment Zone has been created in Gray County yet. The project has received property tax abatement for 10 years from Carson County and received a recommendation from the Comptroller for our Groom ISD application on March 5, 2014. Please see Exhibit I for copies of the applicable documents.
- 7) N/A
- 8) The Company is considering several projects in Texas, Oklahoma, Indiana, Illinois and Colorado. The Company has received tax incentives on several projects which are considered favorably in the analysis of the investment. When presenting the options to our Board of Directors for approval, the Grandview Wind Farm II project had a stronger financial return due to the Grandview-Hopkins Independent School District appraised value limitation and other tax abatements granted by Groom Independent School District and Carson County.
- 9) N/A
- 10) N/A

**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 Grandview-Hopkins 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 Grandview-Hopkins Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 13, 2014 and subsequently approved for consideration by the Grandview-Hopkins 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 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007.

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

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

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.

Years Prior to Start of Value Limitation Period:

The first two years of the agreement are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2014 and 2015 be considered the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, 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. Grandview-Hopkins ISD is considered a Rural category 5 District as categorized with total taxable value of industrial property of less than \$100,000. Thus, Grandview-Hopkins ISD has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be reduced to \$10 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Grandview-Hopkins ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2016 and continue through tax year 2025.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2026 through 2030 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that Grandview Wind II reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value with Agreement
Each Year Prior to Start of Value Limitation Period	0	2014-2015	2014	0	0
	0	2015-2016	2015	0	0
Value Limitation Period	1	2016-2017	2016	98,463,929	10,000,000
	2	2017-2018	2017	93,540,733	10,000,000
	3	2018-2019	2018	88,617,536	10,000,000
	4	2019-2020	2019	83,694,340	10,000,000
	5	2020-2021	2020	78,771,143	10,000,000
	6	2021-2022	2021	73,847,947	10,000,000
	7	2022-2023	2022	68,924,750	10,000,000
	8	2023-2024	2023	64,001,554	10,000,000
	9	2024-2025	2024	59,078,357	10,000,000
	10	2025-2026	2025	54,155,161	10,000,000
Continue to Maintain Viable Presence	11	2026-2027	2026	49,231,965	49,231,965
	12	2027-2028	2027	44,308,768	44,308,768
	13	2028-2029	2028	39,385,572	39,385,572
	14	2029-2030	2029	34,462,375	34,462,375
	15	2030-2031	2030	29,539,179	29,539,179
Additional Years for 25 Year Economic Impact Study	16	2031-2032	2031	24,615,982	24,615,982
	17	2032-2033	2032	24,615,982	24,615,982
	18	2033-2034	2033	24,615,982	24,615,982
	19	2034-2035	2034	24,615,982	24,615,982
	20	2035-2036	2035	24,615,982	24,615,982
	21	2036-2037	2036	24,615,982	24,615,982
	22	2037-2038	2037	24,615,982	24,615,982
	23	2038-2039	2038	24,615,982	24,615,982
	24	2039-2040	2039	24,615,982	24,615,982
	25	2040-2041	2040	24,615,982	24,615,982

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

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 tax years 2016 through 2025, the company’s taxable value will be limited to the \$10,000,000 minimum qualified investment of Grandview-Hopkins ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Grandview Wind II	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	0	n/a	0	0
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	98,463,929	(10,000,000)	88,463,929	10,000,000
Jan. 1, 2017	93,540,733	(10,000,000)	83,540,733	10,000,000
Jan. 1, 2018	88,617,536	(10,000,000)	78,617,536	10,000,000
Jan. 1, 2019	83,694,340	(10,000,000)	73,694,340	10,000,000
Jan. 1, 2020	78,771,143	(10,000,000)	68,771,143	10,000,000
Jan. 1, 2021	73,847,947	(10,000,000)	63,847,947	10,000,000
Jan. 1, 2022	68,924,750	(10,000,000)	58,924,750	10,000,000
Jan. 1, 2023	64,001,554	(10,000,000)	54,001,554	10,000,000
Jan. 1, 2024	59,078,357	(10,000,000)	49,078,357	10,000,000
Jan. 1, 2025	54,155,161	(10,000,000)	44,155,161	10,000,000
Jan. 1, 2026	49,231,965	n/a	0	49,231,965
Jan. 1, 2027	44,308,768	n/a	0	44,308,768
Jan. 1, 2028	39,385,572	n/a	0	39,385,572
Jan. 1, 2029	34,462,375	n/a	0	34,462,375
Jan. 1, 2030	29,539,179	n/a	0	29,539,179

Grandview-Hopkins 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 \$5.88 million over the life of the Agreement. This net savings is after all tax savings 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.

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

- The Study projects that the District will maintain an M&O tax rate of \$.97 for the life of this agreement. The M&O rate for 2026-2027 is projected to drop to \$.92, due to the rollback tax rate calculations.
- The district has outstanding bonds that are scheduled to payoff in 2021 and currently have a \$.076 I&S tax rate. This district's annual debt payments are just over \$112,000 per year through 2021 and the debt rates below are calculated rates using the projected taxable values with the addition of Grandview Wind II estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	0.97	0.078	0	0	0	0
2015-2016	0.97	0.076	0	0	0	0
2016-2017	0.97	0.045	955,100	858,100	(249,613)	608,487
2017-2018	0.97	0.047	907,345	810,345	(48,384)	761,962
2018-2019	0.97	0.046	859,590	762,590	(44,592)	717,998
2019-2020	0.97	0.048	811,835	714,835	(40,674)	674,161
2020-2021	0.97	0.048	764,080	667,080	(36,872)	630,209
2021-2022	0.97	0.000	716,325	619,325	(32,127)	587,198
2022-2023	0.97	0.000	668,570	571,570	(29,134)	542,436
2023-2024	0.97	0.000	620,815	523,815	(25,179)	498,636
2024-2025	0.97	0.000	573,060	476,060	(21,354)	454,706
2025-2026	0.97	0.000	525,305	428,305	(17,381)	410,924
2026-2027	0.92	0.000	452,934	0	0	0
2027-2028	0.97	0.000	429,795	0	0	0
2028-2029	0.97	0.000	382,040	0	0	0
2029-2030	0.97	0.000	334,285	0	0	0
2030-2031	0.97	0.000	286,530	0	0	0
Totals			9,287,610	6,432,026	(545,310)	5,886,716

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Grandview-Hopkins ISD. First, a fifteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a fifteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a fifteen 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% 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 increase slightly; therefore, the projected ADA and WADA for school year 2013-2014 was increased 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.

Grandview-Hopkins 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 Farm II, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2015-2016	148,116,631	1,303,426	422,483	913,518	812,391	133,862	946,253
2016-2017	149,597,798	1,316,461	424,595	924,824	816,232	135,195	951,426
2017-2018	151,093,776	1,329,625	279,075	936,255	672,446	136,541	808,987
2018-2019	152,604,713	1,342,921	277,219	947,810	672,330	137,901	810,231
2019-2020	154,130,760	1,356,351	282,220	959,492	679,079	139,274	818,353
2020-2021	155,672,068	1,369,914	280,344	971,302	678,956	140,662	819,618
2021-2022	157,228,789	1,383,613	282,209	983,241	682,581	142,063	824,644
2022-2023	158,801,077	1,397,449	283,455	995,311	685,593	143,478	829,071
2023-2024	160,389,087	1,411,424	288,420	1,007,512	692,332	144,907	837,239
2024-2025	161,992,978	1,425,538	286,505	1,019,847	692,197	146,350	838,547
2025-2026	163,612,908	1,439,794	291,454	1,032,316	698,931	147,808	846,740
2026-2027	165,249,037	1,454,192	289,539	1,044,922	698,809	149,281	848,090
2027-2028	166,901,528	1,468,733	291,222	1,057,664	702,291	150,768	853,059
2028-2029	168,570,543	1,483,421	292,515	1,070,546	705,389	152,270	857,659
2029-2030	170,256,248	1,498,255	297,428	1,083,568	712,115	153,787	865,902
2030-2031	171,958,811	1,513,238	295,452	1,096,732	711,957	155,320	867,277

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

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

Fiscal Year	M&O Taxes				M&O		Total District Revenue
	Total Taxable	Compressed	State	Recapture	Hold Harmless	Taxes > Comp	
	Value	Rate	Revenue	Amount	Revenue	Rate	
2015-2016	148,116,631	1,303,426	422,483	913,518	812,391	133,862	946,253
2016-2017	248,061,727	2,182,943	404,546	1,474,190	1,113,299	94,357	1,207,657
2017-2018	244,634,508	2,152,784	289,182	1,797,839	644,127	220,728	864,854
2018-2019	241,222,249	2,122,756	286,583	1,764,702	644,637	217,657	862,294
2019-2020	237,825,100	2,092,861	290,723	1,731,694	651,890	214,599	866,489
2020-2021	234,443,211	2,063,100	288,099	1,698,815	652,384	211,556	863,939
2021-2022	231,076,736	2,033,475	288,095	1,666,067	655,503	208,526	864,029
2022-2023	227,725,827	2,003,987	289,590	1,633,452	660,125	205,510	865,635
2023-2024	224,390,641	1,974,638	293,666	1,600,971	667,333	202,508	869,841
2024-2025	221,071,336	1,945,428	290,990	1,568,625	667,792	199,521	867,313
2025-2026	217,768,069	1,916,359	295,034	1,536,416	674,976	196,548	871,524
2026-2027	214,481,002	1,887,433	292,360	1,504,346	675,447	193,590	869,037
2027-2028	211,210,296	1,858,651	292,453	1,472,415	678,689	190,646	869,335
2028-2029	207,956,114	1,830,014	293,637	1,440,625	683,026	187,717	870,743
2029-2030	204,718,623	1,801,524	297,614	1,408,977	690,160	184,803	874,964
2030-2031	201,497,989	1,773,182	294,849	1,377,474	690,557	181,905	872,462

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

Fiscal Year	M&O Taxes				M&O			Total District Revenue
	Total Taxable	M&O Taxes	State	Recapture	Hold Harmless	Taxes > Comp	Payment for District	
	Value	Comp Rate	Revenue	Amount	Revenue	Rate	Losses	
2015-2016	148,116,631	1,303,426	422,483	913,518	812,391	133,862	0	946,253
2016-2017	159,597,798	1,404,461	396,024	986,635	813,849	144,195	249,613	1,207,657
2017-2018	161,093,776	1,417,625	280,834	1,027,529	670,930	145,541	48,384	864,854
2018-2019	162,604,713	1,430,921	278,963	1,039,084	670,801	146,901	44,592	862,294
2019-2020	164,130,760	1,444,351	283,954	1,050,764	677,541	148,274	40,674	866,489
2020-2021	165,672,068	1,457,914	282,065	1,062,573	677,406	149,662	36,872	863,939
2021-2022	167,228,789	1,471,613	283,737	1,074,511	680,839	151,063	32,127	864,029
2022-2023	168,801,077	1,485,449	285,153	1,086,579	684,024	152,478	29,134	865,635
2023-2024	170,389,087	1,499,424	290,111	1,098,780	690,755	153,907	25,179	869,841
2024-2025	171,992,978	1,513,538	288,183	1,111,113	690,608	155,350	21,354	867,313
2025-2026	173,612,908	1,527,794	293,122	1,123,581	697,335	156,808	17,381	871,524
2026-2027	214,481,002	1,887,433	329,073	1,337,883	878,623	86,053	0	964,676
2027-2028	211,210,296	1,858,651	292,453	1,472,415	678,689	190,646	0	869,335
2028-2029	207,956,114	1,830,014	293,637	1,440,625	683,026	187,717	0	870,743
2029-2030	204,718,623	1,801,524	297,614	1,408,977	690,160	184,803	0	874,964
2030-2031	201,497,989	1,773,182	294,849	1,377,474	690,557	181,905	0	872,462

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. 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 (during the first year that the "limited appraised value" was used as the actual taxable value) 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 82nd 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.

Grandview-Hopkins 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 the greater of \$100 per student in average daily attendance (ADA) or \$50,000, will be paid to Grandview-Hopkins ISD by Grandview Wind II, the projected amount of these payments over the life of the agreement is \$700,000 of the \$5.88 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	Grandview-Hopkins ISD \$100/ADA	Grandview Wind II Share
2014-2015	0	0	0
2015-2016	0	50,000	0
2016-2017	608,487	50,000	558,487
2017-2018	761,962	50,000	711,962
2018-2019	717,998	50,000	667,998
2019-2020	674,161	50,000	624,161
2020-2021	630,209	50,000	580,209
2021-2022	587,198	50,000	537,198
2022-2023	542,436	50,000	492,436
2023-2024	498,636	50,000	448,636
2024-2025	454,706	50,000	404,706
2025-2026	410,924	50,000	360,924
2026-2027	0	50,000	(50,000)
2027-2028	0	50,000	(50,000)
2028-2029	0	50,000	(50,000)
2029-2030	0	0	0
2030-2031	0	0	0
Totals	5,886,716	700,000	5,186,716

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Grandview-Hopkins School	K-6	6	90	45	45
Total		6	90	45	45

The building capacities are based on 15 students per classroom. Grandview-Hopkins ISD is a kindergarten through 6th 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 five full-time employees are expected. It is not known whether these would be new employees to the Grandview-Hopkins ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

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

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

Grandview-Hopkins ISD Financial Impact of Chapter 313 Agreement

Conclusion

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

Grandview Wind Farm II, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. 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 an 87% tax savings during that ten 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.

Grandview-Hopkins 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.



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

Michael Williams
Commissioner

July 2, 2014

Ryan Davis, President
Board of Trustees
Grandview-Hopkins Independent School District
11676 FM 293
Groom, TX 79039-9801

Dear Mr. Davis:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Grandview Wind Farm LLC project on the number and size of school facilities in Grandview-Hopkins Independent School District (GHISD). Based on a conversation with the GHISD superintendent, John Wilson, the TEA has determined that the Grandview Wind Farm LLC project would not have a significant impact on the number or size of school facilities in GHISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2013 ISD Summary Worksheet

090/Gray

090-905/Grandview-Hopkins ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	550,220	N/A	550,220	550,220
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)	8,672,450	N/A	8,672,450	8,672,450
D2. Real Prop Farm & Ranch	98,420	N/A	98,420	98,420
E. Real Prop NonQual Acres	4,002,050	N/A	4,002,050	4,002,050
F1. Commercial Real	18,000	N/A	18,000	18,000
F2. Industrial Real	47,130	N/A	47,130	47,130
G. Oil, Gas, Minerals	113,273,840	N/A	113,273,840	113,273,840
J. Utilities	17,857,080	N/A	17,857,080	17,857,080
L1. Commercial Personal	622,470	N/A	622,470	622,470
L2. Industrial Personal	1,139,420	N/A	1,139,420	1,139,420
M. Other Personal	2,980	N/A	2,980	2,980
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	146,284,060		146,284,060	146,284,060
Less Total Deductions	662,223		662,223	662,223
Total Taxable Value	145,621,837		145,621,837	145,621,837 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
145,871,837	145,621,837	145,871,837	145,621,837	145,621,837	145,621,837

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
250,000	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
145,871,837	145,621,837	145,871,837	145,621,837	145,621,837	145,621,837

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

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

by and between

GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT

and

GRANDVIEW WIND FARM II, LLC
(Texas Taxpayer ID # 32052354019)

TEXAS COMPTROLLER'S APPLICATION NO. 1010

Dated

December 9, 2014

Section 313.026 of the TEXAS TAX CODE, and on September 4, 2014, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.026 of the TEXAS TAX CODE;

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 Section 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 project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on December 9, 2014, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, and the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

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; and

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 Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises 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.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Section 10.2.

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to 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.

“Applicant” means Grandview Wind Farm II, LLC (Texas Taxpayer ID #32052354019), the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.2 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 District by Applicant on May 13, 2014. 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 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 the date on which District issues its written notice that Applicant has submitted a completed application or 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 Section 1.04(8) of the Texas Tax Code.

“Appraisal District” means the Gray County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Grandview-Hopkins 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 Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of Comptroller set forth in Chapter 34 Texas Administrative Code, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Gray County, Texas.

“District” or “School District” means the Grandview-Hopkins 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 and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on 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 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 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; and, (iii) continue the average

weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

“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 District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 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 indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“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 Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

“Qualified Investment” has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller’s Rules, as these provisions existed on the Application Review Start Date.

“Non-Qualifying Jobs” means the number of New Non-Qualifying Jobs, as defined in 34 TAC §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“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 on the date of the Application is approved by District,

“Qualifying Time Period” means the period that begins on the date of approval of this Agreement by District’s Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property 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.

“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 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 this subchapter.

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

“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 Section 313.054 of the TEXAS TAX CODE.

“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 Section 1.04(13) of the TEXAS TAX CODE (i.e., the calendar year).

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

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the TEXAS TAX CODE, which are set forth at 19 TEXAS ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by District as its written agreement with Applicant pursuant to the provisions and authority granted to District in Section

313.027 of 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 in this Agreement, the value of Applicant's Qualified Property listed and assessed by the County Appraiser 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 June 19, 2014, which will determine Applicant's Qualified Property and applicable wage standard.
- B. The Application Approval Date for this Agreement is December 9, 2014, which will determine the qualifying time period.
- C. The Qualifying Time Period for this agreement:
 - 1. Starts on December 9, 2014, Application Approval Date; and
 - 2. Ends on December 31, 2016.
- D. The Tax Limitation Period for this Agreement:
 - 1. Starts on January 1, 2016; and,
 - 2. Ends on December 31, 2025.
- E. The Final Termination Date for this Agreement is December 31, 2030.
- 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 B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, 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 on the effective date of this Agreement, as set out by Section 313.052 of the TEXAS TAX CODE.

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

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

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

C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

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 revenues through payment of revenue offsets and other mechanisms as more fully described 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 more fully specified in Article V;

C. provide such supplemental payments as more fully specified in Article VI; and

D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of making the Qualified Investment 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 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 1** 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 2** 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 2** unless amended pursuant to the provisions of Section 10.2 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 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified 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 Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 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 located on the land described in **EXHIBIT 2**; 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 of 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 Section 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 Section 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, after taking into account any payments to be made under 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 Protection Amount 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 to 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 starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in **EXHIBIT 4**), 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 total State and local 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 & operations tax without any limitation on value.
- ii. "New M&O Revenue" means the total State and local 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, in the event that, 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, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its 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 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 shall also pay to the District on an annual basis all non-reimbursed costs arising from entering this Agreement, including but not limited to: (a) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (b) 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 (c) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is 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. Applicant will be solely responsible for the payment of Consultant's fees up to Six Thousand Five Hundred Dollars, (\$6,500.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 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. The District, upon request of Applicant, shall provide 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 excepted from 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 above, 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; and

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.

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. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual supplemental payment made pursuant to this article shall:

- i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and
- ii. only be made during the period starting 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 Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

C. For purposes of this Agreement, the amount of the Annual Limit shall be Fifty-Thousand Dollars (\$50,000.00) based upon the District's 2014-15 Average Daily Attendance of less than 45, rounded to the whole number.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. 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. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of 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; 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 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; 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. 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.

Section 6.4. PAYMENT BY APPLICANT. 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 each Tax Year of the Tax Limitation Period, 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 under Article IV, Article V, and/or Article 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 dates of this Agreement.

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN 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 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 Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS . In order to receive and maintain the limitation authorized by 2.4 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.

Section 8.3. 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 Section 313.032 of the TEXAS TAX CODE.

Section 8.4. 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 8.5. 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 Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, 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 the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of 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 is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS.

This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 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 of such property as requested by Comptroller or the State of Texas. By 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.

C. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

D. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE, the state auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.003 of the TEXAS GOVERNMENT CODE.

Section 8.7. 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, without which Comptroller would not have approved this Agreement and District would not 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).

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. 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 an material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete 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 the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

E. Applicant failed to provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

F. Applicant failed to provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

J. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

K. 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;

L. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement;

M. 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; or

N. Applicant fails either to:

- i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or
- ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. 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 respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 9.3, then District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.2.C on that 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 Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain 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 9.2.C. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article 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 9.2.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 9.2.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 Section 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 Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH. In accordance with the provisions of Section 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 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

Section 9.3. 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 Viable Presence in District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed 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 ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

B. If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to 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 their counsel, to be heard before the Board of Trustees. At the hearing,

the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.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 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under the second Section 9.3, Applicant shall have ninety (90) 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 ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under the second Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Gray County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) 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 any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, District shall have the remedies for the collection of the amounts determined under Section 9.2 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 Section 33.07 of the Texas Tax Code to the attorneys representing District pursuant to Section 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 above in this Section, either District or Applicant may seek a judicial declaration of their respective rights

and duties under this Agreement or otherwise, in any judicial proceeding in Gray County, Texas, 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 9.5. 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 shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. 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 X.

MISCELLANEOUS PROVISIONS

Section 10.1. 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 courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

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

To the District:

Grandview-Hopkins Independent School
District
Attn: John Wilson, Superintendent
(or the successor Superintendent)
11676 FM 293
Groom, TX 79039
Phone #: (806) 669-3831
Fax #: (806) 669-3044
Email: john.wilson@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:

Paul Bowman, Sr. VP Development
Grandview Wind Farm II, LLC
701 Brazos St., Suite 1400
Austin, TX 78701
Phone #: (512) 482-4027
Fax #: (512) 494-9581
Email: paul.bowman@eon.com

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

Section 10.2. 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 and 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;
 - c. and any additional information requested by District or Comptroller

Agreement for Limitation on Appraised Value

Between Grandview-Hopkins ISD and Grandview Wind Farm II, LLC
(App No. 1010), [Insert Date]
Page 24 of 28

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)*

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necessary to evaluate the amendment or modification; and

- ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;
- iii. If Comptroller has not denied the request, District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- iii. define minimum eligibility requirements for the recipient of limited value.

D. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.4. ASSIGNMENT. Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.2 regarding amendments to the Agreement.

Section 10.5. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.6. 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 shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in the County.

Section 10.8. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.9. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.10. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.11. INTERPRETATION. When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase " , but not limited to, ". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 10.12. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken

together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.13. PUBLICATION OF DOCUMENTS. The Parties acknowledge that District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of such document, the school district shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

B. 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 Section 313.028 of the Texas Tax Code.

Section 10.14. 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 10.15. 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 Contract.

[the remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 9th day of December, 2014.

GRANDVIEW WIND FARM II, LLC

**GRANDVIEW-HOPKINS INDEPENDENT
SCHOOL DISTRICT**

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Gray County Commissioners Court passed a Resolution Designating Grandview II Reinvestment Zone on June 18, 2014, which is more particularly described below.

All of Sections 104, 105, 106, 107, 108, 109, 110, 111, 112, 126, 127, 128, 129 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225 and 226 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The Southwest Quarter (SW/4) of Section 85 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The West Half (W/2) & Southeast Quarter (SE/4) of Section 96 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The East Half (E/2) of Section 11 4 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The South Half (S/2) of Section 155 Block B2, H&GN RR CO. Survey, Gray County, Texas.

All of Sections 1, 17, 18, 19, 35, 36, 37, 38, 52, 53, and 54 Block B3, H&GN RR CO. Survey, Gray County, Texas.

The North Half (N/2) & Southeast Quarter (SE/4) of Section 20 Block B3, H&GN RR CO. Survey, Gray County, Texas.

All of Section 180 Block 3, I&GN RR CO. Survey, Gray County, Texas.

All of Section 1 and the West Half of the West Half (W2/W/2) of Section 2, BLK C2, CCSD Survey, Gray County, Texas.

All of the NA Steed, AN Hunt Railroad and DB Hill Survey, Gray County, Texas.

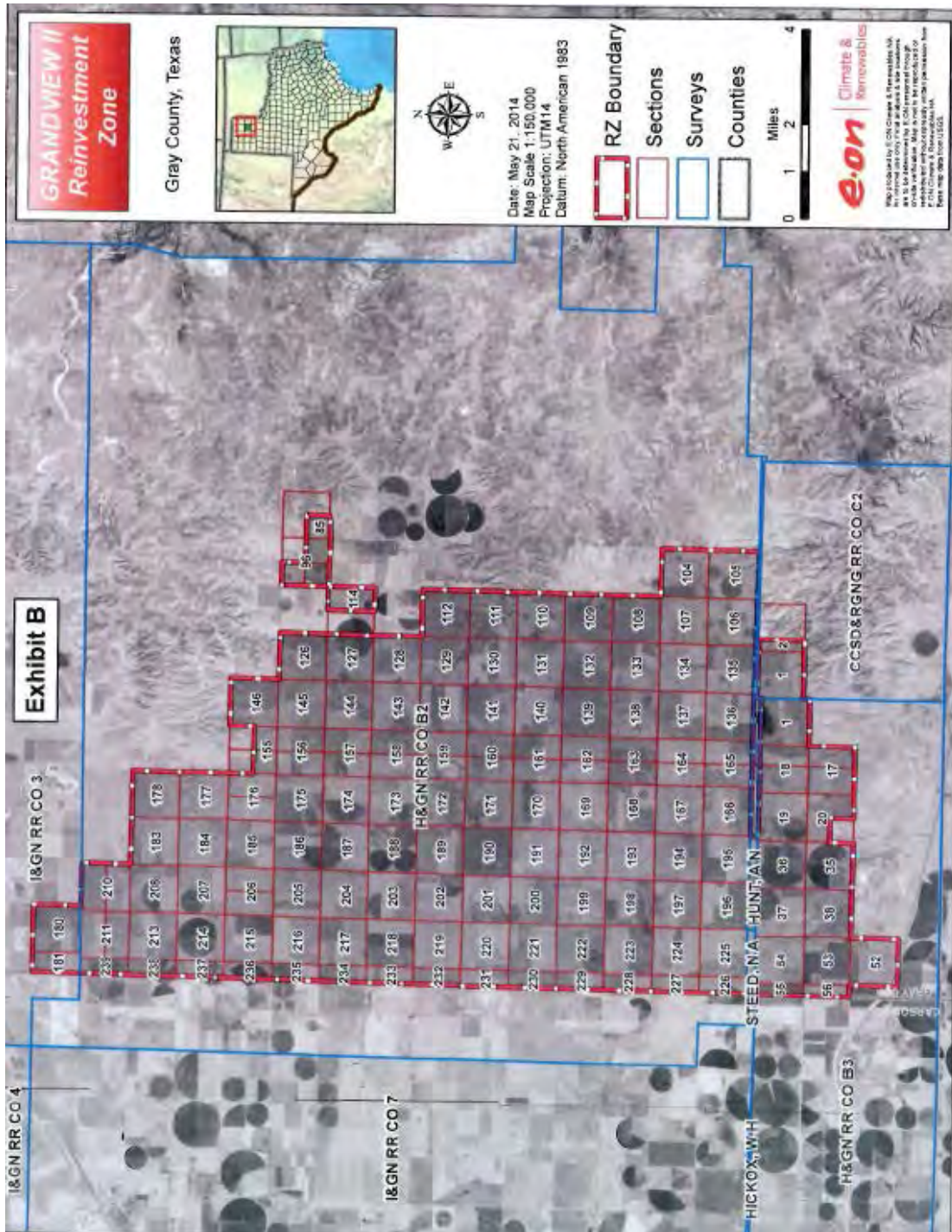
Agreement for Limitation on Appraised Value

Between Grandview-Hopkins ISD and Grandview Wind Farm II, LLC
(App No. 1010), [Insert Date]

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)*

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Map of Gray County Grandview II Reinvestment Zone



Agreement for Limitation on Appraised Value
Between Grandview-Hopkins ISD and Grandview Wind Farm II, LLC
(App No. 1010), [Insert Date]

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)*

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EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Property owned by the Applicant is located within the boundaries of both the Grandview-Hopkins Independent School District and the Gray County Grandview II Reinvestment Zone. 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 Grandview-Hopkins Independent School District and the Gray County Grandview II Reinvestment Zone, is included, to wit:

All of Sections 188, 189, 190, 191, 200, 201, 202, 203, 218, 219, 220, and 221,
Block B2, H&GN RR CO. Survey, Gray County, Texas.

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Grandview Wind Farm II, LLC (the "Project") anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts located within Carson County and Gray County, Texas, and across two (2) different school districts: Groom Independent School District and Grandview-Hopkins Independent School District. The exact number of wind turbines (including without limitation the towers, nacelles, rotors, and reinforced concrete foundations) and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed, but presently our plans are to install 118 GE 1.7 megawatt turbines on property in Carson County, Texas. Approximately 36% of the Qualified Investment/Qualified Property of the Project is currently anticipated to be located within the boundaries of Grandview-Hopkins Independent School District.

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 - 112 wind turbine generators, with a capacity of 1.6 megawatts to 2.4 megawatts per generator. 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. Applicant anticipates completing construction by fourth quarter of 2015. All of the qualified property for which the applicant is seeking a limitation on appraised value is on land leased by the applicant.

The Project will be located within Carson and Gray Counties. It will be within the Groom Independent School District (GISD) and the Grandview-Hopkins Independent School District. Current land use for the private property 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 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.
- 83 - 112 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.
- Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
- Underground communication cables

Agreement for Limitation on Appraised Value

Between Grandview-Hopkins ISD and Grandview Wind Farm II, LLC
(App No. 1010), [Insert Date]

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)*

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EXHIBIT 4

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Years	Stub Year	January 1, 2014	2014-15	2014	Limitation Pre-Year
	1	January 1, 2015	2015-16	2015	Limitation Pre-Year
Limitation Period (10 Years)	2	January 1, 2016	2016-17	2016	\$10 million appraisal limitation
	3	January 1, 2017	2017-18	2017	\$10 million appraisal limitation
	4	January 1, 2018	2018-19	2018	\$10 million appraisal limitation
	5	January 1, 2019	2019-20	2019	\$10 million appraisal limitation
	6	January 1, 2020	2020-21	2020	\$10 million appraisal limitation
	7	January 1, 2021	2021-22	2021	\$10 million appraisal limitation
	8	January 1, 2022	2022-23	2022	\$10 million appraisal limitation
	9	January 1, 2023	2023-24	2023	\$10 million appraisal limitation
	10	January 1, 2024	2024-25	2024	\$10 million appraisal limitation
	11	January 1, 2025	2025-26	2025	\$10 million appraisal limitation
Maintain a Viable Presence (5 Years)	12	January 1, 2026	2026-27	2026	No appraisal limitation; must maintain a viable presence
	13	January 1, 2027	2027-28	2027	No appraisal limitation; must maintain a viable presence
	14	January 1, 2028	2028-29	2028	No appraisal limitation; must maintain a viable presence
	15	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	16	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
Between Grandview-Hopkins ISD and Grandview Wind Farm II, LLC
(App No. 1010), [Insert Date]

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)*

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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

John Wilson
Superintendent
Grandview-Hopkins Independent School District
11676 FM 293
Groom, Texas 79039

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

Dear Superintendent Wilson:

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 Grandview-Hopkins 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" followed by "P.P." in a smaller, less legible script.

Robert B. Wood
Director
Economic Development & Analysis

cc: Fred Stormer, Underwood Attorneys at Law
Paul Bowman, EON
Makell Matney, EON



May 13, 2014

Mr. Bryan Hanna, Superintendent
Grandview-Hopkins Independent School District
11676 FM Road 293
Groom, TX 79039

Re: Chapter 313 Job Waiver Request

Dear Mr. Hanna,

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

Grandview Wind Farm II, LLC, requests that the Grandview-Hopkins Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Grandview Wind Farm II, LLC has committed to create 10 total jobs for the project, 5 of which will be in Groom ISD.

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

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

With kind regards,

A handwritten signature in blue ink, appearing to be "PB", followed by a long horizontal line.

Paul Bowman
Sr. Vice President, Development

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
GRANDVIEW-HOPKINS INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Grandview-Hopkins Independent School District ("the District") does hereby make the following resolution regarding a pending application by Grandview Wind Farm II, LLC ("Grandview II") for a limitation on appraised value agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about May 13, 2014, Grandview II submitted to the District an application under Texas Code, Chapter 313 (the "Application") for a limitation on appraised value agreement ("Agreement"), which was submitted to the Texas Comptroller on or about May 22, 2014; and,

WHEREAS, on or about June 19, 2014, 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, all members of the Board desire to attend the meeting to consider the Findings of Fact and Application and are unable to all convene at a meeting prior to the Deadline; and,

WHEREAS, in addition to scheduling issues, negotiations remain ongoing with Grandview II, 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 Deadline; and,

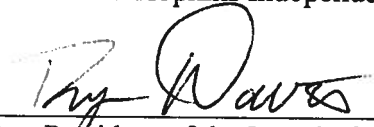
NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District's best interest to further extend the Deadline for a fourth time; and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to extend the Deadline through the end of 2014 in order to convene the full Board at a meeting and 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 II of the Board's decision to further extend the Deadline until December 31, 2014.

Passed and approved by the Grandview-Hopkins Independent School District Board of Trustees on this 11th day of November, 2014.

Grandview-Hopkins Independent School District


By: President of the Board of Trustees


By: Secretary of the Board of Trustees

INSERT ON GRANDVIEW-HOPKINS ISD LETTERHEAD

November 12, 2014

Grandview Wind II, LLC
c/o Paul Bowman, Senior Vice President
E.On
701 Brazos Street, Suite 1400
Austin, TX 78701

Re: 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 Grandview-Hopkins Independent School District Board of Trustees on November 11, 2014, the Board took action to extend the time to consider the application of Grandview Wind Farm II, LLC for a Limited Assessed Valuation Agreement with Grandview-Hopkins ISD. The District extended the time to consider the application through the end of 2014 (*i.e.*, through Wednesday, December 31, 2014). See enclosed copy of the Resolution authorizing the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning this 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,



John Wilson, Superintendent

cc: Makell Matney, E.On

via email Makell.Matney@eon.com