

**FINDINGS OF THE WEBB CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
ALBERCAS WIND ENERGY II LLC (#1125)**



July 12, 2016

FINDINGS
OF THE
WEBB CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ALBERCAS WIND ENERGY II LLC (#1125)

JULY 12, 2016

FINDINGS OF THE WEBB CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ALBERCAS WIND ENERGY II LLC (#1125)

STATE OF TEXAS §

COUNTY OF WEBB §

On the 12th day of July, 2016, a public meeting of the Board of Trustees of the Webb Consolidated Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Albercas Wind Energy II LLC ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On November 10, 2015, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32056493490), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Webb Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On April 20, 2016, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on May 20, 2016 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project 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; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Albercas Wind Energy II, LLC (Albercas) is requesting an appraised value limitation from Webb Consolidated Independent School District (ISD) for the Albercas Wind Project (the "Project"), a proposed wind powered electric generating facility in Webb County.

Property used for renewable energy electric generation is eligible for a limitation under §313.024(b)(5).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.

In support of Finding 2, the Comptroller's Economic Impact Evaluation and Certification, Attachment C, states:

This represents the Comptroller's determination that Albercas Wind Energy (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 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	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$481,980	\$481,980	\$1,643,552	\$1,643,552
	2018	\$481,980	\$963,960	\$1,494,765	\$3,138,316
	2019	\$481,980	\$1,445,940	\$1,356,396	\$4,494,713
	2020	\$481,980	\$1,927,920	\$1,227,707	\$5,722,420
	2021	\$481,980	\$2,409,900	\$1,108,032	\$6,830,452
	2022	\$481,980	\$2,891,880	\$996,735	\$7,827,187
	2023	\$481,980	\$3,373,860	\$893,221	\$8,720,408
	2024	\$481,980	\$3,855,840	\$796,954	\$9,517,362
	2025	\$481,980	\$4,337,820	\$707,426	\$10,224,788
	2026	\$481,980	\$4,819,800	\$624,164	\$10,848,952
Maintain Viable Presence (5 Years)	2027	\$1,050,837	\$5,870,637	\$0	\$10,848,952
	2028	\$998,293	\$6,868,930	\$0	\$10,848,952
	2029	\$948,376	\$7,817,306	\$0	\$10,848,952
	2030	\$900,957	\$8,718,263	\$0	\$10,848,952
	2031	\$855,908	\$9,574,171	\$0	\$10,848,952
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$813,116	\$10,387,288	\$0	\$10,848,952
	2033	\$772,461	\$11,159,749	\$0	\$10,848,952
	2034	\$733,839	\$11,893,588	\$0	\$10,848,952
	2035	\$697,144	\$12,590,731	\$0	\$10,848,952
	2036	\$662,289	\$13,253,020	\$0	\$10,848,952
	2037	\$629,177	\$13,882,197	\$0	\$10,848,952
	2038	\$597,719	\$14,479,916	\$0	\$10,848,952
	2039	\$567,837	\$15,047,753	\$0	\$10,848,952
	2040	\$542,228	\$15,589,980	\$0	\$10,848,952
	2041	\$542,228	\$16,132,208	\$0	\$10,848,952
		\$16,132,208	is greater than	\$10,848,952	

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

Source: CPA, Albercas Wind Energy

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.

Board Finding Number 3.

The limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

The Comptroller has determined that the limitation on appraised value is a determining factor in the Albercas Wind Energy 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:

- Per the applicant, the proposed project area has no existing improvements.
- Per the applicant, NextEra Energy Resources (NEER), the parent company, is one of the largest wholesale generators of electric power in the U.S., with nearly 17,800 MW of generating capacity across 24 states, and with approximately 400 MW in 4 Canadian provinces. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar.
- Per the applicant, "NEER is poised to install and operate more MWs of solar than any other competitor in North America. As of February 19, 2015, NEER has 730 MW of solar PV and solar thermal projects in operation. In addition, NEER has approximately 1,040 MW of solar PV projects in construction or late stage development."
- Per the applicant, "without the tax incentives provided by the Chapter 313 program, a project with a Power Purchase Agreement (PPA) becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed project."
- According to the Comptroller's research, Albercas Wind Energy II, LLC represents phase II of the Javelina Wind Energy project via an ERCOT interconnection agreement.

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment B, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating seven (7) new qualifying jobs. The average salary level of qualifying jobs will be at least \$42,000 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 7.

The Applicant intends to create no non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$264 million to the tax base for debt service purposes at the peak investment level for the 2017-18 school year. The project remains fully taxable for debt services taxes, with the District currently levying a \$0.1100 per \$100 I&S rate. While the value of the Project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's projected I&S taxable value well above the level available through the state's facility programs. As a result, local taxpayers should benefit from the addition of the Project to the local I&S tax roll.

Board Finding Number 9.

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

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

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

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's

representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

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

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts'

School and Appraisal Districts' Property Value Study 2014 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total taxable value for the District is \$939.97 million. The District is categorized as Subchapter B, which applies only to non-rural school districts. Given that the value of industrial property is more than \$500 million but less than \$1 billion, it is classified as a Category III district which can offer a minimum value limitation of \$60 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (Attachment I)

Board Finding Number 14.

The Applicant (Taxpayer No. 32056493490) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32056493490), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See Attachment B. The Board also finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

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.

Board Finding Number 16.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first year that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <http://pol.tasb.org/Home/Index/1211>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 20.

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

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

Dated the 12th day of July 2016.

WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: Adriana Rivera
Adriana Rivera, Vice President, Board of Trustees

ATTEST:

By: Rebecca Nieto Gutierrez
Rebecca "Nieto" Gutierrez, Secretary, Board of Trustees

Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

February 15, 2016

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: Application to the Webb Consolidated Independent School District from Albercas Wind Energy II, LLC

(First Qualifying Year 2017; First Year of Value Limitation 2017)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Webb Consolidated Independent School District is notifying Albercas Wind Energy II, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The company has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in 2017.

The Applicant submitted the Application to the school district on November 10, 2015. The Board voted to accept the application on November 10, 2015. The application has been determined complete as of February 11, 2016. Please prepare the economic impact report.

Letter to Local Government Assistance & Economic Analysis Division
February 15, 2016
Page 2 of 2

A copy of the application will be submitted to the Webb County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", with a stylized flourish at the end.

Kevin O'Hanlon
School District Consultant

Cc: Webb County Appraisal District
Albercas Wind Energy II, LLC
Webb Consolidated Independent School District

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 9 of application.



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 not later than the 150th 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 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

November 10, 2015

Date Application Received by District

Juan J.

Maldonado, Sr.

First Name

Last Name

Superintendent

Title

Webb Consolidated Independent School District

School District Name

619 Ave F

Street Address

619 Ave F

Mailing Address

Bruni

TX

78344

City

State

ZIP

361-747-5415

361-747-5202

Phone Number

Fax Number

severita.sanchez@webbcisd.com

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

☒ Yes

☐ No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Daniel T.	Casey
First Name	Last Name
Partner	
Title	
Moak, Casey & Associates LLP	
Firm Name	
512-485-7878	512-485-7888
Phone Number	Fax Number
	dcasey@moakcasey.com
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete?
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)

Kevin	Gildea
First Name	Last Name
Executive Director	Albercas Wind Energy II, LLC
Title	Organization
700 Universe Blvd.	
Street Address	
700 Universe Blvd.	
Mailing Address	
Juno Beach	FL
City	State
561-304-5644	33408
Phone Number	ZIP
Mobile Number (optional)	Fax Number
	Kevin.Gildea@nee.com
	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.

Rob	Michalczak
First Name	Last Name
Project Director	Albercas Wind Energy II, LLC
Title	Organization
700 Universe Blvd.	
Street Address	
700 Universe Blvd.	
Mailing Address	
Juno Beach	FL
City	State
561-304-5169	33408
Phone Number	ZIP
Mobile Number (optional)	Fax Number
	Robert.Michalczak@Nee.com
	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)**

Wes

Jackson

First Name

Last Name

Tax Consultant

Title

Cummings Westlake LLC

Firm Name

(713) 266-4456

(713) 266-2333

Phone Number

Fax Number

wjackson@cwlp.net

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? Albercas Wind Energy II, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32056493490
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

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, contracts or letters of intent 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 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. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. 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

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

1. Application approval by school board March 2016
2. Commencement of construction Q2 - 2016
3. Beginning of qualifying time period February 2016
4. First year of limitation 2017
5. Begin hiring new employees Q4 - 2016
6. Commencement of commercial operations Q4 - 2016
7. 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.
8. When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2016

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Webb County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Webb CAD
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: Webb County, \$0.4147, 100% City: N/A
(Name, tax rate and percent of project)
 Hospital District: N/A Water District: N/A
(Name, tax rate and percent of project)
 Other (describe): N/A Other (describe): N/A
(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? 20,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 25,000,000.00
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 tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, 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

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

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? _____

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): \$ 0.00
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): \$ 0.00

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.

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

☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☒ Fourth Quarter of 2015
(year)

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

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

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).

c. 110% of the average weekly wage for manufacturing jobs in the region is 611.83

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 31,815.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 42,000.00

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 §313.021(3)(F)? ☐ 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).

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

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 tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period 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>

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)*

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)

See attached.

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

TAB 4

Detailed Description of the Project

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

Albercas Wind Energy II, LLC (Albercas) is requesting an appraised value limitation from Webb Consolidated Independent School District (ISD) for the Albercas Wind Project (the "Project"), a proposed wind powered electric generating facility in Webb County. The proposed Webb CISD Project (this application) will be constructed within the Webb County Wind Energy Reinvestment Zone No. 4 that was established by Webb County on December 13, 2013. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of 200 MW located in Webb CISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current plans are to install 2.0 MW GE turbines with an estimated 100 turbines located in Webb CISD. Albercas is also constructing transmission generation tie line in Webb CISD which is estimated to be approximately 12 miles in length. The Applicant requests a value limitation for all materials, facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, buildings and offices, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 2nd Quarter of 2016 with completion by December 31, 2016.

**NOTE:* The map in TAB 11 shows the potential locations of 100 of the wind turbines, a collector substation within Webb CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

NextEra Energy Resources (NEER), one of the largest wholesale generators of electric power in the U.S., with nearly 19,800 MW of generating capacity across 24 states and four Canadian provinces as of February 2015. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Albercas Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. We have over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics.

Albercas has presently secured a Power Purchase Agreement (PPA) for one-third of the estimated design capacity. Due to the extremely competitive power market in ERCOT this PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 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 (if applicable)

- | | |
|----------------|--------|
| 1) Webb County | - 100% |
| 2) Webb CISD | - 100% |

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 7

Description of Qualified Investment

Albercas Wind Energy II, LLC plans to construct a 200 MW wind farm in Webb County.

This application covers all qualified property within Webb CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Two hundred megawatts (200 MW) will be located in Webb CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 2.0 MW turbines manufactured by GE. Albercas is also constructing approximately 12 miles of generation transmission tie line that will be in Webb CISD.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, spare parts, and control systems necessary for commercial generation of electricity.

The map in TAB 11 shows the proposed project area with the preliminary turbine locations for 100 wind turbines. The exact placement of these turbines is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

(See Tab 7)

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 9

Description of Land

There is no land

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 10

Description of all property not eligible to become qualified property (if applicable)

The Albercas Wind Energy II, LLC project area will overlap the project area of Javelina Wind, LLC. While there is overlap of the project areas there will be no shared assets between the two entities. Attached is a print out of the Webb CAD's account for the Javelina project to show that there will be a separation of the assessed values between these two projects.

Amendment #1

Webb CAD

Property Search Results > 551622 JAVELINA WIND for Year 2016

Property

Account

Property ID: 551622 Legal Description: WIND FARM, 249MW
Geographic ID: 9991360-0229880-0 Agent Code:
Type: Personal
Property Use Code:
Property Use Description:

Location

Address: Mapsco:
Neighborhood: Map ID:
Neighborhood CD:

Owner

Name: JAVELINA WIND Owner ID: 10156227
% Ownership: 100.0000000000%

Exemptions: ECO

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$0	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value: = \$186,750,000
(-) Ag or Timber Use Value Reduction: - \$0

(=) Appraised Value: = \$186,750,000
(-) HS Cap: - \$0

(=) Assessed Value: = \$186,750,000

Taxing Jurisdiction

Owner: JAVELINA WIND
% Ownership: 100.0000000000%
Total Value: \$186,750,000

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	WEBB COUNTY APPRAISAL DISTRICT	0.000000	\$186,750,000	\$186,750,000	\$0.00
G3	WEBB COUNTY	0.414700	\$186,750,000	\$186,750,000	\$774,452.25
S6	WEBB CONS ISD	0.913300	\$186,750,000	\$10,000,000	\$285,755.00
Total Tax Rate:		1.328000			
				Taxes w/Current Exemptions:	\$1,060,207.25
				Taxes w/o Exemptions:	\$2,480,040.00

Improvement / Building

No improvements exist for this property.

Land

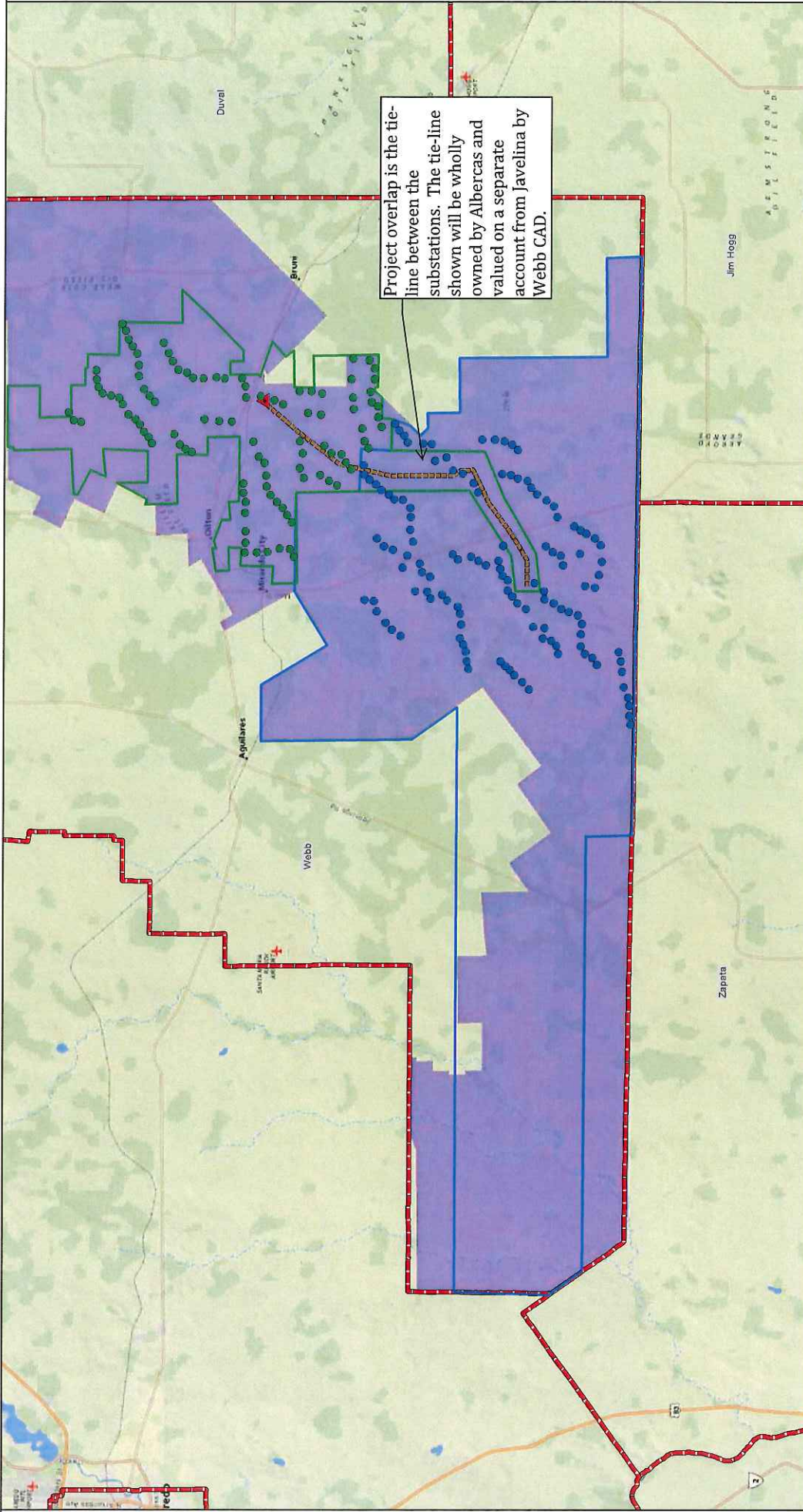
No land segments exist for this property.

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed	
2016		\$0	\$0	0	186,750,000	\$0	\$186,750,000

Questions Please Call (956) 718-4091

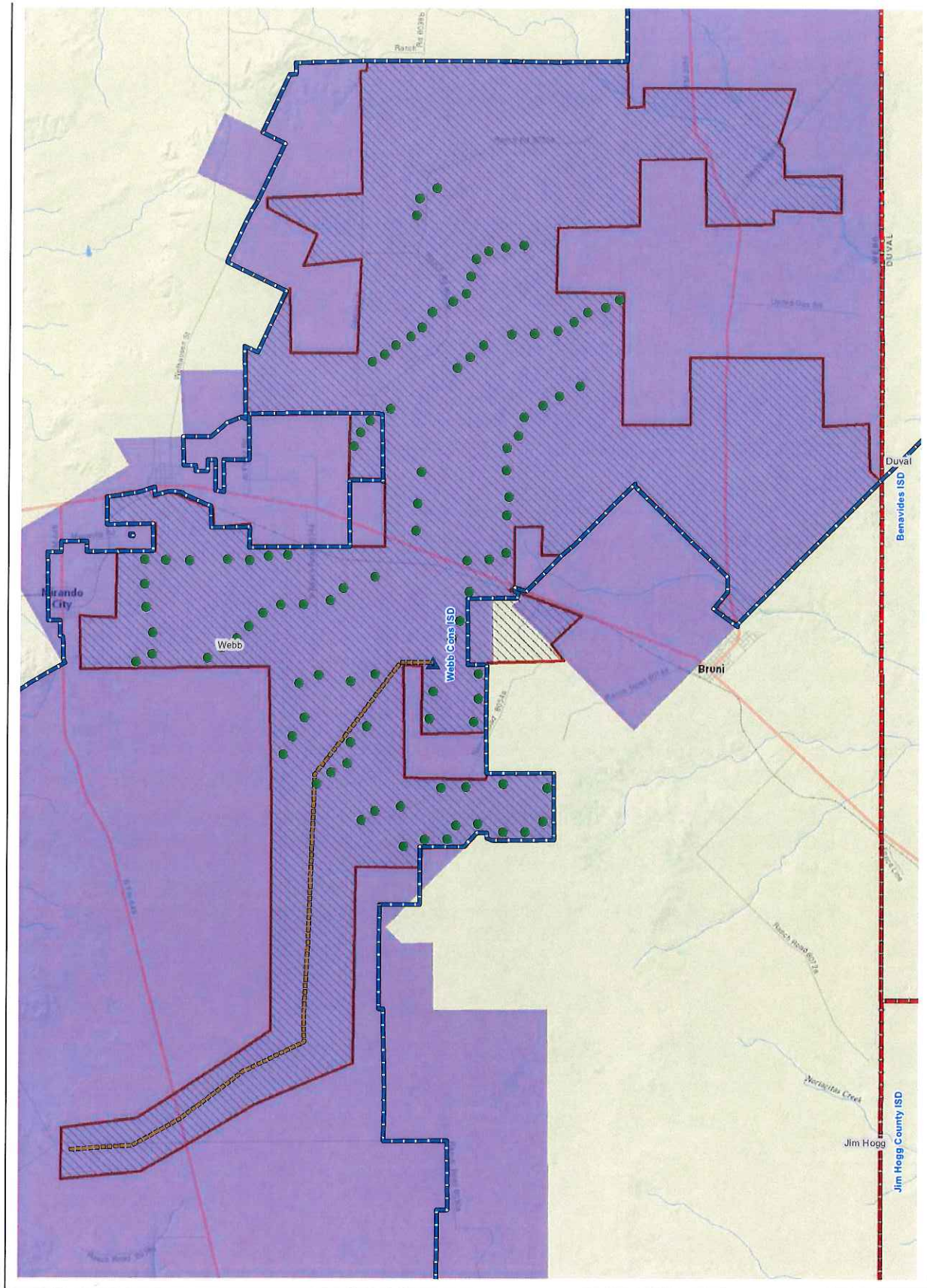
Map of Existing Improvements



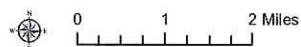
0 2.5 5 Miles

Albercas Wind Energy II

Javelina Turbine
 Albercas II Turbine
 Substation
 Transmission
 Webb County Wind Energy RZ No. 4
 Project Boundary
 Javelina
 Albercas II
 School District
 County Boundary



Albercas Wind Energy II



- | | |
|---|---|
| ● Turbine | Webb County Wind Energy RZ No. 4 |
| ▲ Substation | Project Boundary |
| --- Transmission | Albercas II Project Area |
| ISD Boundary | School District |
| | County Boundary |

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

November 8, 2015

Dr. Severita Sanchez
Webb Consolidated Independent School District
619 Ave. F
Bruni, TX 78344

Re: Chapter 313 Job Waiver Request

Dear Dr. Sanchez,

Albercas Wind Energy II, LLC (Albercas) requests that the Webb Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by 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.

Albercas requests that the Webb Consolidated 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, Albercas has committed to create 7 total jobs for the project, both of which will be in Webb CISD.

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 number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 10 - 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,



J. Weston Jackson
Partner

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

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

**ALBERCAS WIND ENERGY II, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 582	\$ 30,264
SECOND	2015	\$ 570	\$ 29,640
THIRD	2015	\$ 575	\$ 29,900
FOURTH	2014	\$ 628	\$ 32,656
AVERAGE		\$ 588.75	\$ 30,615

**WEBB COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2015	\$ 653	\$ 33,956
SECOND	2015	\$ 640	\$ 33,280
THIRD	2015	\$ 635	\$ 33,020
FOURTH	2014	\$ 669	\$ 34,788
AVERAGE		\$ 649	\$ 33,761
X		110%	110%
		\$ 714.18	\$ 37,137

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
South Texas	2014	\$ 556	\$ 28,923
X		110%	110%
		\$ 611.83	\$ 31,815

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Webb County	Private	00	0	10	Total, All Industries	\$582
2015	2nd Qtr	Webb County	Private	00	0	10	Total, All Industries	\$570
2015	3rd Qtr	Webb County	Private	00	0	10	Total, All Industries	\$575
2014	4th Qtr	Webb County	Private	00	0	10	Total, All Industries	\$628

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$653
2015	2nd Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$640
2015	3rd Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$635
2014	4th Qtr	Webb County	Private	31	2	31-33	Manufacturing	\$669

2014 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

$$110\% \times \$28,923 = \$31,815$$

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.

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

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

PROPERTY INVESTMENT AMOUNTS						
(Estimated investment in each year. Do not put cumulative totals.)						
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year only) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]
Investment made before filing complete application with district						
Investment made after filing complete application with district, but before final board approval or application	-	2016	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period			270,000,000	0	0	0
Complete tax years of qualifying time period	QTP1	2017	0	0	0	0
	QTP2	2018-2019	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			270,000,000	0	0	0
Total Qualified Investment (sum of green cells)			270,000,000	Enter amounts from TOTAL row above in Schedule A2		
			270,000,000			

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.

Column B: Only tangible personal property that is specifically described in the application can become qualified property.

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

Column D: 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 313.02(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.

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.

Date 11/8/2015

Applicant Name ALBERCAS WIND ENERGY II, LLC

ISD Name WEBB CISD

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

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) (YYYY)	Column A	Column B	Column C	Column D	Column E	
				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*				270,000,000	0	0	0	270,000,000	
Each year prior to start of value limitation period** (Invest in tangibles need to be necessary)	0	2016-2017	2016	0	0	0	0	0	
	0	2017-2018	2017	0	0	0	0	0	
	1	2017-2018	2017	0	0	0	0	0	
	2	2018-2019	2018	0	0	4,000,000	0	4,000,000	
	3	2019-2020	2019	0	0	4,000,000	0	4,000,000	
	4	2020-2021	2020	0	0	4,000,000	0	4,000,000	
	5	2021-2022	2021	0	0	4,000,000	0	4,000,000	
	6	2022-2023	2022	0	0	4,000,000	0	4,000,000	
	7	2023-2024	2023	0	0	4,000,000	0	4,000,000	
	8	2024-2025	2024	0	0	4,000,000	0	4,000,000	
	9	2025-2026	2025	0	0	4,000,000	0	4,000,000	
Value limitation period***	10	2026-2027	2026	0	0	4,000,000	0	4,000,000	
	Total investment made through limitation				270,000,000	0	40,000,000	0	310,000,000
	Continue to maintain viable presence	11	2027-2028	2027			4,000,000		4,000,000
		12	2028-2029	2028			4,000,000		4,000,000
		13	2029-2030	2029			4,000,000		4,000,000
		14	2030-2031	2030			4,000,000		4,000,000
		15	2031-2032	2031			4,000,000		4,000,000
	Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			4,000,000		4,000,000
		17	2033-2034	2033			4,000,000		4,000,000
		18	2034-2035	2034			4,000,000		4,000,000
		19	2035-2036	2035			4,000,000		4,000,000
20		2036-2037	2036			4,000,000		4,000,000	
21		2037-2038	2037			4,000,000		4,000,000	
22		2038-2039	2038			4,000,000		4,000,000	
23		2039-2040	2039			4,000,000		4,000,000	
24		2040-2041	2040			4,000,000		4,000,000	
25		2041-2042	2041			4,000,000		4,000,000	

* 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.

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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date **11/8/2015**
 Applicant Name **ALBERCAS WIND ENERGY II, LLC**
 ISD Name **WEBB CISD**

Form 50-296A
 Revised May 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	2016-2017	2016	0	0	0	0	0	0
Value Limitation Period	1	2017-2018	2017	0	0	264,600,000	264,600,000	264,600,000	25,000,000
	2	2018-2019	2018	0	0	246,078,000	246,078,000	246,078,000	25,000,000
	3	2019-2020	2019	0	0	228,853,000	228,853,000	228,853,000	25,000,000
	4	2020-2021	2020	0	0	212,833,000	212,833,000	212,833,000	25,000,000
	5	2021-2022	2021	0	0	197,935,000	197,935,000	197,935,000	25,000,000
	6	2022-2023	2022	0	0	184,080,000	184,080,000	184,080,000	25,000,000
Continue to maintain viable presence	7	2023-2024	2023	0	0	171,194,000	171,194,000	171,194,000	25,000,000
	8	2024-2025	2024	0	0	159,210,000	159,210,000	159,210,000	25,000,000
	9	2025-2026	2025	0	0	148,065,000	148,065,000	148,065,000	25,000,000
	10	2026-2027	2026	0	0	137,700,000	137,700,000	137,700,000	25,000,000
	11	2027-2028	2027	0	0	130,815,000	130,815,000	130,815,000	130,815,000
	12	2028-2029	2028	0	0	124,274,000	124,274,000	124,274,000	124,274,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	13	2029-2030	2029	0	0	118,060,000	118,060,000	118,060,000	118,060,000
	14	2030-2031	2030	0	0	112,157,000	112,157,000	112,157,000	112,157,000
	15	2031-2032	2031	0	0	106,549,000	106,549,000	106,549,000	106,549,000
	16	2032-2033	2032	0	0	101,222,000	101,222,000	101,222,000	101,222,000
	17	2033-2034	2033	0	0	96,161,000	96,161,000	96,161,000	96,161,000
	18	2034-2035	2034	0	0	91,353,000	91,353,000	91,353,000	91,353,000
	19	2035-2036	2035	0	0	86,785,000	86,785,000	86,785,000	86,785,000
	20	2036-2037	2036	0	0	82,446,000	82,446,000	82,446,000	82,446,000
	21	2037-2038	2037	0	0	78,324,000	78,324,000	78,324,000	78,324,000
	22	2038-2039	2038	0	0	74,408,000	74,408,000	74,408,000	74,408,000
	23	2039-2040	2039	0	0	70,688,000	70,688,000	70,688,000	70,688,000
	24	2040-2041	2040	0	0	67,500,000	67,500,000	67,500,000	67,500,000
	25	2041-2042	2041	0	0	67,500,000	67,500,000	67,500,000	67,500,000

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

Date 11/8/2015
 Applicant Name ALBERCAS WIND ENERGY II, LLC
 ISD Name WEBB CISD

Form 50-296A
 Revised May 2014

					Construction		Non-Qualifying Jobs		Qualifying Jobs	
					Column A	Column B	Column C	Column D	Column E	
					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 Insert as many rows as necessary.	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY		200 FTE		0	0	0	
Value Limitation Period The qualifying time period could overlap the value limitation period.	1	2016-2017	2016		N/A	N/A	0	7	42,000	
	2	2017-2018	2017		N/A	N/A	0	7	42,000	
	3	2018-2019	2018		N/A	N/A	0	7	42,000	
	4	2019-2020	2019		N/A	N/A	0	7	42,000	
	5	2020-2021	2020		N/A	N/A	0	7	42,000	
	6	2021-2022	2021		N/A	N/A	0	7	42,000	
	7	2022-2023	2022		N/A	N/A	0	7	42,000	
	8	2023-2024	2023		N/A	N/A	0	7	42,000	
	9	2024-2025	2024		N/A	N/A	0	7	42,000	
	10	2025-2026	2025		N/A	N/A	0	7	42,000	
Years Following Value Limitation Period	11 through 25	2026-2027	2026		N/A	N/A	0	7	42,000	
		2027-2042	2027-2041		N/A	N/A	0	7	42,000	

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) ☒ 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)

Date: 11/8/2015
 Applicant Name: ALBERCAS WIND ENERGY II, LLC
 ISD Name: WEBB CISD

Form 50-296A
 Revised May 2014

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: N/A City: N/A Other: N/A			N/A	N/A	N/A
Tax Code Chapter 312	County: Webb County City: N/A Other: N/A	2017	10 Years	Annual Avg. of \$810,000	see detail below	Annual Avg. of \$390,000
Local Government Code Chapters 380/381	County: N/A City: N/A Other: N/A			N/A	N/A	N/A
Freepport Exemptions	N/A			N/A	N/A	N/A
Non-Annexation Agreements	N/A			N/A	N/A	N/A
Enterprise Zone/Project	N/A			N/A	N/A	N/A
Economic Development Corporation	N/A			N/A	N/A	N/A
Texas Enterprise Fund	N/A			N/A	N/A	N/A
Employee Recruitment	N/A			N/A	N/A	N/A
Skills Development Fund	N/A			N/A	N/A	N/A
Training Facility Space and Equipment	N/A			N/A	N/A	N/A
Infrastructure Incentives	N/A			N/A	N/A	N/A
Permitting Assistance	N/A			N/A	N/A	N/A
Other:	N/A			N/A	N/A	N/A
Other:	N/A			N/A	N/A	N/A
Other:	N/A			N/A	N/A	N/A
Other:	N/A			N/A	N/A	N/A
TOTAL				810,000		390,000

Additional information on incentives for this project:

County Terms: Javelina II Wind Energy, LLC expects to apply for an abatement structured as follows: 60% abatement for years 1-5 then 40% for years 6-10

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

16d) Guidelines and criteria for creating the zone

EXHIBIT A
YEAR 2013-2015 GUIDELINES AND CRITERIA
GOVERNING TAX ABATEMENTS
"WEBB COUNTY, TEXAS
July 22, 2013

SECTION 1: GENERAL PURPOSE AND OBJECTIVES

The County of Webb is committed to enhancing the competitiveness and the expansion potential of the County; to attracting and encouraging new industry and investment; to improving Webb County and its infrastructure which attracts and supports development; and to expanding the tax base, employment opportunities, and the overall quality of life for its citizens. This document describes the Guidelines and Criteria to opportunities Webb County may consider in attempts to assert positive economic development. Nothing herein shall imply or suggest that the County of Webb is under obligation to afford these opportunities to any applicant. All applicants shall be reviewed on a case-by case basis. The customized design of a total incentives package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling Webb County to respond to the changing needs of the County. Consideration will be given to applicants according to the criteria listed in this document and Chapter 312 of the Texas Tax Code, and Chapter 381, Section 381.004 (b) of the Texas Local Government Code.

1.1 Purpose:

Chapter 312 of the Texas Tax Code and Chapter 381, Section 381.004 (b) of the Texas Local Government Code allows and provides for a but does not obligate or require, the County to grant a tax abatement on the value added to a particular property on account of a specific development project that meets the eligibility requirements set forth in these Guidelines and Criteria. In order for the County to enter into tax abatement agreements, the County is required to establish guidelines and criteria governing tax abatements and to pass a resolution stating that the County elects to become eligible to participate in tax abatement.

These Amended Guidelines and Criteria Governing Tax Abatements by Webb County, contributes to the economic development of Webb County, and the amended guidelines, policies, procedures and objectives of the County as set for in Exhibit "A", as authorized by Chapter 312, of the Texas Tax Code and Chapter 381, Section 381.004 (b) of the Texas Local Government Code, and the enactment of these amended guidelines and criteria will assist the County in the achievement of it's objectives to create jobs for the citizens of the Count, build the tax base of the County, and provide an attractive environment for businesses to build capital intensive projects within Tax Abatement Reinvestment Zone.

1.2 Objective:

The County of Webb is committed to the promotion of high quality developments in all parts of Webb County and to ongoing improvement in the quality of life for all citizens. These objectives are generally served by the enhancement and expansion of the local economy, the County of Webb, will on a case-by-case determination, give consideration to providing tax

abatement as stimulus for economic development within the boundaries of the County of Webb, It is herein proclaimed to be a policy of the County of Webb to make available tax abatement for both new facilities and for the expansion or modernization of existing structures. It is further recognized to be a policy of Webb County that the consideration of tax abatement will be made in accordance with the procedures and criteria set forth herein. Nothing herein shall imply, suggest or in any way be interpreted to obligate the County of Webb to provide a tax abatement to any applicant.

As set forth in Chapter 381, Section 381.004 (b) of the Texas Local Government Code, to stimulate business and commercial activity in a county, the commissioners court of the county may develop and administer a program: (1) for state or local economic development; (2) for small or disadvantaged business development; (3) to stimulate, encourage, and develop business location and commercial activity in the county; (4) to promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors, and businesses; (5) to improve the extent to which women and minority businesses are awarded county contracts; (6) to support comprehensive literacy programs for the benefit of county residents; or (7) for the encouragement, promotion, improvement, and application of the arts.

The commissioners court may: (1) contract with another entity for the administration of the program; (2) authorize the program to be administered on the basis of county commissioner precincts; (3) use county employees or funds for the program; and (4) accept contributions, gifts, or other resources to develop and administer the program.

A program established under this section may be designed to reasonably increase participation by minority and women-owned businesses in public contract awards by the county by establishing a contract percentage goal for those businesses.

The commissioners court may develop and administer a program authorized by Ch. 381, Section 381.004 Subsection (b), Texas Local Government Code for entering into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation. The execution, duration, and other terms of the agreement are governed, to the extent practicable, by the provisions of Sections 312.204, 312.205, and 312.211, Tax Code, as if the commissioners court were a governing body of a municipality.

The commissioners court may develop and administer a program authorized by Subsection (b) for making loans and grants of public money and providing personnel and services of the county.

1.3 General Eligibility Criteria:

A tax abatement can only be granted to persons or entities eligible for tax abatement pursuant to Section 312.402 of the Texas Tax Code, and/or Chapter 381, Section 381.004 (b) of the Texas Local Government which persons or entities as of the effective date of these Amended Guidelines and Criteria are:

- (i) the owner of taxable real property located in a reinvestment zone;

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

1.4 General Exclusions and Limitations:

1.4.1 Leases of Real Property

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

SECTION 2: DEFINITIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.17 "Permanent Full-Time Job" means a new employment position created by a business that provides a regular work schedule of at least 35 hours per week or 1820 hours of regular employment per year to a Webb County, Texas resident and maintains the employment position during the term of the abatement agreement.

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

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

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

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

SECTION 3: ABATEMENT AUTHORIZED

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

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

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

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

3.5 Types Of Industry: In keeping with the broad based approach to economic development, agreements will not be restricted to any particular type of industry. Preference will,

however, be given to manufacturing and any other type of industry which provides relatively higher wages. In keeping with obtaining the highest cost-benefit, tax abatements will be granted on the basis of (a) new jobs and (b) additional investments, for a maximum term of 10 years.

3.6 Period and Percentage of Abatement:

THE BASIC FORMULA:

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

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

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

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

3.8 Other General Amended Guidelines:

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

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

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

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

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

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

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

3.9 Negotiation and Variance

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

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

SECTION 4: APPLICATION

4.1 Any owner of taxable property in Webb County may request the designation of a

reinvestment zone and a tax abatement agreement by filing a written application with the County of Webb.

- 4.2 The application shall be signed by the owner accompanied by
- 4.2.1 a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
 - 4.2.2 a descriptive list of the improvements which will be a part of the facility;
 - 4.2.3 an estimate of the cost of the improvements;
 - 4.2.4 an estimate of the number of employees during construction, and thereafter, to operate the facility;
 - 4.2.5. a map, metes and bounds or other valid legal property description of the property proposed as a reinvestment zone;
 - 4.2.6 a time schedule for undertaking and completing the planned improvements; and a proposed program for the recruitment of local employees in the construction and operation of the facility together with a statement affirming the applicants commitment to equal opportunity hiring, at all levels, and
 - 4.2.7 a plan to implement and ensure such hiring,
 - 4.2.8 an application fee of \$1,000 to defray cost of administration and maintenance of these guidelines is required for projects in the unincorporated areas of the County.

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

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

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

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

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

4.7.1 The County must find that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the County after the agreement entered with the owner has expired.

4.7.2. It also must be found that the area of the proposed reinvestment zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and would contribute to the economic development of the County.

4.7.3. At the hearing, interested persons are entitled to speak and present evidence for or against the designation.

4.7.4. Not later than the seventh day before the date of such hearing, notice of the hearing must be published in a newspaper having general circulation in Webb County; and said notice shall be delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

4.7.5. The notice shall be placed in the mail, postage paid, and properly addressed to the appropriate presiding officer.

4.7.6. The County shall not establish a reinvestment zone for the purpose of tax abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.

SECTION 5: AGREEMENT

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

5.1 The exemption from taxation of all the increases in value of the property, over its value in the year in which the agreement was executed for the period of time provided.

5.2 A listing of the kind, number, and location of all proposed improvements of the property;

5.3 Access to and inspection of property by County employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement;

5.4 Limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in

effect;

5.5 Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.

5.6 A map showing proposed improvements and uses in the reinvestment zone.

5.7 Total estimated cost of the improvements and employment estimates.

5.8 The commencement date, the termination date of the tax abatement and the date taxes first due the County.

5.9 The nature of the construction, time schedule, property description and improvement as provided in the application in accordance with SECTION 7.2.1 through 7.2.8; and

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

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

SECTION 6: RECAPTURE

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

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

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

SECTION 7: ADMINISTRATION

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

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

SECTION 8: ASSIGNMENT

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

SECTION 9: SUNSET PROVISION

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

SECTION 10: LEGAL NOTICE TO POTENTIAL APPLICANTS

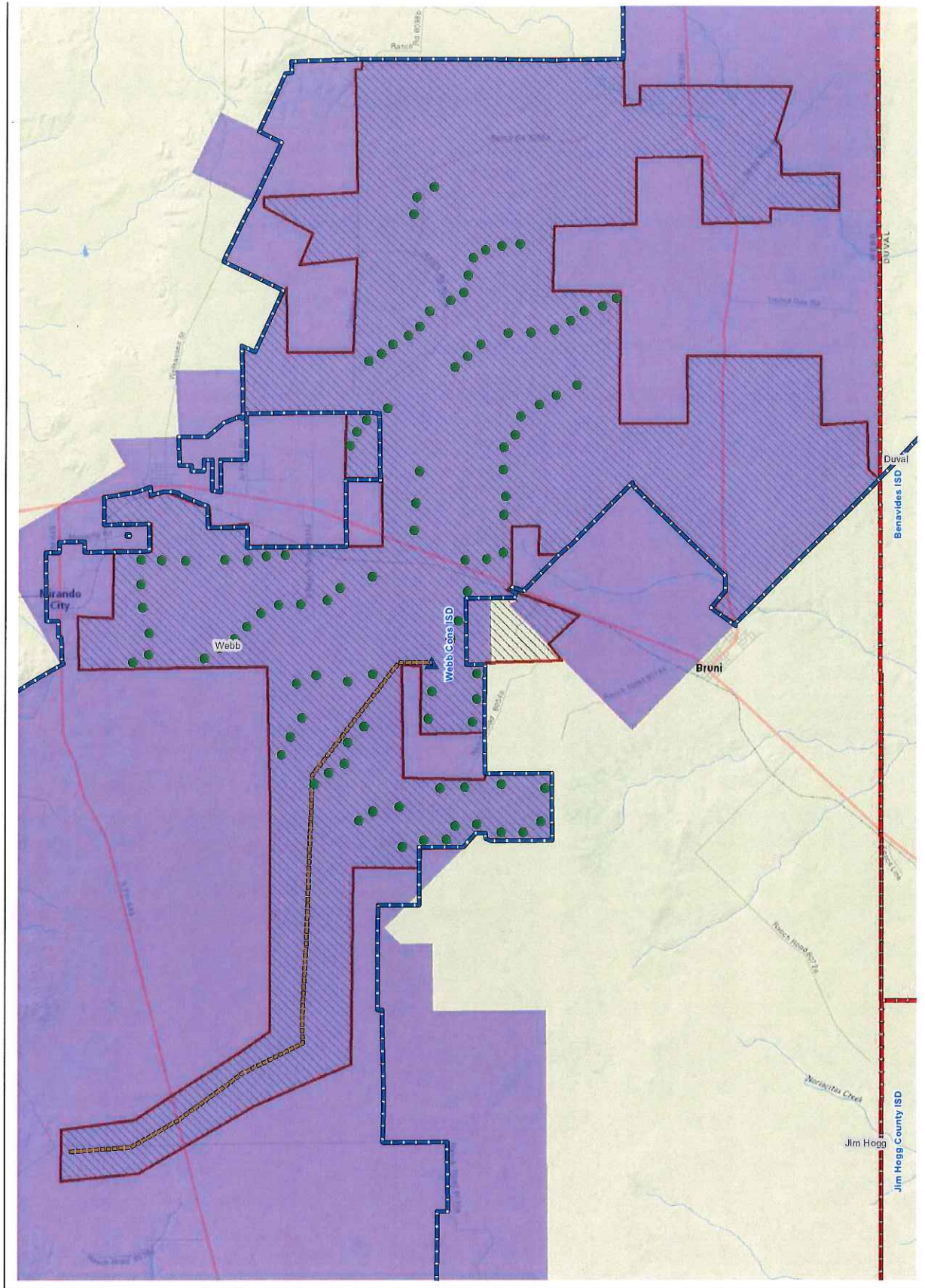
The adoption of these guidelines and criteria by the County does not and shall not:

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

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

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

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



Albercas Wind Energy II



0 1 2 Miles

- Turbine
- ▲ Substation
- Transmission
- ISD Boundary
- Webb County Wind Energy RZ No. 4
- Project Boundary
- Albercas II Project Area
- School District
- County Boundary

Albercas Wind Energy II, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 17

*Signature and Certification page, signed and dated by Authorized School District
Representative and Authorized Company Representative (applicant)*

See Attached



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

Juan J. Maldonado Sr.

Print Name (Authorized School District Representative)

Interim Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

11 Feb 16

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

Kevin Gildea

Print Name (Authorized Company Representative (Applicant))

Executive Director

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

11/9/2015



(Notary Seal)

GIVEN under my hand and seal of office this, the

9 day of NOVEMBER, 2015

Notary Public in and for the State of Texas FLORIDA

My Commission expires: JUNE 25, 2019

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.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of: 07/07/2016 09:19:02 AM

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

JAVELINA WIND ENERGY II, LLC	
Texas Taxpayer Number	32056493490
Mailing Address	3000 EL CAMINO REAL STE 5-700 PALO ALTO, CA 94306-2116
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/24/2015
Texas SOS File Number	0802162883
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN STREET SUITE 900 DALLAS, TX 75201

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 20, 2016

Juan J. Maldonado, Sr.
Superintendent
Webb Consolidated Independent School District
619 Avenue F
Bruni, Texas 78344

Dear Superintendent Maldonado:

On April 20, 2016, the Comptroller issued written notice that Albercas Wind Energy II, LLC (the applicant) submitted a completed application (Application #1125) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on November 10, 2015, to the Webb Consolidated 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 B; 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 for 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 #1125.

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 B.

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

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.

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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of April 20, 2016, 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 Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED ALBERCAS WIND
ENERGY II, LLC PROJECT IN THE WEBB CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1125)**

PREPARED BY



JULY 6, 2016

Executive Summary

Albercas Wind Energy II, LLC (Company) has requested that the Webb Consolidated Independent School District (WCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to WCISD on November 9, 2015, the Company plans to invest \$264.6 million to construct a wind energy facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, WCISD may offer a minimum value limitation of \$60 million. This value limitation, under the proposed application, will begin in the 2017-18 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to WCISD	\$1.7 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$9.2 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district. The Completeness Letter was issued on April 20, 2016.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of

the project and provide its certificate for a limitation on appraised value. The Comptroller's Office issued its certificate for the project on May 20, 2016.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and O'Hanlon, McCollom & Demerath will ensure the best interests of WCISD are secured. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be required to adopt a job waiver during this meeting. Prior to this meeting, O'Hanlon, McCollom & Demerath will provide the district with the necessary agenda language and any additional action items.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction (ASATR), although ASATR is currently scheduled to be eliminated by the 2017-18 school year. (For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools](#).)

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—\$1.00 per \$100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. ASATR funding is expected to be eliminated by the 2017-18 school year under current law.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue-protection language in the agreement. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 298 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of WCISD. The District's local tax base reached \$742.2 million for the 2015 tax year (the most recent year available). It is maintained for the forecast period in order to isolate the effects of the property value limitation, although previously-approved Chapter 313 projects and their value limitations are factored into the M&O tax base for the District and used in all the models presented below. An M&O tax rate of \$0.8033 per \$100 is used throughout this analysis.

WCISD has estimated 2015-16 state property wealth per weighted ADA or WADA of approximately \$1.5 million. As a result, WCISD is considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from \$5,040 to \$5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 and \$77.53, respectively, for the 2015-16 and 2016-17 school years.

In addition, WCISD is eligible for a “fractional” funding adjustment, since it imposed less than \$1.50 M&O tax rate for the 2006 tax year. Given the analysis shown below, it does not appear that WCISD would benefit from shifting tax effort to take advantage of the fractional funding fix approved by legislators and that change is not incorporated in these estimates. However, WCISD does not currently levy a tax rate that falls into the \$31.95 recapture tier.

The mandated school district homestead exemption increase from \$15,000 to \$25,000 has been incorporated into the analysis. Given that the models below focus exclusively on the Albercas Wind Energy II, LLC project values, however, the homestead exemption change does not have a significant impact on this analysis.

Table 1 – Base District Information with Albercas Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD with Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP1	2016-17	298.05	603.72	\$0.8033	\$0.1100	\$404,320,211	\$404,320,211	\$589,155,029	\$589,155,029	\$975,879	\$975,879
QTP2/VL1	2017-18	298.05	603.72	\$0.8033	\$0.1100	\$668,920,211	\$464,320,211	\$251,288,229	\$251,288,229	\$416,235	\$416,235
VL2	2018-19	298.05	603.72	\$0.8033	\$0.1100	\$650,398,211	\$464,320,211	\$515,888,229	\$311,288,229	\$854,520	\$515,619
VL3	2019-20	298.05	603.72	\$0.8033	\$0.1100	\$633,173,211	\$464,320,211	\$497,366,229	\$311,288,229	\$823,840	\$515,619
VL4	2020-21	298.05	603.72	\$0.8033	\$0.1100	\$727,687,213	\$574,854,213	\$480,141,229	\$311,288,229	\$795,308	\$515,619
VL5	2021-22	298.05	603.72	\$0.8033	\$0.1100	\$706,762,513	\$568,827,513	\$574,655,231	\$421,822,231	\$951,862	\$698,709
VL6	2022-23	298.05	603.72	\$0.8033	\$0.1100	\$687,182,148	\$563,102,148	\$553,730,531	\$415,795,531	\$917,202	\$688,726
VL7	2023-24	298.05	603.72	\$0.8033	\$0.1100	\$690,404,340	\$579,210,340	\$534,150,166	\$410,070,166	\$884,769	\$679,242
VL8	2024-25	298.05	603.72	\$0.8033	\$0.1100	\$825,126,589	\$725,916,589	\$537,372,358	\$426,178,358	\$890,106	\$705,924
VL9	2025-26	298.05	603.72	\$0.8033	\$0.1100	\$793,506,106	\$705,441,106	\$672,094,607	\$572,884,607	\$1,113,261	\$948,929
VL10	2026-27	298.05	603.72	\$0.8033	\$0.1100	\$764,081,978	\$686,381,978	\$640,474,124	\$552,409,124	\$1,060,885	\$915,013
VP1	2027-28	298.05	603.72	\$0.8033	\$0.1100	\$739,423,200	\$739,423,200	\$611,049,996	\$533,349,996	\$1,012,146	\$883,444
VP2	2028-29	298.05	603.72	\$0.8033	\$0.1100	\$716,330,625	\$716,330,625	\$586,391,218	\$586,391,218	\$971,301	\$971,301
VP3	2029-30	298.05	603.72	\$0.8033	\$0.1100	\$694,698,394	\$694,698,394	\$563,298,643	\$563,298,643	\$933,051	\$933,051
VP4	2030-31	298.05	603.72	\$0.8033	\$0.1100	\$674,429,460	\$674,429,460	\$541,666,412	\$541,666,412	\$897,219	\$897,219
VP5	2031-32	298.05	603.72	\$0.8033	\$0.1100	\$655,432,773	\$655,432,773	\$521,397,478	\$521,397,478	\$863,646	\$863,646

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact of the Albercas Wind project on WCISD

School finance models were prepared for WCISD under these assumptions through the 2031-32 school year. Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue Model” by adding the total value of the project to the model, but without assuming that a value limitation is approved. These model results are detailed in Table 2.

Additionally, a separate model is established to make a calculation of the “Value Limitation Revenue Model” by adding the project’s limited value of \$60 million to the model. These results are shown in Table 3. Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$1.7 million in the first limitation year under the Agreement, with nearly all of this loss reflected

in the first limitation year (2017-18). Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

Table 2-- "Baseline Revenue Model" --Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2016-17	\$3,124,870	\$139,239	\$4,871,323	-\$1,996,868	\$149,172	\$0	\$0	\$253	\$13,125	\$6,301,114
QTP2/VL1	2017-18	\$5,144,358	\$574,491	\$0	\$0	\$245,577	\$211,787	\$0	\$5,452	\$13,125	\$6,194,790
VL2	2018-19	\$5,002,350	\$103,473	\$0	-\$2,990,171	\$238,797	\$0	\$0	\$405	\$13,125	\$2,367,978
VL3	2019-20	\$4,870,286	\$103,473	\$0	-\$2,838,869	\$232,493	\$0	\$0	\$394	\$13,125	\$2,380,902
VL4	2020-21	\$5,577,975	\$103,473	\$0	-\$3,179,165	\$266,276	\$0	\$0	\$451	\$13,125	\$2,782,135
VL5	2021-22	\$5,418,470	\$103,473	\$0	-\$3,460,136	\$258,662	\$0	\$0	\$438	\$13,125	\$2,334,033
VL6	2022-23	\$5,269,225	\$103,473	\$0	-\$3,293,422	\$251,537	\$0	\$0	\$426	\$13,125	\$2,344,365
VL7	2023-24	\$5,291,460	\$103,473	\$0	-\$3,237,064	\$252,599	\$0	\$0	\$428	\$13,125	\$2,424,022
VL8	2024-25	\$6,301,879	\$103,473	\$0	-\$3,880,958	\$300,833	\$0	\$0	\$510	\$13,125	\$2,838,862
VL9	2025-26	\$6,062,585	\$103,473	\$0	-\$4,186,506	\$289,410	\$0	\$0	\$490	\$13,125	\$2,282,577
VL10	2026-27	\$5,839,912	\$103,473	\$0	-\$3,944,173	\$278,780	\$0	\$0	\$472	\$13,125	\$2,291,590
VP1	2027-28	\$5,642,720	\$103,473	\$0	-\$3,723,559	\$269,367	\$0	\$0	\$456	\$13,125	\$2,305,582
VP2	2028-29	\$5,469,210	\$103,473	\$0	-\$3,531,444	\$261,084	\$0	\$0	\$442	\$13,125	\$2,315,891
VP3	2029-30	\$5,306,673	\$103,473	\$0	-\$3,350,023	\$253,325	\$0	\$0	\$429	\$13,125	\$2,327,002
VP4	2030-31	\$5,154,379	\$103,473	\$0	-\$3,178,593	\$246,055	\$0	\$0	\$417	\$13,125	\$2,338,856
VP5	2031-32	\$5,011,645	\$103,473	\$0	-\$3,016,501	\$239,241	\$0	\$0	\$405	\$13,125	\$2,351,388

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2016-17	\$3,124,870	\$139,239	\$4,871,323	-\$1,996,868	\$149,172	\$0	\$0	\$253	\$13,125	\$6,301,114
QTP2/VL1	2017-18	\$3,575,690	\$574,491	\$0	\$0	\$170,693	\$147,189	\$0	\$2,794	\$13,125	\$4,483,982
VL2	2018-19	\$3,575,690	\$114,471	\$0	-\$1,203,171	\$170,693	\$85,912	\$0	\$0	\$13,125	\$2,756,720
VL3	2019-20	\$3,575,690	\$114,471	\$0	-\$1,203,171	\$170,693	\$85,912	\$0	\$0	\$13,125	\$2,756,720
VL4	2020-21	\$4,406,205	\$114,471	\$0	-\$1,496,650	\$210,339	\$105,979	\$0	\$0	\$13,125	\$3,353,469
VL5	2021-22	\$4,360,922	\$103,473	\$0	-\$2,219,574	\$208,178	\$22,843	\$0	\$369	\$13,125	\$2,489,337
VL6	2022-23	\$4,317,904	\$103,473	\$0	-\$2,167,218	\$206,124	\$25,924	\$0	\$366	\$13,125	\$2,499,698
VL7	2023-24	\$4,438,935	\$103,473	\$0	-\$2,199,655	\$211,902	\$29,982	\$0	\$376	\$13,125	\$2,598,138
VL8	2024-25	\$5,541,236	\$103,473	\$0	-\$2,863,684	\$264,522	\$26,009	\$0	\$0	\$13,125	\$3,084,681
VL9	2025-26	\$5,387,390	\$103,473	\$0	-\$3,434,110	\$257,178	\$0	\$0	\$436	\$13,125	\$2,327,492
VL10	2026-27	\$5,244,186	\$103,473	\$0	-\$3,272,925	\$250,342	\$0	\$0	\$424	\$13,125	\$2,338,626
VP1	2027-28	\$5,642,720	\$103,473	\$0	-\$3,452,765	\$269,367	\$0	\$0	\$456	\$13,125	\$2,576,376
VP2	2028-29	\$5,469,210	\$103,473	\$0	-\$3,531,444	\$261,084	\$0	\$0	\$442	\$13,125	\$2,315,891
VP3	2029-30	\$5,306,673	\$103,473	\$0	-\$3,350,023	\$253,325	\$0	\$0	\$429	\$13,125	\$2,327,002
VP4	2030-31	\$5,154,379	\$103,473	\$0	-\$3,178,593	\$246,055	\$0	\$0	\$417	\$13,125	\$2,338,856
VP5	2031-32	\$5,011,645	\$103,473	\$0	-\$3,016,501	\$239,241	\$0	\$0	\$405	\$13,125	\$2,351,388

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2017-18	-\$1,568,668	\$0	\$0	\$0	-\$74,884	-\$64,598	\$0	-\$2,658	\$0	-\$1,710,808
VL2	2018-19	-\$1,426,660	\$10,998	\$0	\$1,787,001	-\$68,104	\$85,912	\$0	-\$405	\$0	\$388,742
VL3	2019-20	-\$1,294,596	\$10,998	\$0	\$1,635,698	-\$61,800	\$85,912	\$0	-\$394	\$0	\$375,819
VL4	2020-21	-\$1,171,770	\$10,998	\$0	\$1,682,515	-\$55,937	\$105,979	\$0	-\$451	\$0	\$571,334
VL5	2021-22	-\$1,057,548	\$0	\$0	\$1,240,562	-\$50,484	\$22,843	\$0	-\$69	\$0	\$155,304
VL6	2022-23	-\$951,321	\$0	\$0	\$1,126,203	-\$45,413	\$25,924	\$0	-\$60	\$0	\$155,333
VL7	2023-24	-\$852,525	\$0	\$0	\$1,037,409	-\$40,697	\$29,982	\$0	-\$52	\$0	\$174,117
VL8	2024-25	-\$760,643	\$0	\$0	\$1,017,274	-\$36,311	\$26,009	\$0	-\$510	\$0	\$245,819
VL9	2025-26	-\$675,195	\$0	\$0	\$752,396	-\$32,232	\$0	\$0	-\$55	\$0	\$44,915
VL10	2026-27	-\$595,726	\$0	\$0	\$671,248	-\$28,438	\$0	\$0	-\$48	\$0	\$47,036
VP1	2027-28	\$0	\$0	\$0	\$270,794	\$0	\$0	\$0	\$0	\$0	\$270,794
VP2	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$0.8033 per \$100 M&O tax rate is assumed in 2015-16 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$10.8 million over the life of the agreement. The WCISD revenue losses are expected to total approximately \$1.7 million in the initial limitation year under the Agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$9.2 million, prior to any negotiations with Albercas Wind on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with WCISD currently levying a \$0.1100 I&S rate. While the value of the Albercas Wind project is expected to depreciate over the life of the agreement and beyond, local taxpayers should benefit from the addition of the Albercas Wind project to the local I&S tax roll.

The project is not expected to affect WCISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Table 5 - Estimated Financial Impact of the Albercas Wind Project Property Value Limitation Request
Submitted to WCISD at \$0.8033 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP1	2016-17	\$0	\$0	\$0	\$0.803	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2017-18	\$264,600,000	\$60,000,000	\$204,600,000	\$0.803	\$2,125,532	\$481,980	\$1,643,552	-\$1,710,808	\$0
VL2	2018-19	\$246,078,000	\$60,000,000	\$186,078,000	\$0.803	\$1,976,745	\$481,980	\$1,494,765	\$0	\$1,494,765
VL3	2019-20	\$228,853,000	\$60,000,000	\$168,853,000	\$0.803	\$1,838,376	\$481,980	\$1,356,396	\$0	\$1,356,396
VL4	2020-21	\$212,833,000	\$60,000,000	\$152,833,000	\$0.803	\$1,709,687	\$481,980	\$1,227,707	\$0	\$1,227,707
VL5	2021-22	\$197,935,000	\$60,000,000	\$137,935,000	\$0.803	\$1,590,012	\$481,980	\$1,108,032	\$0	\$1,108,032
VL6	2022-23	\$184,080,000	\$60,000,000	\$124,080,000	\$0.803	\$1,478,715	\$481,980	\$996,735	\$0	\$996,735
VL7	2023-24	\$171,194,000	\$60,000,000	\$111,194,000	\$0.803	\$1,375,201	\$481,980	\$893,221	\$0	\$893,221
VL8	2024-25	\$159,210,000	\$60,000,000	\$99,210,000	\$0.803	\$1,278,934	\$481,980	\$796,954	\$0	\$796,954
VL9	2025-26	\$148,065,000	\$60,000,000	\$88,065,000	\$0.803	\$1,189,406	\$481,980	\$707,426	\$0	\$707,426
VL10	2026-27	\$137,700,000	\$60,000,000	\$77,700,000	\$0.803	\$1,106,144	\$481,980	\$624,164	\$0	\$624,164
VP1	2027-28	\$130,815,000	\$130,815,000	\$0	\$0.803	\$1,050,837	\$1,050,837	\$0	\$0	\$0
VP2	2028-29	\$124,274,000	\$124,274,000	\$0	\$0.803	\$998,293	\$998,293	\$0	\$0	\$0
VP3	2029-30	\$118,060,000	\$118,060,000	\$0	\$0.803	\$948,376	\$948,376	\$0	\$0	\$0
VP4	2030-31	\$112,157,000	\$112,157,000	\$0	\$0.803	\$900,957	\$900,957	\$0	\$0	\$0
VP5	2031-32	\$106,549,000	\$106,549,000	\$0	\$0.803	\$855,908	\$855,908	\$0	\$0	\$0
						\$20,423,123	\$9,574,171	\$10,848,952	-\$1,710,808	\$9,205,400

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



Glenn Hegar

Texas Comptroller of Public Accounts

Welcome to your official online window on state government services from the Texas Comptroller of Public Accounts.

2014 ISD Summary Worksheet

240/Webb

240-904/Webb CISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	17,854,932	N/A	17,854,932	17,854,932
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,919,372	N/A	1,919,372	1,919,372
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	23,766,211	N/A	23,766,211	23,766,211
D2. Real Prop Farm & Ranch	2,884,192	N/A	2,884,192	2,884,192
E. Real Prop NonQual Acres	43,480,318	N/A	43,480,318	43,480,318
F1. Commercial Real	2,844,530	N/A	2,844,530	2,844,530
F2. Industrial Real	33,330	N/A	33,330	33,330
G. Oil, Gas, Minerals	569,071,487	N/A	569,071,487	569,071,487
J. Utilities	186,346,000	N/A	186,346,000	186,346,000
L1. Commercial Personal	4,925,930	N/A	4,925,930	4,925,930
L2. Industrial Personal	194,344,090	N/A	194,344,090	194,344,090
M. Other Personal	2,416,410	N/A	2,416,410	2,416,410
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,049,886,802		1,049,886,802	1,049,886,802
Less Total Deductions	109,914,200		109,914,200	109,914,200
Total Taxable Value	939,972,602		939,972,602	939,972,602 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
942,003,587	939,972,602	941,012,995	938,982,010	940,010,973	939,020,381
Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption			
2,030,985		990,592			

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
1,046,946,067	1,044,915,082	1,045,955,475	1,043,924,490	1,044,953,453	1,043,962,861

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

In 2015, the Texas Legislature passed House Bill 855, which requires state agencies to publish a list of the three most commonly used Web browsers on their websites. The Texas Comptroller's most commonly used Web browsers are Microsoft Internet Explorer, Google Chrome and Apple Safari.

x

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

WEBB CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

ALBERCAS WIND ENERGY II, LLC

(Texas Taxpayer ID # 32056493490)

Comptroller Application # 1125

Dated

July 12, 2016

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on May 19, 2016, 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 313.025 of the TEXAS TAX CODE;

WHEREAS, on July 12, 2016, 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 July 12, 2016, 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) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on July 12, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on July 11, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on July 12, 2016, 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 or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized Adriana Rivera 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 in this Agreement, 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 Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 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 Sections 10.2 and 10.3.

“Applicant” means Albercas Wind Energy II, LLC, (Texas Taxpayer ID #32056493490) the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 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 **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on August 17, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the 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 the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the 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 Webb Appraisal District.

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

"Commercial Operation" means the generation of electricity (other than test energy) by Applicant from all of the wind turbines included in the Qualified Property for which electricity Applicant is entitled to receive compensation from a third party power purchaser, offtaker, merchant buyer, spot market buyer, or other third party purchaser.

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

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Webb County, Texas.

"District" or "School District" means the Webb Consolidated 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 the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which the 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 sixty (60) 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 operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"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 by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"Qualifying Time Period" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in 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.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's average daily attendance in the amount of 298 for the 2015-2016 school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2016, which, by virtue of the Approval Date is the Tax Year that includes the date on which the Board of Trustees approved the Application and this Agreement.

"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 for each and every year of this Agreement, 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 includes any and all 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. For each year of this Agreement, the "Applicable School Finance Law" shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

"M&O Amount" means 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 forth in Section 4.2 of this Agreement.

"New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school Year.

"Net Tax Benefit" means, for any subject Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, for all Tax Years up to and including the subject Tax Year; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad

valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement for all Tax Years up to and including the subject Tax Year, plus (B) any and all payments due to the District under Articles IV and V, of this Agreement for all Tax Years up to and including the subject Tax Year, plus (C) any and all payments owed to the District under Article VI of this Agreement for all Tax Years prior to the subject Tax Year.

"Revenue Protection Amount" means the amount calculated pursuant to Section 4.2 of this Agreement.

"Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the ad valorem maintenance & operations tax at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property's M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation 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 April 20, 2016, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is July 12, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on July 12, 2016, the Application Approval Date; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2017, the first complete Tax Year that begins after the date of the commencement of Commercial Operation;
- ii. Ends on December 31, 2026.

E. The Final Termination Date for this Agreement is December 31, 2031.

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

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, 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. Sixty Million Dollars (\$60,000,000), based on Section 313.054 of the TEXAS TAX CODE

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

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

- A. have completed the Applicant's Qualified Investment in the amount of \$60,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$603.75 for all New Non-Qualifying Jobs created by the 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 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 the 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;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is 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, and information concerning the designation, 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 in **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 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with 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. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/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. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as property used for renewable energy electric generation.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, 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 in each year of this Agreement for which this Agreement was a sole and direct cause, all as calculated in Section 4.2 below. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of losses that District incurs in its Maintenance and Operations Revenue will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, 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, 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. Notwithstanding any other provision in this Agreement, the M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.
- B. In making the calculations 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 as that law exists for each year for which the calculation is made.

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, the negative number will be considered to be zero.

iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the provisions of Section 4.6. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents

pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party, plus any reasonable and necessary out-of-pocket third party legal expenses incurred by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 which exceeds Ten Thousand Dollars (\$10,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. 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, 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's Maintenance and Operations Revenue, 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.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: 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.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

A. Amounts Exclusive of Indemnity Amounts. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for Supplemental Payments to be calculated as set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1, and that all Supplemental Payments under this Article IV are subject to the separate limitations contained in Section 6.2 and Section 6.3.B.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the

Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article VI shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall: not exceed for 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 times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may 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;

C. the limitation in Section 6.2.A 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; and

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2015-2016 Average Daily Attendance of 298, rounded to the nearest whole number.

Section 6.3. SUPPLEMENTAL PAYMENT CALCULATION - SUBJECT TO NET TAX BENEFIT LIMITATION.

A. During each Tax Year beginning with the Application Approval Date and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section 7.1, below, be entitled to receive Supplemental Payments equal to the greater amount set forth in Section 6.2(D), above.

B. The amount owed by Applicant after taking into account the limitations in this Subsection 6.3(B) and Section 7.1 is known as the "Stipulated Supplemental Payment."

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

(a) B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

- (b) C. The payment of all amounts due under this Article shall be made by December 31 of the tax year for which the payment is due.

Section 6.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments calculated as described in Section 6.5, above.

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 beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles 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 the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV 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 the Applicant to the 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 the Applicant to the District under Article IV, Article V, 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, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year 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 the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration 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, the Applicant shall Maintain Viable Presence in the 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, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment

obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records 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 the 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 the Applicant's Qualified Property.

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

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the 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. The Applicant and the 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 latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New 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 the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the 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 the Comptroller or the State of Texas. By example and not as an

exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly 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, the Applicant or the 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. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

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 the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the 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 the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such

application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

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

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller 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;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property 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 the Applicant's Qualified Property under Sections 8.5 and 8.6;

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

N. The 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;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material

respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Webb County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Webb County, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 30 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 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 the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the 60 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits

under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The 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 9.4.C 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 9.5. 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, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$60,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

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 or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email 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 the District shall be addressed to the District's Authorized Representative as follows:

Superintendent
Webb Consolidated Independent School District
PO Box 206
Bruni, TX 78344
Phone: (361) 747-5415
Facsimile: (361) 747-5202

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Kevin Gildea
Executive Director
Albercas Wind Energy II, LLC

700 Universe Blvd
Juno Beach, FL 33408
Phone: (561) 304-5644
Email: kevin.gildea@nee.com

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

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND 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 Section 10.2.B. 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, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules 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 the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the 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 Application and this 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

D. The Application and this Agreement may not be amended to extend the value limitation

time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

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

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. 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 a state district court in Webb County.

Section 10.6. 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 10.7. 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 so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. 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 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

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

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 12th day of July, 2016.

**ALBERCAS WIND ENERGY II,
LLC**

By: _____

[INSERT NAME]
[INSERT TITLE]

**John DiDonato
Vice President**

**WEBB CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT**

By: _____

**ADRIANA RIVERA
PRESIDENT, BOARD OF TRUSTEES**

ATTEST:

By: _____

**REBECCA GUTIERREZ
SECRETARY, BOARD OF TRUSTEES**

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

At the time of the Application Approval Date, pursuant to Chapter 312 of the Texas Tax Code, the Webb Consolidated Independent School District designated the following real property within the unincorporated areas of Webb County as a Reinvestment Zone. A map of this Torrecillas Reinvestment Zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the Torrecillas Reinvestment Zone.

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

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

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

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

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

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

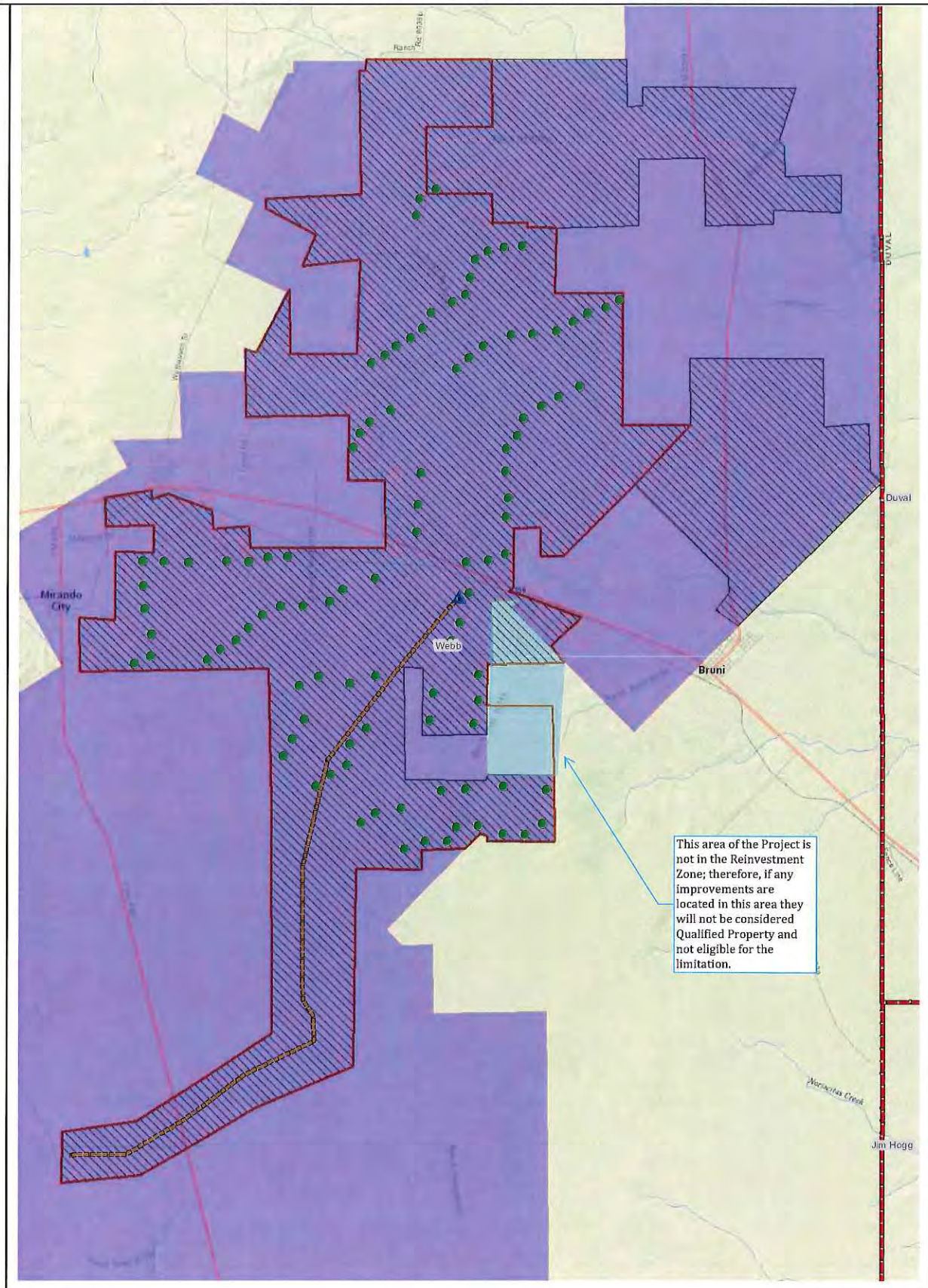
LI&A ASSOC	3075	1008	NEAL, J E
BATSON, D	868	261	
BOYD, W H & J M	944	2251	
HUGHES, C	1493	262	
FLIPPIN, J A	2667	771	RUTLEDGE, W P
RAYMON, S	1679	71	
LI&A ASSOC	3076	1008	NEAL, J E
GUERRA, F	1253	2167	
RAYMON, J	1678	72	
THAXTON, W H	3176	2346	
POITEVENT, J	1656	1107	
POITEVENT, J	2120	1108	VELA, L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

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

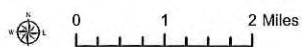
GC&SF RR CO	2135	2084	BARNESLEY, W R
GC&SF RR CO	1361	781	
GC&SF RR CO	2997	782	PENA, R
PUCKETT, MRS T E	1959	770	HERRERA, C
BS&F	1930	123	
HE&WT RR CO	3556	780	VAQUILLAS RANCH CO
H&GN RR CO	2136	18	BARNESLEY, W R
GC&SF RR CO	1376	2083	
CELLUM, E J	3555	832	VAQUILLAS RANCH CO
CELLUM, E J	963	831	
H&GN RR CO	1458	17	
GC&SF RR CO	1364	835	
DE LA FUENTES, V	1996		
GC&SF RR CO	3552	836	GUERRA, M
H&GN RR CO	3168	9	
GC&SF RR CO	3553	838	GUERRA, M
BORREGO, J V	563		
CITY OF LAREDO	238	47	
CITY OF LAREDO	237	48	
CITY OF LAREDO	1529	49	
CITY OF LAREDO	716	50	
CITY OF LAREDO	236	51	
CITY OF LAREDO	464	52	
AB&M	3040	728	LOPEZ, A
AB&M	3040	728	LOPEZ, A
MEYER, W	1583	146	
POITEVENT, J	1666	167	
T&NO RR CO	1791	2053	
CCSD&RGNG RR CO	2	2633	48
DL&C CO	1170	2193	LEONARD, J
ZAPATA, E	1918	61	
GUTIERRES, Y	1393		
LITTIG, J W	1547	58	
SK&K	3274	125	
SK&K	1748	125	
GC&SF RR CO	1363	837	
DE LA FUENTES, V	1996		
BS&F	906	657	
BORREGO, J V	563		
T&NO RR CO	2077	265	
BORREGO, J V	563		
BS&F	907	655	
BORREGO, J V	563		
STATE OF TEXAS	733		
BORREGO, J V	563		
C&M RR CO	964	849	
BORREGO, J V	563		

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

11 b&c) Map of Qualified Investment and Qualified Property



Albercas Wind Energy II



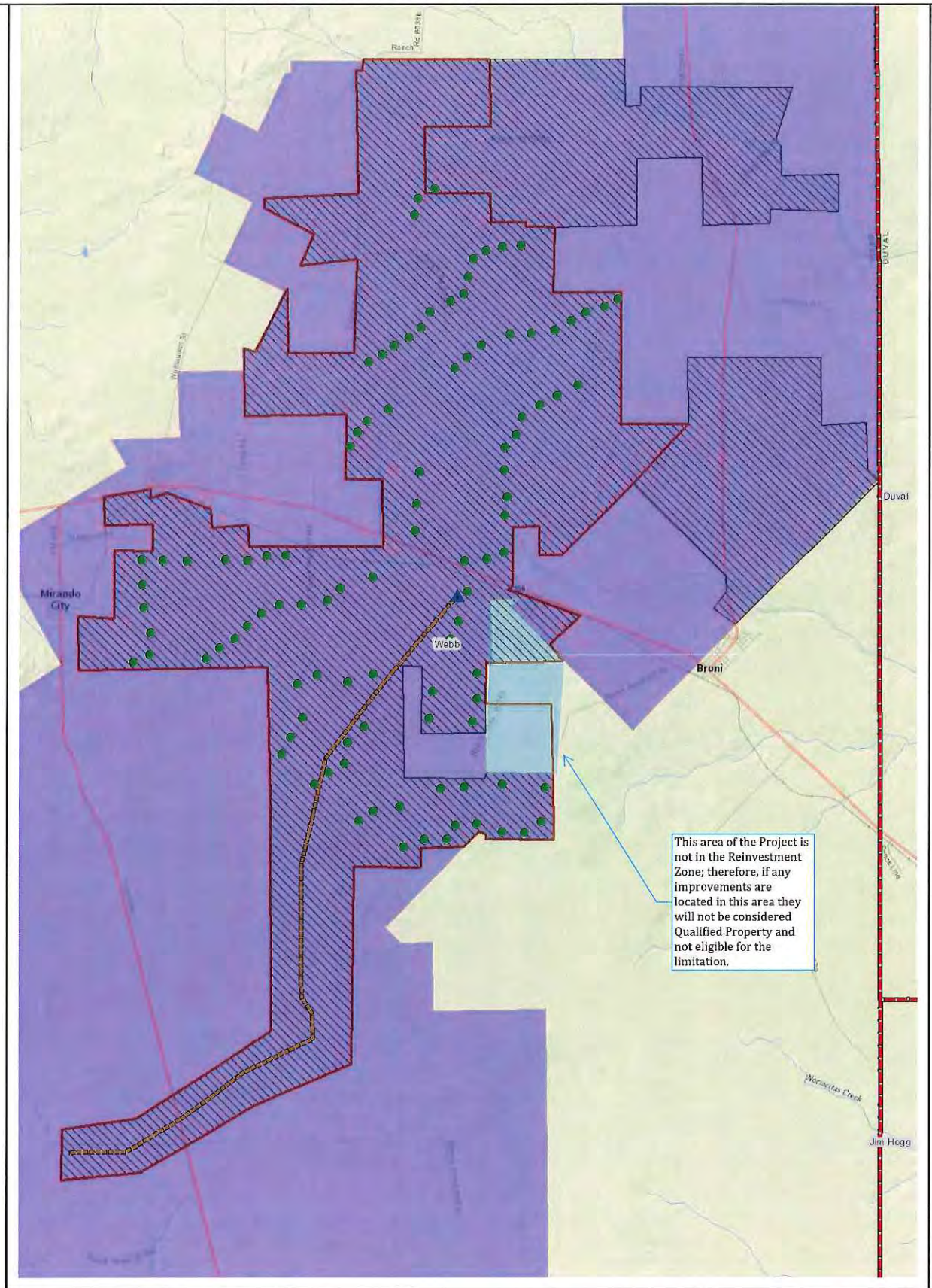
- Turbine
- ▲ Substation
- +—+—+— Transmission
- Webb County Wind Energy RZ No. 4
- Project Boundary
- Albercas II Project Area
- School District
- County Boundary

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the map attached to this **Exhibit 2**.

11 b&c) Map of Qualified Investment and Qualified Property



Albercas Wind Energy II

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after July 12, 2016, owned by the Applicant, as more fully described in Tab 7 of the Application, and located within the boundaries of the Webb Consolidated Independent School District and the map attached to **Exhibit 2**.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

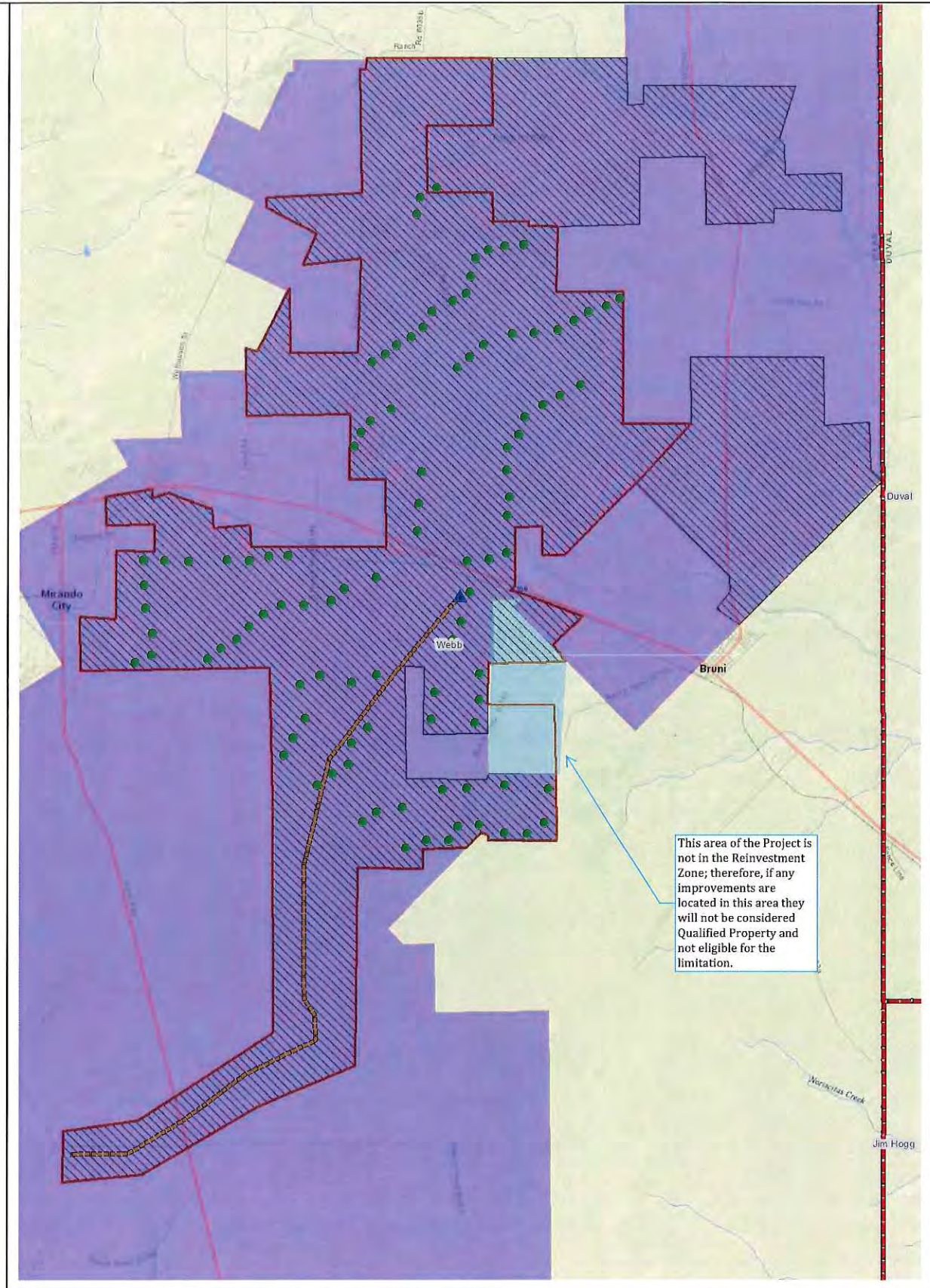
This Agreement covers all qualified property within Webb CISD necessary for the commercial operations of the wind-powered electric generating facility with an operating capacity of approximately 200 megawatts as more fully described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on the last page of this **EXHIBIT 4**.

Qualified property includes, but is not limited to:

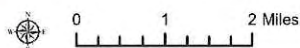
Turbine placement is subject to change but for purposes of this application, the Project anticipates using 2.0 MW turbines manufactured by GE. Albercas is also constructing approximately 12 miles of generation transmission tie line that will be in Webb CISD.

Qualified property also includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, buildings and offices, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, spare parts, and control systems necessary for commercial generation of electricity.

11 b&c) Map of Qualified Investment and Qualified Property



Albercas Wind Energy II



- Turbine
- ▲ Substation
- Transmission
- Webb County Wind Energy RZ No. 4
- Project Boundary
- Albercas II Project Area
- School District
- County Boundary

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

July 12, 2016

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

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

Dear President and Members of the Board of Trustees:

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

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE McCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

July 12, 2016

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

*Re: Recommendations and Findings of the Firm Concerning Application of Albercas
Wind Energy II LLC for Limitation on Appraised Value of Property for School
District Maintenance and Operations Taxes*

Dear President and Members of the Board of Trustees:

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

July 6, 2016

Juan J. Maldonado, Sr.
Superintendent
Webb Consolidated Independent School District
619 Avenue F
Bruni, Texas 78344

Re: Agreement for Limitation on Appraised Value of Property for School District
 Maintenance and Operations Taxes by and between Webb Consolidated
 Independent School District and Albercas Wind Energy II, LLC, Application
 # 1125.

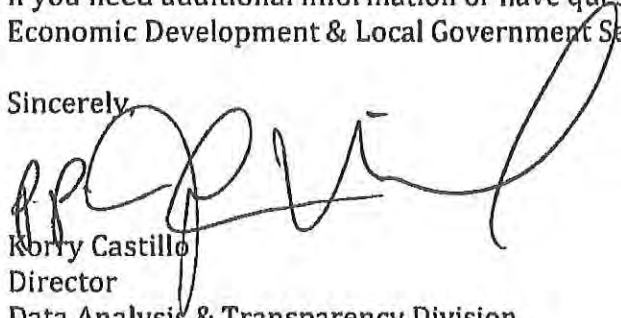
Dear Superintendent Maldonado:

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 Webb Consolidated Independent School District and Albercas Wind Energy 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 Ronald Gipson, Economic Development & Local Government Section, at (512) 936-8530.

Sincerely,



Korry Castillo
Director
Data Analysis & Transparency Division

cc: Daniel T. Casey, Moak, Casey & Associates LLP
 Greg Schneck, NextEra Energy Resources, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.