FINDINGS OF THE CROSBYTON CONSOLIDATED INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY WAKE WIND LLC

October 29, 2013

FINDINGS

OF THE

CROSBYTON CONSOLIDATED INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT

ON THE APPLICATION SUBMITTED BY

WAKE WIND LLC

OCTOBER 29, 2013

FINDINGS OF THE CROSBYTON CONSOLIDATED INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY WAKE WIND LLC

STATE OF TEXAS §

COUNTY OF CROSBY §

On the 29th day of October, 2013, a public meeting of the Board of Trustees of the Crosbyton Consolidated Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Wake Wind LLC (Wake Wind) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Crosbyton Consolidated Independent School District makes the following findings with respect to the application of Wake Wind, and the economic impact of that application:

On June 17, 2013, the Superintendent of Schools of the Crosbyton Consolidated Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Wake Wind for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Wake Wind (Texas Taxpayer Id. 32050567323), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on October 8, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

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

Board Finding Number 2.

The economic condition of Crosbyton, Texas is in need of long-term improvement, based on the state's analysis of Crosby County data.

Based on information provided by the Comptroller's Office that focused on the county level, Crosby County is the 193rd largest county in the state in terms of population. Population growth in Crosby County is up, slightly. The population of Crosby County increased by 0.1 percent between 2009 and 2010, whereas the state population increased 1.8 percent during the same period.

September 2011 employment for Crosby County was up 1.4 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Crosby County was 10.3 percent in September 2011, higher than the state average of 8.5 percent.

Crosby County continues to have a slightly lower per capita personal income than the state as a whole. In terms of per capita income, Crosby County's $34,095 in 2009 ranked 101st among the 254 counties in Texas, while the Texas average was $38,609 for the same period.

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

Board Finding Number 3.

> **The average salary level of qualifying jobs is expected to be at least $48,700 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Wake Wind indicates that total employment will be approximately 10 new jobs, eight (8) of which all will be qualifying jobs.**

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

> After construction, the project will create 10 new jobs when fully operational. Eight of these jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Governments Region, where Crosby County is located was $33,662 in 2012. The annual average manufacturing wage for 2012 for Crosby County is $31,070. That same year, the county annual average wage for all industries was $31,915. In addition to a salary of $48,700, each qualifying position will offer a full package of benefits including medical, dental and vision insurance with at least 80 percent of premiums for the employee paid by Wake Wind Energy, LLC. In addition each qualifying employee will receive paid vacation time, sick leave, life insurance, disability plans and 401(k) Retirement Savings Plans.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $42 million on the basis of the goal of eight (8) new qualifying positions for the entire Wake Wind project.

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

The project's total investment is $336 million, resulting in a relative level of investment per qualifying job of $42 million.

Board Finding Number 5.

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 6.

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

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

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	8	8	16	$420,673	$579,327	$1,000,000
2014	170	169	339	$8,479,788	$11,520,212	$20,000,000
2015	10	16	26	$487,000	$2,513,000	$3,000,000
2016	10	22	32	$487,000	$2,513,000	$3,000,000
2017	10	21	31	$487,000	$2,513,000	$3,000,000
2018	10	19	29	$487,000	$2,513,000	$3,000,000
2019	10	21	31	$487,000	$2,513,000	$3,000,000
2020	10	21	31	$487,000	$2,513,000	$3,000,000
2021	10	23	33	$487,000	$2,513,000	$3,000,000
2022	10	21	31	$487,000	$2,513,000	$3,000,000
2023	10	23	33	$487,000	$2,513,000	$3,000,000
2024	10	21	31	$487,000	$2,513,000	$3,000,000
2025	10	25	35	$487,000	$2,513,000	$3,000,000
2026	10	17	27	$487,000	$2,513,000	$3,000,000
2027	10	17	27	$487,000	$2,513,000	$3,000,000
2028	10	11	21	$487,000	$2,513,000	$3,000,000

Source: CPA, REMI, Wake Wind Energy, LLC

The statewide average ad valorem tax base for school districts in Texas was $1.65 billion in 2012-2013. Crosbyton CISD's ad valorem tax base in 2012-2013 was $94.7 million. The statewide average wealth per WADA was estimated at $343,155 for fiscal 2012-2013. During that same year, Crosbyton CISD's estimated wealth per WADA was $133,161. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Crosby County, Crosby County Hospital District, and High Plains Underground Water Conservation District #1, with all property tax incentives sought being granted using estimated market value from Wake Wind Energy, LLC's application. Wake Wind Energy, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, and water conservation district. Table

3 illustrates the estimated tax impact of the Wake Wind Energy, LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crosbyton CISD I&S Levy	Crosbyton CISD M&O Levy	CISD M&O and I&S Tax Levies (Before Credit Credited)	Crosbyton CISD M&O and I&S Tax Levies (After Credit Credited)	Crosby County Tax Levy	Crosby County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.0000	1.0800			0.5457	0.1424	0.0075	
2014	$500,000	$500,000		$0	$5,400	$5,400	$5,400	$2,729	$712	$38	$8,878
2015	$330,000,000	$330,000,000		$0	$3,564,000	$3,564,000	$3,564,000	$0	$0	$0	$3,564,000
2016	$306,900,000	$10,000,000		$0	$108,000	$108,000	$108,000	$0	$0	$0	$108,000
2017	$285,417,000	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2018	$265,437,810	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2019	$246,857,163	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2020	$229,577,162	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2021	$213,506,761	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2022	$198,561,287	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2023	$184,661,997	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2024	$171,735,657	$171,735,657		$0	$1,854,745	$1,854,745	$0	$0	$0	$0	$0
2025	$159,714,161	$159,714,161		$0	$1,724,913	$1,724,913	$501,658	$871,560	$227,433	$12,042	$1,612,694
2026	$148,534,170	$148,534,170		$0	$1,604,169	$1,604,169	$1,604,169	$810,551	$211,513	$11,199	$2,637,432
2027	$138,136,778	$138,136,778		$0	$1,491,877	$1,491,877	$1,491,877	$753,812	$196,707	$10,416	$2,452,812
2028	$128,467,204	$128,467,204		$0	$1,387,446	$1,387,446	$1,387,446	$701,046	$182,937	$9,686	$2,281,115
						Total	$9,040,550	$3,139,698	$819,302	$43,382	$13,042,931

Assumes School Value Limitation and Tax Abatements from the County, Hospital District, and Water Conservation District.

Source: CPA, Wake Wind Energy, LLC

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crosbyton CISD I&S Levy	Crosbyton CISD M&O Levy		Crosbyton CISD M&O and I&S Tax Levies	Crosby County Tax Levy	Crosby County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.0000	1.0800			0.5457	0.1424	0.0075	
2014	$500,000	$500,000		$0	$5,400		$5,400	$2,729	$712	$38	$8,878
2015	$330,000,000	$330,000,000		$0	$3,564,000		$3,564,000	$1,800,810	$469,920	$24,882	$5,859,612
2016	$306,900,000	$306,900,000		$0	$3,314,520		$3,314,520	$1,674,753	$437,026	$23,140	$5,449,439
2017	$285,417,000	$285,417,000		$0	$3,082,504		$3,082,504	$1,557,521	$406,434	$21,520	$5,067,978
2018	$265,437,810	$265,437,810		$0	$2,866,728		$2,866,728	$1,448,494	$377,983	$20,014	$4,713,220
2019	$246,857,163	$246,857,163		$0	$2,666,057		$2,666,057	$1,347,100	$351,525	$18,613	$4,383,295
2020	$229,577,162	$229,577,162		$0	$2,479,433		$2,479,433	$1,252,803	$326,918	$17,310	$4,076,464
2021	$213,506,761	$213,506,761		$0	$2,305,873		$2,305,873	$1,165,106	$304,034	$16,098	$3,791,111
2022	$198,561,287	$198,561,287		$0	$2,144,462		$2,144,462	$1,083,549	$282,751	$14,972	$3,525,734
2023	$184,661,997	$184,661,997		$0	$1,994,350		$1,994,350	$1,007,701	$262,959	$13,924	$3,278,932
2024	$171,735,657	$171,735,657		$0	$1,854,745		$1,854,745	$937,161	$244,552	$12,949	$3,049,407
2025	$159,714,161	$159,714,161		$0	$1,724,913		$1,724,913	$871,560	$227,433	$12,042	$2,835,949
2026	$148,534,170	$148,534,170		$0	$1,604,169		$1,604,169	$810,551	$211,513	$11,199	$2,637,432
2027	$138,136,778	$138,136,778		$0	$1,491,877		$1,491,877	$753,812	$196,707	$10,416	$2,452,812
2028	$128,467,204	$128,467,204		$0	$1,387,446		$1,387,446	$701,046	$182,937	$9,686	$2,281,115
						Total	$32,486,477	$16,414,695	$4,283,402	$226,804	$53,411,378

Source: CPA, Wake Wind Energy, LLC

[1]Tax Rate per $100 Valuation

Board Finding Number 7.

> **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 $330 million to the tax base for debt service purposes at the peak investment level for the 2015-16 school year. The Wake Wind project remains fully taxable for debt services taxes; although CCISD does not currently levy an I&S tax rate. Although the value of the Wake Wind project is expected to depreciate over the life of the agreement and beyond, at its peak value the Wake Wind project represents a four-fold increase in the District's taxable value for I&S tax purposes.

Board Finding Number 8.

> **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 Wake Wind 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 wind project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Crosbyton CISD as stated in **Attachment D**.

Board Finding Number 9.

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

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

According to Wake Wind Energy, LLC's application, "Invenergy develops, owns and operates wind energy projects across the US, Canada and in Europe. We have numerous developments in the nearby states of Kansas and Oklahoma, where the wind resource is equivalent and their taxing incentives are similar to Texas. The Wake

Wind Energy project is currently in competition with a 250 MW wind project in Oklahoma and a 200 MW wind energy project in Kansas."

Board Finding Number 10.

> **During the past two years, six projects in the South Plains Association of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.**

Board Finding Number 11.

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

Board Finding Number 12.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Crosbyton CISD is $7.28 million. Crosbyton CISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Crosbyton CISD is classified as a "rural" district due to its population characteristics. Given that the value of industrial property in Crosbyton CISD is more than $1 million but less than $90 million, it is classified as a Category III district which can offer a minimum value limitation of $10 million.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32050567323) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 14.

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

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

Board Finding Number 15.

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 herby authorized to be executed and delivered by and on behalf of the Crosbyton Consolidated Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Crosbyton Consolidated Independent School District.

Board Findings of the Crosbyton Consolidated Independent School District

Dated the 29th day of October 2013.

CROSBYTON CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: _____
Clifford Trull, President, Board of Trustees

ATTEST:

By: _____
Jesse Salinas, Secretary, Board of Trustees

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

October 29, 2013

President and Members
Board of Trustees
Crosbyton Consolidated Independent School District
204 S. Harrison
Crosbyton, Texas 79322

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

Dear President Trull 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 Crosbyton Consolidated Independent School District, with respect to the pending Application of Wake Wind LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com
Phone 512-485-7878 400 W. 15th Street★Suite 1410★Austin, TX 78701-1648 Fax 512-485-7888

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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM
CERTIFIED, CIVIL APPELLATE
CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

October 29, 2013

President and Members
Of the Board of Trustees
Crosbyton Consolidated Independent School District
204 S. Harrison
Crosbyton, Texas 79322

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

Dear President Trull 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 Crosbyton Consolidated Independent School District, with respect to the pending Application of Wake Wind LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2014. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Wake Wind 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 Wake Wind LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kevin O'Hanlon
For the Firm

Attachment A

Application

Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

CM # 7011 0110 0000 1718 9331

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

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

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative

Date application received by district: 6-17-13

First Name: Shawn	Last Name: Mason
Title: Superintendent	
School District Name: Crosbyton CISD	
Street Address: 204 S Harrison	
Mailing Address: 204 S Harrison	
City: Crosbyton	State: Texas / ZIP: 79322
Phone Number: 806-675-7331 ext. 1201	Fax Number:
Mobile Number (optional):	E-mail Address: smason@crosbyton.k12.tx.us

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

Will consultant be primary contact? ☑ Yes ☐ No

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name: Bob	Last Name: Popinski
Title: Consultant	
Firm Name: Moak & Casey	
Street Address: 400 W. 15th Street, Suite 1410	
Mailing Address: 400 W. 15th Street, Suite 1410	
City: Austin	State: TX / ZIP: 78701
Phone Number: 512-485-7878	Fax Number:
Mobile Number (Optional):	E-mail Address: bpopinski@moakcasey.com; mhanley@808west.com

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

Signature (Authorized School District Representative): [signature] Date: 6/20/13

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

If yes, date determined complete. June 28, 2013 REDETERMINED COMPLETE AUGUST 1, 2013

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name: Bryan
Last Name: Schueler
Title: Senior Vice President, Development
Organization: Invenergy LLC
Street Address: One South Wacker Drive, Suite 1900
Mailing Address: One South Wacker Drive, Suite 1900
City: Chicago
State: IL
ZIP: 60606
Phone Number: 312-582-1468
Fax Number:
Mobile Number (optional):
Business e-mail Address: bschueler@invenergyllc.com

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

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

First Name: Joe
Last Name: Condo
Title: General Counsel
Organization: Invenergy LLC
Street Address: One South Wacker Drive, Suite 1900
Mailing Address: One South Wacker Drive, Suite 1900
City: Chicago
State: IL
ZIP: 60606
Phone Number: 312-582-1465
Fax Number:
Mobile Number (optional):
E-mail Address:

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

Will consultant be primary contact? ☑ Yes ☐ No

Form 50-296 **Application for Appraised Value Limitation on Qualified Property**

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name	Last Name
Evan	Horn

Title: Manager

Firm Name: Ryan, LLC

Street Address: 400 W 15th Street, Suite 700

Mailing Address: 400 W 15th Street, Suite 700

City	State	ZIP
Austin	TX	78701

Phone Number	Fax Number
512-691-6067	

Business email Address: Evan.Horn@Ryan.com

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

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

Signature *(Authorized Business Representative (Applicant))*	Date
By Schnell	6-10-2013

GIVEN under my hand and seal of office this 10 day of June, 2013.

OFFICIAL SEAL
DINA O WAGNER
Notary Public - State of Illinois
My Commission Expires May 10, 2017

Dina O. Wagner
Notary Public, State of Illinois

(Notary Seal)

My commission expires May 10, 2017

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

FEES AND PAYMENTS

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

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

Please answer only either A OR B:

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

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

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Wake Wind Energy, LLC

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

32050567323

NAICS code

221115* (221119 1997 NAICS CODE)

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

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

See attachment for list of Chapter 313 agreements with Invenergy LLC subsidiaries.

APPLICANT BUSINESS STRUCTURE

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

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

Limited Liability Company

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

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

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

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

*2012 NAICS Code

ELIGIBILTY UNDER TAX CODE CHAPTER 313.024

Are you an entity to which Tax Code, Chapter 171 applies? ☑ Yes ☐ No

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

(1) manufacturing ☐ Yes ☑ No

(2) research and development ☐ Yes ☑ No

(3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☑ No

(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☑ Yes ☐ No

(5) renewable energy electric generation ☐ Yes ☑ No

(6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☑ No

(7) nuclear electric power generation ☐ Yes ☑ No

(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☑ No

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☑ No

Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☑ No

Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☑ No

Are you including property that is owned by a person other than the applicant? ☐ Yes ☑ No

Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

PROJECT DESCRIPTION

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

See checklist item #4

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

See checklist item #4

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

☑ New Jobs ☑ Construct New Facility ☐ New Business / Start-up ☐ Expand Existing Facility

☐ Relocation from Out-of-State ☐ Expansion ☑ Purchase Machinery & Equipment

☐ Consolidation ☐ Relocation within Texas

PROJECTED TIMELINE

Begin Construction December 2013

Begin Hiring New Employees January 2014

Construction Complete December 2014

Fully Operational December 2014

Purchase Machinery & Equipment November 2013

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.

When do you anticipate the new buildings or improvements will be placed in service? December 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Total	

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

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

Crosby County - Chapter 312 agreements - 10 year abatements
Crosby County Hospital District - Chapter 312 agreements - 10 year abatement
High Plains Underground WCD # 1- Chapter 312 agreement - 10yr abatement

THE PROPERTY

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

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

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

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

County: Crosby (100%) (Name and percent of project)

City: _____ (Name and percent of project)

Hospital District: Crosby County Hospital District(100%) (Name and percent of project)

Water District: High Plains Underground WCD #1(100%) (Name and percent of project)

Other (describe): _____ (Name and percent of project)

Other (describe): _____ (Name and percent of project)

Is the project located entirely within this ISD? ☐ Yes ☑ No

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

The Wake Wind Energy project will consist of an estimated 176 turbines totalling an estimated 300 MWs. 123 of these turbines will be located in Crosbyton CISD and 53 of these turbines will be located in Floydada ISD.

INVESTMENT

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

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

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

What is your total estimated *qualified* investment? $336,000,000(70% of total project)

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

What is the anticipated date of application approval? 12/31/2013

What is the anticipated date of the beginning of the qualifying time period? 12/31/2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? $336,000,000

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

Attach the following items to this application:

(1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,

(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and

(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? ☑ Yes ☐ No

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

(1) in or on the new building or other new improvement for which you are applying? ☑ Yes ☐ No

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

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? ☑ Yes ☐ No

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

(1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,

(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and

(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? 6/25/2013

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

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

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. _____ (Market Value) _____ (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

☐ First Quarter ☑ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2013 (year)

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

0

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

N/A

Total number of new jobs that will have been created when fully operational 10* associated with Crosbyton ISD

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ☑ Yes ☐ No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ☑ Yes ☐ No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 8* associated with Crosbyton ISD

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

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

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

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

*Because the turbine layout and full project scope has yet to be determined, we currently assume that 70% of the project will be located in Crosbyton ISD and an estimated 10 jobs will be created. However, potential changes later in the year may affect the number of turbines located in Crosbyton ISD and alter the amount of jobs associated with the school district. See the attached statement for more details regarding the job waiver request.

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is $657.25

110% of the county average weekly wage for manufacturing jobs in the county is $678.70

110% of the county average weekly wage for manufacturing jobs in the region is $712.08

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? $37,028.20

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? $48,700

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

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

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

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

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

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

If yes, what percent? Approximately 30% of the technician positions may be filled by contractors

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

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

In addition to annual salary, each qualified position will be eligible to receive medical, dental, vision and participate in a 401k retirement plan.

ECONOMIC IMPACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

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

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

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

COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

CHECKLIST ITEM

List of Chapter 313 Agreements with Invenergy LLC Subsidiaries:

School District	First Full Tax Year	Company
Spur ISD No. 71	2008	McAdoo Wind Energy LLC
Grady ISD No. 73	2008	Stanton Wind Energy LLC
Stanton ISD No. 72	2008	Stanton Wind Energy LLC
Hermleigh ISD No. 60	2008	Scurry County Wind LP
Snyder ISD No. 61	2008	Scurry County Wind LP
Blackwell CISD No. 93	2008	Turkey Track Wind Energy LLC
Goldthwaite ISD	2013	Goldthwaite Wind Energy LLC

CHECK LIST ITEM #2

Proof of Payment of Application Fee

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

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

CHECKLIST ITEM #3

Combined Group Membership Documentation

2Q5284 3.000
TX2013
Ver. 4.0

05-166
(Rev.9-11/3)

■ Tcode 13298

Texas Franchise Tax Extension Affiliate List

■ Reporting entity taxpayer number: 12006168525

■ Report year: 2013

Reporting entity taxpayer name: POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY LLC	13644627930	☐
2. INVENERGY SERVICES LLC	32020649813	☐
3. INVENERGY ENERGY MGMT LLC	32038203900	☐
4. INVENERGY WIND NORTH AMERICA	12082346938	☐
5. DOUGHERTY WIND ENERGY LLC	32037772806	☐
6. GOLDWAITHE WIND ENERGY LLC	32037772772	☐
7. GUNSIGHT MTN WIND ENERGY LLC	32033576318	☐
8. INVENERGY MET LLC	32037132977	☐
9. INVENERGY WIND DEVELOPMENT	32034181217	☐
10. PISTOL HILL WIND ENERGY LLC	32033576326	☐
11. STERLING WIND ENERGY LLC	32033691760	☐
12. POLSKY ENERGY INVESTMENTS	200616874	☒
13. INVENERGY INVESTMENT CO LLC	371456538	☒
14. INVENERGY WIND HOLDINGS LLC	263467425	☒
15. INVENERGY WIND INVESTMENT CORP.	300447600	☒
16. INVENERGY WIND FINANCING LLC		☒
17. INVENERGY WIND LLC	200783399	☒
18. INVENERGY THERMAL LLC	203817973	☒
19. INVENERGY SOLAR LLC	270748782	☒
20. INVENERGY ROC HOLDINGS	263866744	☒
21. INVENERGY WIND FINANCE ROC LLC		☒

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only

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05-165
(Rev.9-11/3)

■ Tcode 13298

Texas Franchise Tax Extension Affiliate List

■ Reporting entity taxpayer number: 12006168525

■ Report year: 2013

Reporting entity taxpayer name: POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY COASTAL HOLDINGS LLC	263756863	☒
2. INVENERGY LOGAN HOLDING CO LLC	208762182	☒
3. INVENERGY LOGAN FINANCE CO LLC	208763301	☒
4. STANTON WIND HOLDINGS LLC		☒
5. BEECH RIDGE ENERGY LLC	263207197	☒
6. BIG OTTER WIND LLC		☒
7. BISHOP HILL ENERGY LLC	264583832	☒
8. BISHOP HILL ENERGY II LLC	273400990	☒
9. BRUSH CREEK WIND ENERGY LLC		☒
10. BRUSH CREEK WIND ENERGY II LLC		☒
11. CA RIDGE WIND ENERGY LLC	272168311	☒
12. CROW CREEK ENERGY LLC		☒
13. FORWARD ENERGY II LLC	260562274	☒
14. GRAND RIDGE ENERGY IV LLC	263294276	☒
15. HARDIN WIND ENERGY LLC		☒
16. HEARTLAND WIND ENERGY LLC		☒
17. HIGHLAND WIND ENERGY LLC		☒
18. HORN BUTTE WIND ENERGY LLC		☒
19. HORSE LAKE WIND ENERGY LLC	352324869	☒
20. HURRICANE LAKE WIND ENERGY I LLC		☒
21. IDAHO WIND GENERATION CO LLC		☒

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1. INVENERGY NEW YORK LLC	061680634	☒
2. INVENERGY PARTS LLC	32039357473	☐
3. INVENERGY RENEWABLE LLC	263434351	☐
4. INVENERGY TX TRADING I LLC		☒
5. INVENERGY TX TRADING II LLC		☒
6. INVENERGY WIND DEV IOWA LLC		☒
7. INVENERGY WIND DEVELOPMENT ND		☒
8. INVENERGY WIND DEV OK LLC	204126112	☒
9. INVENERGY WIND FIN CO III LLC	204135995	☒
10. IWF NORTH AMERICA LLC	208906923	☒
11. INVENERGY WIND MONTANA LLC		☒
12. JUDITH GAP WIND ENERGY II LLC		☒
13. LA SIERRITA WIND LLC		☒
14. LASSEN WIND GENERATION LLC	208805949	☒
15. LEDGE WIND ENERGY LLC	263477676	☒
16. OCEANA WIND LLC	204540080	☒
17. PINE RIDGE ENERGY LLC		☒
18. PRAIRIE BREEZE WIND ENERGY LLC		☒
19. SEGDWICK WIND ENERGY LLC		☒
20. STONY CREEK ENERGY LLC	262082798	☒
21. INVENERGY WIND MANAGEMENT LLC		☒

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Texas Franchise Tax Extension Affiliate List

■ Reporting entity taxpayer number: 12006168525

■ Report year: 2013

Reporting entity taxpayer name: POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. SUMMIT RIDGE ENERGY LLC		■ [X]
2. TECATE DIVIDE WIND ENERGY LLC	300475081	■ [X]
3. TEHACHAPI CONNECT LLC		■ [X]
4. WHITE OAK ENERGY LLC	208468199	■ [X]
5. MORESVILLE ENERGY LLC	261363691	■ [X]
6. STEVMIC PROPERTIES LLC	300526664	■ [X]
7. INVENERGY THERMAL FIN LLC	208687404	■ [X]
8. MCDOWELL COUNTY ENERGY LLC	262661421	■ [X]
9. INVENERGY THERMAL HOLDINGS LLC	204577532	■ [X]
10. INVENERGY THERMAL HLDGS II LLC	205028278	■ [X]
11. INVENERGY TURBINE CO II LLC	203960201	■ [X]
12. INVENERGY THERMAL DEV LLC	261563294	■ [X]
13. INVENERGY TN LLC	14215633919	■ [X]
14. INVENERGY SERVICES GRAND RIDGE LLC		■ [X]
15. DARKE WIND ENERGY LLC	270667704	■ [X]
16. GRAND RIDGE V LLC	271369315	■ [X]
17. GRATIOT COUNTY WIND LLC		■ [X]
18. INVENERGY WIND CALIFORNIA LLC	611594266	■ [X]
19. MORROW WIND ENERGY LLC	270449139	■ [X]
20. UNION WIND ENERGY LLC	264527222	■ [X]
21. BISHOP HILL HOLDINGS	453219221	■ [X]

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Reporting entity taxpayer name: POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY SOLAR DEVELOPMENT LLC	270748913	☒
2. COTTONWOODS WIND ENERGY LLC		☒
3. GRATIOT COUNTY WIND II LLC		☒
4. HALES LAKE ENERGY LLC	800841363	☒
5. INVENERGY ILLINOIS SOLAR I LLC	273411372	☒
6. INVENERGY ILLINOIS SOLAR II LLC	273411444	☒
7. INVENERGY ILLINOIS SOLAR III LLC	273426043	☒
8. INVENERGY ILLINOIS SOLAR IV LLC	273438626	☒
9. INVENERGY ILLINOIS WIND HOLDINGS LLC	273965256	☒
10. INVENERGY SERVICES INSTALLATION LLC	273327310	☒
11. INVENERGY WIND DEVELOPMENT MICHIGAN LLC	452605836	☒
12. INVENERGY WIND DEVELOPMENT MONTANA LLC	273554310	☒
13. INVENERGY WIND TURBINE TRANSPORT I LLC	272933240	☒
14. INVENERGY WIND TURBINE TRANSPORT II LLC	272933334	☒
15. NELIGH WIND ENERGY LLC		☒
16. OLD STATE ENERGY LLC		☒
17. PLEASANT RIDGE ENERGY LLC		☒
18. TIDEWATER SOLAR ENERGY LLC		☒
19. TONOPAH ENERGY LLC	273411491	☒
20. TRICOUNTY WIND ENERGY LLC	273635437	☒
21. TYRRELL ENERGY LLC		☒

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Texas Franchise Tax Extension Affiliate List

■ Reporting entity taxpayer number: 12006168525

■ Report year: 2013

Reporting entity taxpayer name: POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. VANTAGE CLASS B HOLDINGS LLC	272982377	■ [X]
2. WILKINSON ENERGY LLC		■ [X]
3. INVENERGY CLEAN POWER LLC	453417763	■ [X]
4. INVENERGY WIND GLOBAL LLC		■ [X]
5. INVENERGY WIND DEVELOPMENT HOLDINGS LLC		■ [X]
6. INVENERGY WIND DEVELOPMENT NORTH AMERICA, LLC		■ [X]
7. INVENERGY WIND POWER HOLDINGS LLC		■ [X]
8. INVENERGY WIND POWER LLC		■ [X]
9. INVENERGY WIND NORTH AMERICA HOLDINGS LLC	453698038	■ [X]
10. RED OAK ENERGY LLC		■ [X]
11. BUCKEYE WIND ENERGY LLC	452777576	■ [X]
12. GRATIOT COUNTY HOLDINGS LLC		■ [X]
13. HARDIN SOLAR ENERGY LLC		■ [X]
14. BECKETT SOLAR ENERGY LLC		■ [X]
15. QUINTON SOLAR ENERGY 1 LLC		■ [X]
16. JUDITH GAP WIND ENERGY III LLC		■ [X]
17. BIG OTTER WIND ENERGY II LLC		■ [X]
18. BEECH RIDGE ENERGY II LLC		■ [X]
19. BUZZARD CREEK ENERGY LLC		■ [X]
20. GRATIOT COUNTY WIND PHASE II LLC		■ [X]
21. ACCOMACK WIND ENERGY LLC		■ [X]

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1. HEPPNER WIND ENERGY LLC		■ ☒
2. BEECH RIDGE HOLDINGS LLC		■ ☒
3. GRAND RIDGE GREEN HOLDINGS LLC	800873258	■ ☒
4. FORWARD ENERGY HOLDINGS LLC		■ ☒
5. IWFC HOLDINGS LLC		■ ☒
6. CALIFORNIA RIDGE CLASS B HOLDINGS LLC	460909292	■ ☒
7. CALIFORNIA RIDGE HOLDINGS LLC	800850058	■ ☒
8. CALIFORNIA RIDGE WIND ENERGY II LLC		■ ☒
9. HALES LAKE ENERGY II LLC	320386990	■ ☒
10. HALES LAKE ENERGY III LLC	364740400	■ ☒
11. MARSH HILL ENERGY LLC	800856885	■ ☒
12. WRAY WIND ENERGY LLC		■ ☒
13. STERLING FARMS WIND ENERGY LLC		■ ☒
14. CLARKTON SOLAR ENERGY LLC	900886991	■ ☒
15. PANTEGO WIND ENERGY LLC	900859617	■ ☒
16. INVENERGY ILLINOIS SOLAR I HOLDINGS LLC	460873725	■ ☒
17. BISHOP HILL ENERGY III LLC	320358450	■ ☒
18. BISHOP HILL ENERGY INTERCONNECTION LLC		■ ☒
19. PREBLE SOLAR ENERGY LLC	453249830	■ ☒
20. COLUMBUS SOLAR ENERGY LLC	611667460	■ ☒
21. INVENERGY US WIND HOLDINGS	800872533	■ ☒

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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY US WIND I HOLDINGS		☒
2. INVENERGY WIND OPERATING I LLC	800873258	☒
3. INVENERGY WIND GLOBAL LLC	900771171	☒
4. INVENERGY WIND POWER HOLDINGS LLC		☒
5. INVENERGY WIND POWER LLC	371650259	☒
6. INVENERGY WIND EUROPEAN HOLDINGS LLC	453697965	☒
7. INVENERGY WIND DEVELOPMENT HOLDINGS LLC		☒
8. INVENERGY WIND OPERATIONAL HOLDINGS LLC	611691741	☒
9. INVENERGY WIND EUROPE DEVELOPMENT HOLDING LLC	453693612	☒
10.		☐
11.		☐
12.		☐
13.		☐
14.		☐
15.		☐
16.		☐
17.		☐
18.		☐
19.		☐
20.		☐
21.		☐

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CHECKLIST ITEM #4

A. Detailed Description of Project

Wake Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200-300 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install GE 1.7 megawatt turbines on property within the reinvestment zones in Crosby and Floyd Counties, Texas. Wake Wind Energy estimates that 210 megawatts are planned to be installed in Crosbyton CISD in 2014 as well as 90 megawatts in Floydada ISD. Wake Wind may later decide to install up to 34 additional megawatts in Floydada ISD.

The additional improvements for the Wake Project will include but are not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations. A portion of the transmission lines associated with the project may also extend into Dickens County.

B. Ability to Relocate to Another State or Region

Invenergy develops, owns and operates wind energy projects across the US, Canada and in Europe. We have numerous developments in the nearby states of Kansas and Oklahoma, where the wind resource is equivalent and their taxing incentives are similar to Texas. The Wake Wind Energy project is currently in competition with a 250 MW wind project in Oklahoma and a 200 MW wind energy project in Kansas.

CHECKLIST ITEM #5

Other School District Information

Wake Wind estimates that up to 124 megawatts of the estimated 300 megawatts of the project will be located in Floydada ISD. Wake Wind has filed an application for abatement with Floydada ISD.

Of the total project costs, Wake Wind estimates that 70% of the project will be located and taxed within Crosby County and Crosbyton ISD. Of the 30% remaining, 28% will be within Floyd County and Floydada ISD, and the final 2% in Dickens County and Spur ISD. No chapter 313 value limitation is being pursued with Spur ISD.

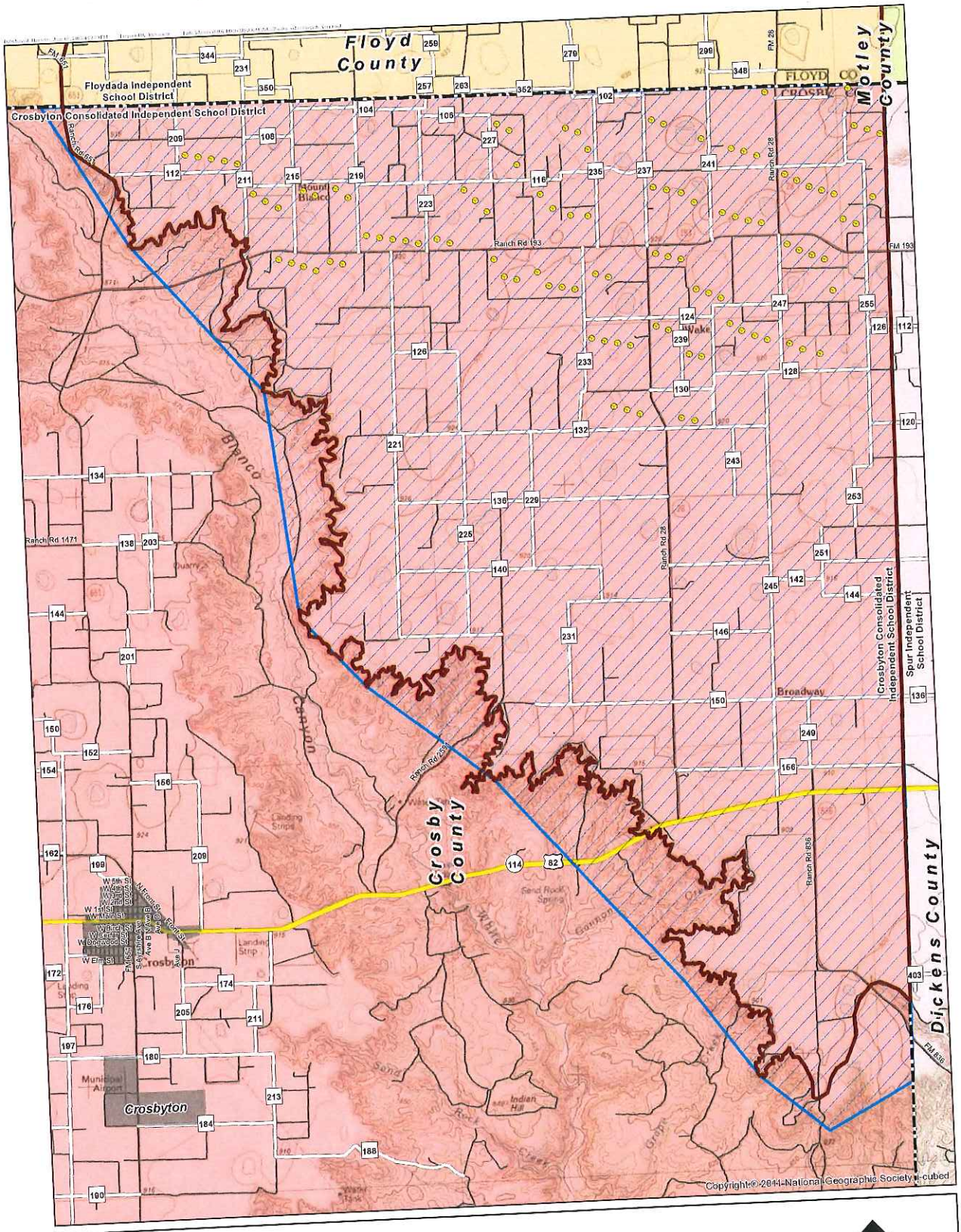
CHECKLIST ITEMS #6 AND #8

Description of Qualified Investment/ Qualified Property

Same in as #4 A and B

CHECKLIST ITEM #7 AND #9

Map of Qualified Investment / Qualified Property



Legend

- Turbine Layout (L018)
- Municipal Boundary
- Wake Project Area
- County Boundary
- Reinvestment Zone
- Crosbyton Consolidated Independent School District
- Floydada Independent School District
- Motley County Independent School District
- Spur Independent School District

N

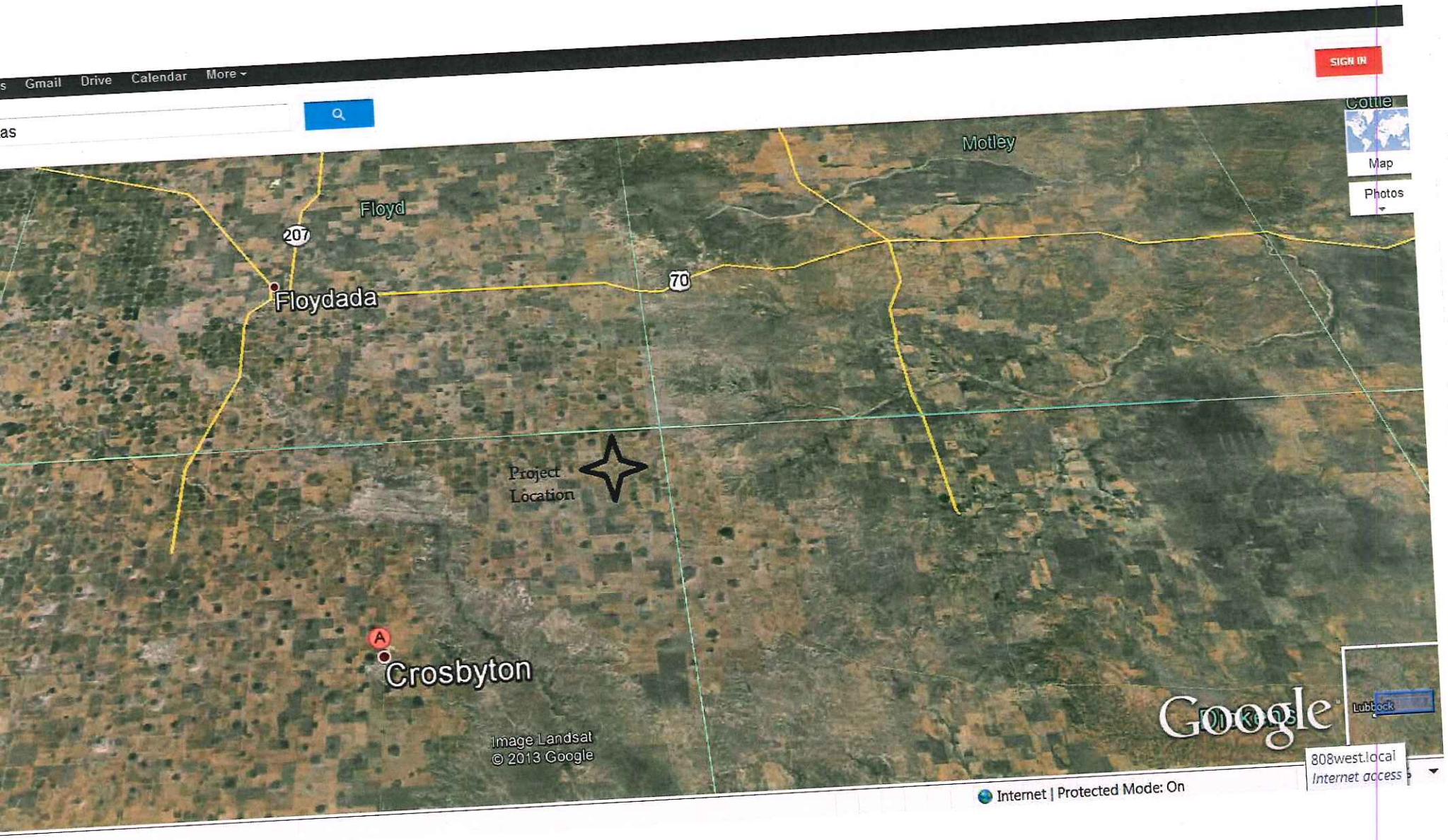
4,600 0 4,600
Feet

Map of Qualified Investments in Crosby County

Rev. 00
June 06, 2013

Wake Wind Energy LLC

Invenergy
One South Wacker Drive Suite 1900
Chicago, Illinois 60606
(312) 224-1400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Checklist Item #10

Exhibit B

THE FOLLOWING REAL PROPERTY LOCATED IN CROSBY COUNTY, TX:

SURVEY	BLOCK	SECTION	ABSTRACT
AB&M	H	4 1/2	1478
AB&M	H	4 1/2	1109
AB&M	H	5 1/2	1434
AB&M	H	6 1/2	1512
AB&M	H	3 1/2	204
AB&M	H	6 1/2	1110
AB&M		2	1505
AB&M	H	2 1/2	1111
AB&M	H	2 1/2	1339
AB&M	H	7 1/2	203
AB&M	H	8 1/2	1100
AB&M	H	1 1/2	196
AB&M	H	8 1/2	1463
ARCHER, F	13	4	1500
ARCHER, F	13	4	1333
BASSETT, J M		20	1343
BBB&C RR CO		2	1546
BBB&C RR CO		1	5
BELL, N J			1541
BS&F		4	1377
BS&F		4	1351
BS&F		4	1122
BS&F		3	216
BS&F		1	217
BS&F		2	1099
BS&F	A	2	1113
BS&F	A	2	1493
BS&F	A	2	1513
BS&F	A	3	4
BS&F	A	2	1504
BS&F	A	1	6
BS&F	A	4	1114
BS&F	A	4	1352
BS&F	A	8	1115
BS&F	A	7	5
BS&F	A	6	1307

SURVEY	BLOCK	SECTION	ABSTRACT
BS&F	A	5	880
CCSD&RGNG RR CO		1	1316
CCSD&RGNG RR CO		2	1523
CHAPIN, S			7
CONNELLEE, C U		20	478
CONNELLEE, C U	CU	19	436
CONNELLEE, C U	CU	3	445
CONNELLEE, C U	CU	4	446
CONNELLEE, C U	CU	2	444
CONNELLEE, C U	CU	5	447
CONNELLEE, C U	CU	1	442
CONNELLEE, C U	CU	6	448
CONNELLEE, C U	CU	7	449
CONNELLEE, C U	CU	8	450
CONNELLEE, C U	CU	9	451
CONNELLEE, C U	CU	10	452
CONNELLEE, C U	CU	11	453
CONNELLEE, C U	CU	14	443
CONNELLEE, C U	CU	13	455
CONNELLEE, C U	CU	12	454
CONNELLEE, C U	CU	17	458
CONNELLEE, C U	CU	15	456
CONNELLEE, C U	CU	16	457
CONNELLEE, C U	CU	18	459
EASTLAND CSL		1	29
EL&RR RR CO		4	1479
EL&RR RR CO		3	884
EL&RR RR CO		2	1129
EL&RR RR CO		2	1120
EL&RR RR CO		2	1422
EL&RR RR CO		1	347
EL&RR RR CO		1	883
GAMBLE, W R	12	1	1268
GAMBLE, W R	12	1	1525
GIBSON, J H		1	356
GIBSON, J H	A	1	32

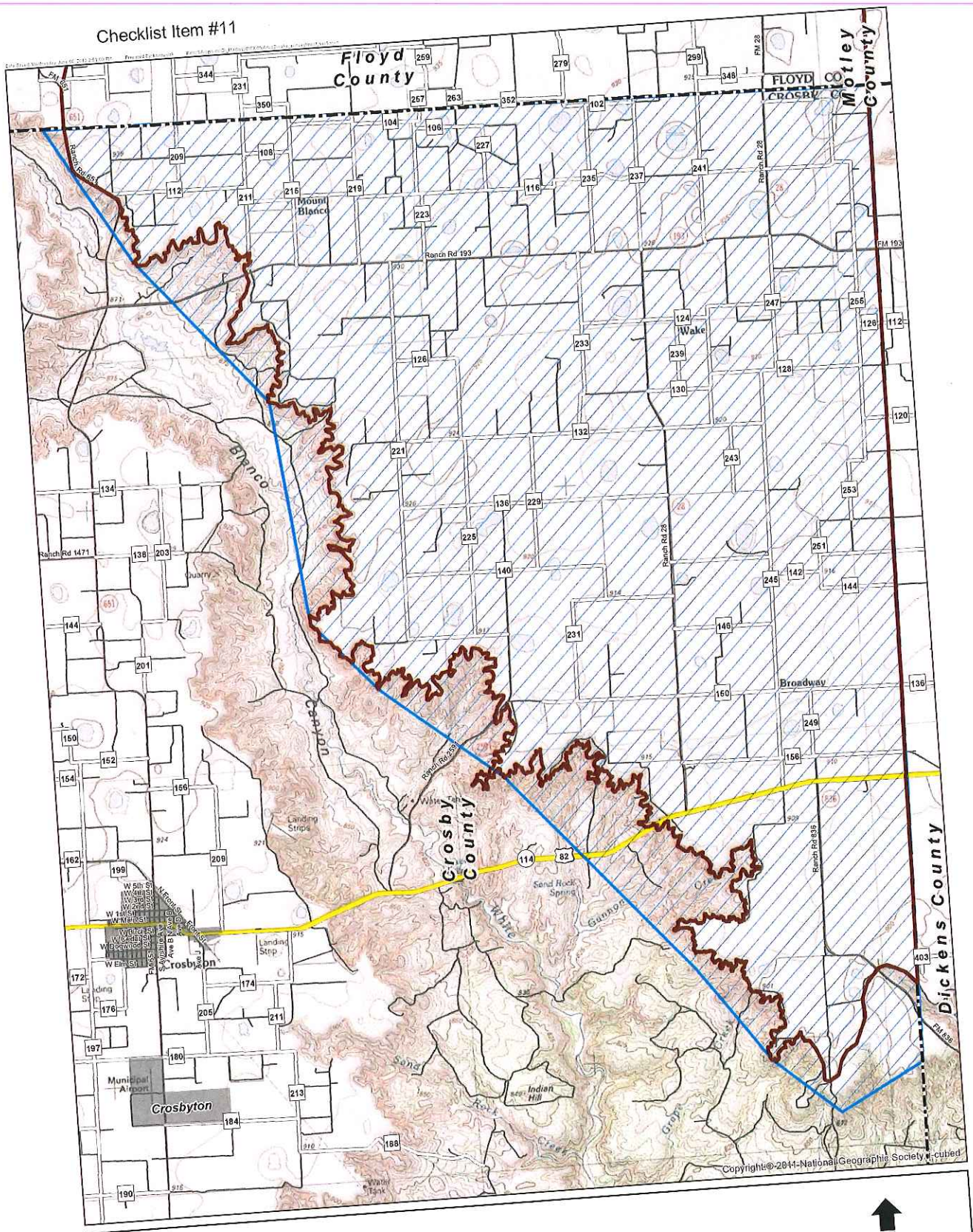
SURVEY	BLOCK	SECTION	ABSTRACT
GIBSON, J H	A	2	1117
GIBSON, J H	A	3	257
GIBSON, J H	A	4	1159
GIBSON, J H	A	5	1306
GIBSON, J H	A	6	889
GIBSON, J H	A	12	1098
GIBSON, J H	A	11	36
GIBSON, J H	A	10	1194
GIBSON, J H	A	10	959
GIBSON, J H	A	9	33
GIBSON, J H	A	8	1158
GIBSON, J H	A	7	885
GIBSON, J H	A	16	1521
GIBSON, J H	A	13	35
GIBSON, J H	A	14	1118
GIBSON, J H	A	15	34
GIBSON, J H	A	16	1116
GIBSON, J H	A	16	1353
GIBSON, J H	A	18	890
GIBSON, J H	A	17	1305
GIBSON, J H	A	20	638
GIBSON, J H	A	19	886
H&GN RR CO	28	49	63
H&GN RR CO	28	50	578
H&GN RR CO	28	47	62
H&GN RR CO	28	48	622
H&GN RR CO	28	46	470
H&GN RR CO	28	45	61
H&GN RR CO	28	43	60
H&GN RR CO	28	44	620
H&GN RR CO	28	41	59
H&GN RR CO	28	39	58
H&GN RR CO	28	40	621
H&GN RR CO	28	31	54
H&GN RR CO	28	30	613
H&GN RR CO	28	19	48
H&GN RR CO	28	18	575
H&GN RR CO	28	17	47
H&GN RR CO	28	14	573
H&GN RR CO	28	15	46
H&GN RR CO	28	16	574
H&GN RR CO	28	2	502
H&GN RR CO	28	1	39

SURVEY	BLOCK	SECTION	ABSTRACT
HARMAN, J		312	?4
HICKMAN, S C		3	1263
HICKMAN, S C		2	1262
HICKMAN, S C		1	1261
HOLT, J W		1	1532
HT&B RR CO		1	38
HT&B RR CO		2	1520
HT&B RR CO		2	1141
HUTSON, A			37
HUTSON, E		2	1292
HUTSON, E		1	1291
LEONARD, V A		2	1213
LEONARD, V A		2	1544
LEONARD, V A		1	1212
LEONARD, V A		8	1211
LIBERTY CSL			898
MATADOR CATTLE CO	M	21	808
MATTHEWS, K J		32	1413
MATTHEWS, M J		G	1220
MEP&P RR CO		21	1545
MEP&P RR CO		22	1143
MEP&P RR CO		22	1374
MEP&P RR CO		22	?6
MEP&P RR CO		23	1458
MEP&P RR CO		24	1373
MEP&P RR CO		26	1475
MEP&P RR CO		25	491
MEP&P RR CO		24	1444
MEP&P RR CO		26	1474
MEP&P RR CO		26	1140
MEP&P RR CO		24	1218
MEP&P RR CO		14	1375
MEP&P RR CO		24	1436
MEP&P RR CO		28	1437
MEP&P RR CO		27	287
MEP&P RR CO		14	1142
MEP&P RR CO		14	1363
MEP&P RR CO		13	289
MEP&P RR CO		28	1132
MEP&P RR CO		1	284
MEP&P RR CO		2	1108
MEP&P RR CO		28	1119
MEP&P RR CO		3	283

SURVEY	BLOCK	SECTION	ABSTRACT
MEP&P RR CO		4	1156
MEP&P RR CO		7	285
MEP&P RR CO		9	288
MEP&P RR CO		8	1121
MEP&P RR CO		8	1450
MEP&P RR CO		5	286
MEP&P RR CO		6	1155
MEP&P RR CO		10	469
NORRIS, J G	H	20	1399
NORRIS, J G	4	19	1424
PERRY, J H			579
REED, R			158
ROBINSON, A		1	1299
SALLIE, S			420
SHARP, A J			1459
SMITH, R B		3	1279
SMITH, R B		3	1524
STATE OF TEXAS			9
TT RR CO		30	1497
TT RR CO		27	1309
TT RR CO		30	1145
TT RR CO		28	1047
TT RR CO		28	1498
TT RR CO		28	1510
TT RR CO		29	310
WHITE, J			159

FILED
2013 MAY 13 PM 12: 11
LINDA S. JONES
COUNTY CLERK
CROSBY CO., TX
DEPUTY

Checklist Item #11



Legend

- Municipal Boundary
- Wake Project Area
- County Boundary
- Reinvestment Zone

N

4,600 0 4,600
Feet

Crosby County Reinvestment Zone

Wake Wind Energy LLC

Rev. 00
June 05, 2013

Invenergy
One South Wacker Drive Suite 1900
Chicago, Illinois 60606
(312) 224-1400

CHECKLIST ITEM # 13

Request for Waiver of Job Creation Requirement

Invenergy

June 3, 2013

Re: Wake Wind Employment Estimate

To Whom it May Concern,

Invenergy has developed and placed into service 39 wind projects across the United States and in Canada and Europe, totaling over 3,400 MW. As one of the largest owner/operators of wind farms in the United States, Invenergy has significant experience staffing wind projects. Several factors determine the ultimate ratio of technicians to turbines; among these factors are site layout and turbine technology.

In Invenergy's experience, a ratio of 1 technician for every 10 – 15 turbines is typical for projects that are staffed by full-time employees. Invenergy's latest project under development, the Goldthwaite project will be one of the first Invenergy sites to deploy the GE 1.7 MW turbines. The GE 1.7 machine is the latest evolution of the GE 1.x fleet, of which Invenergy operates over 1,500 units.

We anticipate the technician to turbine ratio to be similar to that for the GE 1.5 MW turbines. As a result, we anticipate requiring approximately 1 technician per 12 GE 1.7 MW machines.

For independent estimates of full-time employment at wind farms in Texas, please see the National Renewable Energy Laboratory's report *Economic Development Impact of 1,000 MW of Wind Energy in Texas* (http://www.nrel.gov/docs/fy11osti/50400.pdf). Section 3.2.2 states that 60 full-time jobs are created for 1,000 MW of wind capacity. Assuming a 1.5 MW unit, that is approximately 1 job per 11 wind turbines.

If you have any questions, please do not hesitate to contact me at (312) 582-1518.

Sincerely,

James Rafferty
Vice President - Asset Management
Invenergy LLC

cc: Evan Horn

INVENERGY LLC One South Wacker Drive, Suite 2020 Chicago, IL 60606 T 312.224.1400 F 312.224.1444 invenergyllc.com

CHECKLIST ITEM #14

Calculation of three possible wage requirements with TWC documentation

Wake Wind Wage Calculations

Crosby County Average Manufacturing Weekly Wages (2013 Wage Information not available on TRACER)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Crosby County	Total All	31	2	31-33	Manufacturing	$478
2012	2nd Qtr	Crosby County	Total All	31	2	31-33	Manufacturing	$560
2012	3rd Qtr	Crosby County	Total All	31	2	31-33	Manufacturing	$822
2012	4th Qtr	Crosby County	Total All	31	2	31-33	Manufacturing	$530

4 Period Weekly Avg	$	597.50
110% Of Average	$	657.25

Crosby County All Industries Average Weekly Wages

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Crosby County	Total All	0	0	10	Total, All Industries	$656
2012	2nd Qtr	Crosby County	Total All	0	0	10	Total, All Industries	$598
2012	3rd Qtr	Crosby County	Total All	0	0	10	Total, All Industries	$567
2012	4th Qtr	Crosby County	Total All	0	0	10	Total, All Industries	$647

4 Period Weekly Avg	$	617.00
110% Of Average	$	678.70

South Plains Association of Governments Region

	Hourly	Annual
2012 Average Manufacturing Wages	$ 16.18	$ 33,662.00
Avg Weekly Wage		$ 647.35
110% of Region Weekly Wage		$ 712.08
110% of Annual Wages		$ 37,028.20

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

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

Source: Texas Occupational Employment and Wages
Data published: July 2013
Data published annually, next update will be July 31, 2014

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

CHECKLIST ITEM #15

Description of Benefits

Qualified employees of Wake Wind Energy LLC will be offered a full package of benefits including medical, dental and vision insurance with at least 80 percent of the premiums for the employee paid by Wake Wind Energy LLC. In addition each qualifying employee will receive paid vacation time, sick leave, life insurance, disability plans and 401(k) Retirement Savings Plans.

CHECKLIST ITEM #17 – 20

Schedules A-D

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Wake Wind Energy LLC

ISD Name: Crosbyton ISD

PROPERTY INVESTMENT AMOUNTS

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

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)		2013-2014	2013					
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)								
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)				500,000		500,000		500,000
	Complete tax years of qualifying time period	1	2014-2015	2014	335,500,000		335,500,000	-	335,500,000
		2	2015-2016	2015					
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016					
		4	2017-2018	2017					
		5	2018-2019	2018					
		6	2019-2020	2019					
		7	2020-2021	2020					
		8	2021-2022	2021					
		9	2022-2023	2022					
		10	2023-2024	2023					
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024					
		12	2025-2026	2025					
		13	2026-2027	2026					
Post- Settle-Up Period		14	2027-2028	2027					
Post- Settle-Up Period		15	2028-2029	2028					

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

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

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

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

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

6-10-2013

DATE

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

Form 50-296

Applicant Name: Wake Wind Energy LLC

ISD Name: Crosbyton ISD

					Qualified Property			Reductions from Market Value	Estimated Taxable Value	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
		pre- year 1	2013-2014	2013	-	-	-		-	-
	Complete tax years of qualifying time period	1	2014-2015	2014	-	-	500,000	-	500,000	500,000
		2	2015-2016	2015			330,000,000	-	330,000,000	330,000,000
	Value Limitation Period	3	2016-2017	2016			306,900,000		306,900,000	10,000,000
Tax Credit Period (with 50% cap on credit)		4	2017-2018	2017			285,417,000		285,417,000	10,000,000
		5	2018-2019	2018			265,437,810		265,437,810	10,000,000
		6	2019-2020	2019			246,857,163		246,857,163	10,000,000
		7	2020-2021	2020			229,577,162		229,577,162	10,000,000
		8	2021-2022	2021			213,506,761		213,506,761	10,000,000
		9	2022-2023	2022			198,561,287		198,561,287	10,000,000
		10	2023-2024	2023			184,661,997		184,661,997	10,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024			171,735,657		171,735,657	171,735,657
		12	2025-2026	2025			159,714,161		159,714,161	159,714,161
		13	2026-2027	2026			148,534,170		148,534,170	148,534,170
Post- Settle-Up Period		14	2027-2028	2027			138,136,778		138,136,778	138,136,778
Post- Settle-Up Period		15	2028-2029	2028			128,467,204		128,467,204	128,467,204

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

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

Bryan Schwab

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

6-10-2013

DATE

Schedule C- Application: Employment Information

Form 50-296

Applicant Name Wake Wind Energy, LLC

ISD Name Crosbyton ISD

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction: Column A: Number of Construction FTE's or man-hours (specify)	Construction: Column B: Average annual wage rates for construction workers	New Jobs: Column C: Number of new jobs applicant commits to create (cumulative)	New Jobs: Column D: Average annual wage rate for all new jobs.	Qualifying Jobs: Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Qualifying Jobs: Column F: Average annual wage of qualifying jobs
		pre- year 1	2013-2014	2013	17,500 Man Hours		0	$ 48,700	0	$ 48,700
	Complete tax years of qualifying time period	1	2014-2015	2014	332,500 Man Hours		10	$ 48,700	8	$ 48,700
		2	2015-2016	2015			10	$ 48,700	8	$ 48,700
	Value Limitation Period	3	2016-2017	2016			10	$ 48,700	8	$ 48,700
Tax Credit Period (with 50% cap on credit)		4	2017-2018	2017			10	$ 48,700	8	$ 48,700
		5	2018-2019	2018			10	$ 48,700	8	$ 48,700
		6	2019-2020	2019			10	$ 48,700	8	$ 48,700
		7	2020-2021	2020			10	$ 48,700	8	$ 48,700
		8	2021-2022	2021			10	$ 48,700	8	$ 48,700
		9	2022-2023	2022			10	$ 48,700	8	$ 48,700
		10	2023-2024	2023			10	$ 48,700	8	$ 48,700
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024			10	$ 48,700	8	$ 48,700
		12	2025-2026	2025			10	$ 48,700	8	$ 48,700
		13	2026-2027	2026			10	$ 48,700	8	$ 48,700
Post- Settle-Up Period		14	2027-2028	2027			10	$ 48,700	8	$ 48,700
Post- Settle-Up Period		15	2028-2029	2028			10	$ 48,700	8	$ 48,700

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE 6-10-2013

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

Applicant Name: Wake Wind Energy, LLC

ISD Name: Crosbyton ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Sales Tax Information: Sales Taxable Expenditures — Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Franchise Tax: Franchise Tax — Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Other Property Tax Abatements Sought: County — Fill in percentage exemption requested or granted in each year of the Agreement	City — Fill in percentage exemption requested or granted in each year of the Agreement	Hospital — Fill in percentage exemption requested or granted in each year of the Agreement	Water — Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2013-2014	2013	$ -	$ -	$ -	0%	0%	0%	0%
	Complete tax years of qualifying time period	1	2014-2015	2014	$ 17,500	$ 116,667	$ -	0%	0%	0%	0%
		2	2015-2016	2015	$ 210,000	$ 1,400,000	$ -	100%	0%	100%	100%
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016	$ 210,000	$ 1,400,000	$ -	100%	0%	100%	100%
		4	2017-2018	2017	$ 210,000	$ 1,400,000	$ -	100%	0%	100%	100%
		5	2018-2019	2018	$ 210,000	$ 1,400,000	$ 9,800.00	100%	0%	100%	100%
		6	2019-2020	2019	$ 210,000	$ 1,400,000	$ 7,700.00	100%	0%	100%	100%
		7	2020-2021	2020	$ 210,000	$ 1,400,000	$ 202,300.00	100%	0%	100%	100%
		8	2021-2022	2021	$ 210,000	$ 1,400,000	$ 197,400.00	100%	0%	100%	100%
		9	2022-2023	2022	$ 210,000	$ 1,400,000	$ 192,500.00	100%	0%	100%	100%
		10	2023-2024	2023	$ 210,000	$ 1,400,000	$ 181,300.00	100%	0%	100%	100%
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	$ 210,000	$ 1,400,000	$ 168,000.00	100%	0%	100%	100%
		12	2025-2026	2025	$ 210,000	$ 1,400,000	$ 167,300.00	0%	0%	0%	0%
		13	2026-2027	2026	$ 210,000	$ 1,400,000	$ 171,500.00	0%	0%	0%	0%
Post- Settle-Up Period		14	2027-2028	2027	$ 210,000	$ 1,400,000	$ 238,000.00	0%	0%	0%	0%
Post- Settle-Up Period		15	2028-2029	2028	$ 210,000	$ 1,400,000	$ 329,000.00	0%	0%	0%	0%

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

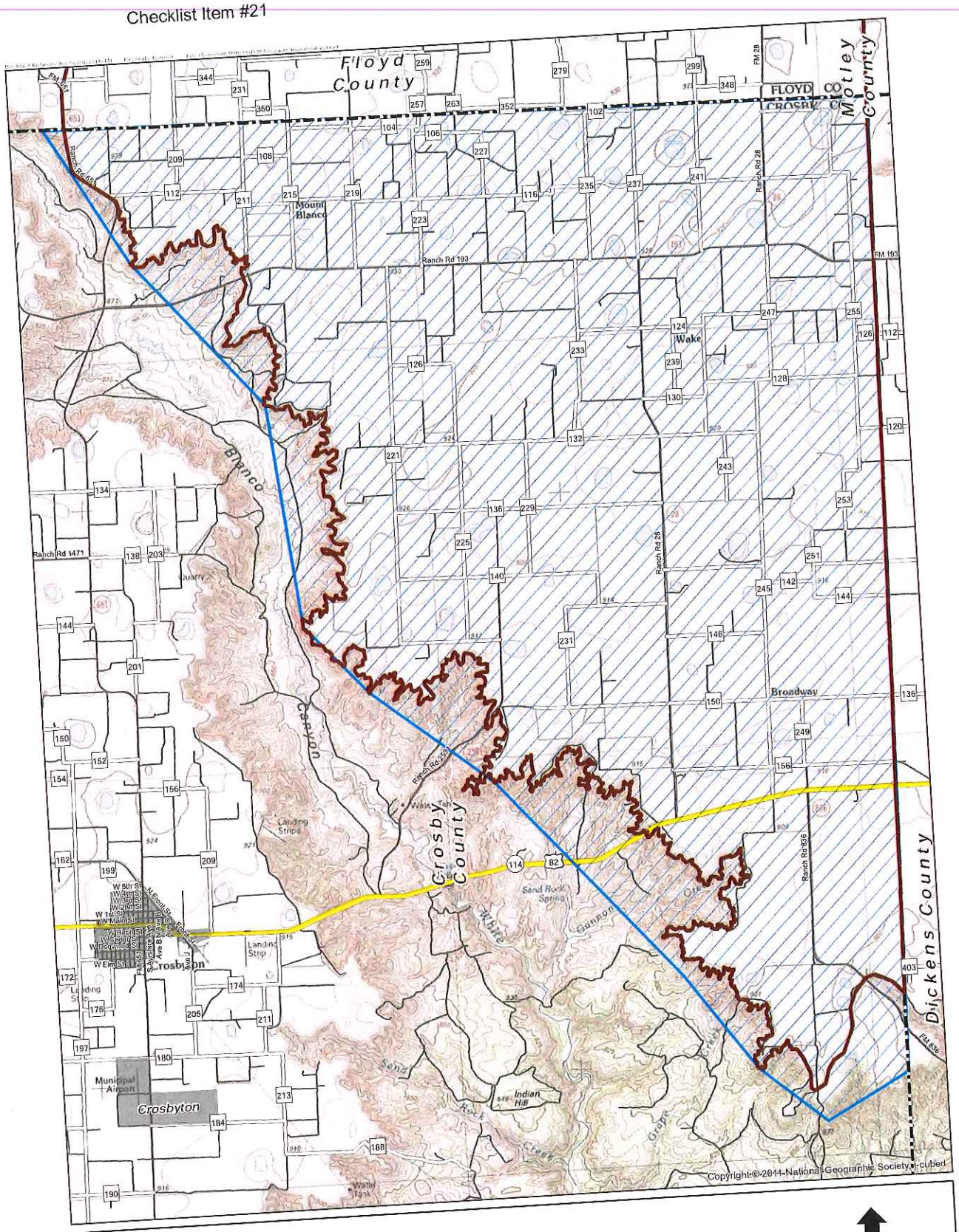
6-10-2013

DATE

CHECKLIST ITEM #21

Map of Reinvestment Zone

Checklist Item #21



Legend

- Municipal Boundary
- Wake Project Area
- County Boundary
- Reinvestment Zone

N

4,600 0 4,600

Feet

Crosby County Reinvestment Zone

Wake Wind Energy LLC

Rev. 00

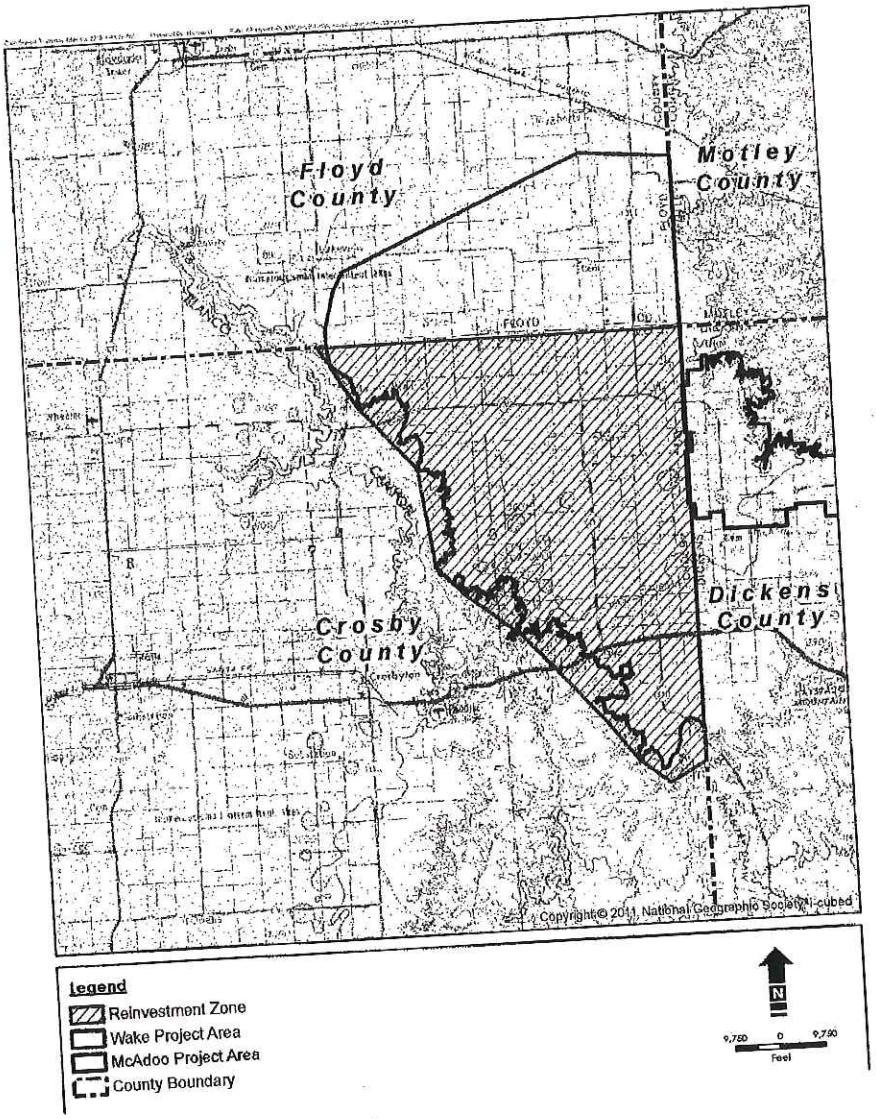
June 05, 2013

Invenergy

One South Wacker Drive Suite 1900
Chicago, Illinois 60606
(312) 224-1400

REINVESTMENT ZONE
Crosby County, Texas

EXHIBIT A



CHECKLIST ITEM #22

Order Establishing the Reinvestment Zone

CHECKLIST ITEM #23

Legal Description of Reinvestment Zone

*The order and legal description of the reinvestment zone will be provided after the June Crosby County Commissioners Court meeting.

Checklist Item #22

STATE OF TEXAS)(

COUNTY OF CROSBY)(

Order Designating Reinvestment Zone

Whereas, Notice of a proposed Designation of a Reinvestment Zone was published in accordance with the Texas Tax Code and whereas Crosby County desires to create a Reinvestment Zone in Crosby County.

It is **Hereby Ordered** that the County designates the property located in Crosby County having the boundaries depicted in the plat map attached to this Order as Exhibit "A" and having the legal description attached to this Order as Exhibit "B" a Reinvestment Zone under the Crosby County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County; and

That the County declares eligible for property tax abatement all eligible property now or hereafter located in that Reinvestment Zone as authorized by the Crosby County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.

Passed and approved at the regular meeting of the Crosby County Commissioners Court, at which a quorum was present on the May 13, 2013.

By: David Wigley
David Wigley, County Judge

ATTEST:

Linda S. Jones
Linda S. Jones, County Clerk

FILED
2013 MAY 13 PM 12: 11
LINDA S. JONES
COUNTY CLERK
CROSBY CO., TX
DEPUTY

Checklist Item #23

Exhibit B

THE FOLLOWING REAL PROPERTY LOCATED IN CROSBY COUNTY, TX:

SURVEY	BLOCK	SECTION	ABSTRACT
AB&M	H	4 1/2	1478
AB&M	H	4 1/2	1109
AB&M	H	5 1/2	1434
AB&M	H	6 1/2	1512
AB&M	H	3 1/2	204
AB&M	H	6 1/2	1110
AB&M		2	1505
AB&M	H	2 1/2	1111
AB&M	H	2 1/2	1339
AB&M	H	7 1/2	203
AB&M	H	8 1/2	1100
AB&M	H	1 1/2	196
AB&M	H	8 1/2	1463
ARCHER, F	13	4	1500
ARCHER, F	13	4	1333
BASSETT, J M		20	1343
BBB&C RR CO		2	1546
BBB&C RR CO		1	5
BELL, N J			1541
BS&F		4	1377
BS&F		4	1351
BS&F		4	1122
BS&F		3	216
BS&F		1	217
BS&F		2	1099
BS&F	A	2	1113
BS&F	A	2	1493
BS&F	A	2	1513
BS&F	A	3	4
BS&F	A	2	1504
BS&F	A	1	6
BS&F	A	4	1114
BS&F	A	4	1352
BS&F	A	8	1115
BS&F	A	7	5
BS&F	A	6	1307

SURVEY	BLOCK	SECTION	ABSTRACT
BS&F	A	5	880
CCSD&RGNG RR CO		1	1316
CCSD&RGNG RR CO		2	1523
CHAPIN, S			7
CONNELLEE, C U		20	478
CONNELLEE, C U	CU	19	436
CONNELLEE, C U	CU	3	445
CONNELLEE, C U	CU	4	446
CONNELLEE, C U	CU	2	444
CONNELLEE, C U	CU	5	447
CONNELLEE, C U	CU	1	442
CONNELLEE, C U	CU	6	448
CONNELLEE, C U	CU	7	449
CONNELLEE, C U	CU	8	450
CONNELLEE, C U	CU	9	451
CONNELLEE, C U	CU	10	452
CONNELLEE, C U	CU	11	453
CONNELLEE, C U	CU	14	443
CONNELLEE, C U	CU	13	455
CONNELLEE, C U	CU	12	454
CONNELLEE, C U	CU	17	458
CONNELLEE, C U	CU	15	456
CONNELLEE, C U	CU	16	457
CONNELLEE, C U	CU	18	459
EASTLAND CSL		1	29
EL&RR RR CO		4	1479
EL&RR RR CO		3	884
EL&RR RR CO		2	1129
EL&RR RR CO		2	1120
EL&RR RR CO		2	1422
EL&RR RR CO		1	347
EL&RR RR CO		1	883
GAMBLE, W R	12	1	1268
GAMBLE, W R	12	1	1525
GIBSON, J H		1	356
GIBSON, J H	A	1	32

SURVEY	BLOCK	SECTION	ABSTRACT
GIBSON, J H	A	2	1117
GIBSON, J H	A	3	257
GIBSON, J H	A	4	1159
GIBSON, J H	A	5	1306
GIBSON, J H	A	6	889
GIBSON, J H	A	12	1098
GIBSON, J H	A	11	36
GIBSON, J H	A	10	1194
GIBSON, J H	A	10	959
GIBSON, J H	A	9	33
GIBSON, J H	A	8	1158
GIBSON, J H	A	7	885
GIBSON, J H	A	16	1521
GIBSON, J H	A	13	35
GIBSON, J H	A	14	1118
GIBSON, J H	A	15	34
GIBSON, J H	A	16	1116
GIBSON, J H	A	16	1353
GIBSON, J H	A	18	890
GIBSON, J H	A	17	1305
GIBSON, J H	A	20	638
GIBSON, J H	A	19	886
H&GN RR CO	28	49	63
H&GN RR CO	28	50	578
H&GN RR CO	28	47	62
H&GN RR CO	28	48	622
H&GN RR CO	28	46	470
H&GN RR CO	28	45	61
H&GN RR CO	28	43	60
H&GN RR CO	28	44	620
H&GN RR CO	28	41	59
H&GN RR CO	28	39	58
H&GN RR CO	28	40	621
H&GN RR CO	28	31	54
H&GN RR CO	28	30	613
H&GN RR CO	28	19	48
H&GN RR CO	28	18	575
H&GN RR CO	28	17	47
H&GN RR CO	28	14	573
H&GN RR CO	28	15	46
H&GN RR CO	28	16	574
H&GN RR CO	28	2	502
H&GN RR CO	28	1	39

SURVEY	BLOCK	SECTION	ABSTRACT
HARMAN, J		312	?4
HICKMAN, S C		3	1263
HICKMAN, S C		2	1262
HICKMAN, S C		1	1261
HOLT, J W		1	1532
HT&B RR CO		1	38
HT&B RR CO		2	1520
HT&B RR CO		2	1141
HUTSON, A			37
HUTSON, E		2	1292
HUTSON, E		1	1291
LEONARD, V A		2	1213
LEONARD, V A		2	1544
LEONARD, V A		1	1212
LEONARD, V A		8	1211
LIBERTY CSL			898
MATADOR CATTLE CO	M	21	808
MATTHEWS, K J		32	1413
MATTHEWS, M J		G	1220
MEP&P RR CO		21	1545
MEP&P RR CO		22	1143
MEP&P RR CO		22	1374
MEP&P RR CO		22	?6
MEP&P RR CO		23	1458
MEP&P RR CO		24	1373
MEP&P RR CO		26	1475
MEP&P RR CO		25	491
MEP&P RR CO		24	1444
MEP&P RR CO		26	1474
MEP&P RR CO		26	1140
MEP&P RR CO		24	1218
MEP&P RR CO		14	1375
MEP&P RR CO		24	1436
MEP&P RR CO		28	1437
MEP&P RR CO		27	287
MEP&P RR CO		14	1142
MEP&P RR CO		14	1363
MEP&P RR CO		13	289
MEP&P RR CO		28	1132
MEP&P RR CO		1	284
MEP&P RR CO		2	1108
MEP&P RR CO		28	1119
MEP&P RR CO		3	283

SURVEY	BLOCK	SECTION	ABSTRACT
MEP&P RR CO		4	1156
MEP&P RR CO		7	285
MEP&P RR CO		9	288
MEP&P RR CO		8	1121
MEP&P RR CO		8	1450
MEP&P RR CO		5	286
MEP&P RR CO		6	1155
MEP&P RR CO		10	469
NORRIS, J G	H	20	1399
NORRIS, J G	4	19	1424
PERRY, J H			579
REED, R			158
ROBINSON, A		1	1299
SALLIE, S			420
SHARP, A J			1459
SMITH, R B		3	1279
SMITH, R B		3	1524
STATE OF TEXAS			9
TT RR CO		30	1497
TT RR CO		27	1309
TT RR CO		30	1145
TT RR CO		28	1047
TT RR CO		28	1498
TT RR CO		28	1510
TT RR CO		29	310
WHITE, J			159

FILED
2013 MAY 13 PM 12: 11
LINDA S. JONES
COUNTY CLERK
CROSBY CO., TX
DEPUTY

CHECKLIST ITEM #24

Guidelines and Criteria for Reinvestment Zone

STATE OF TEXAS

CROSBY COUNTY

TAX ABATEMENT GUIDELINES AND CRITERIA

Crosby County is committed to the promotion of quality development in all parts of the county and to improving the quality of life for its citizens. In order to help meet these goals, Crosby County will consider providing Tax Abatements to stimulate economic development. It is the policy of Crosby County that such an incentive will be provided in accord with the guidelines and criteria outlined in this document. All applicants for Tax Abatements shall be considered on an individual basis.

In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, the planned improvement:

1. must be an Eligible Facility;
2. must add at least Five Hundred Thousand Dollars ($500,000.00) to the tax roll of eligible property;
3. must be reasonably expected to have an increase in positive net economic benefit to Crosby County of at least One Million Dollars ($1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. must not be expected to solely or primarily have the effect of transferring employment from one part of Crosby County to another.

In addition to the criteria set forth above, the Crosby County Commissioners' Court reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the Agreement will be eligible for Abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All Tax Abatement Agreements will be no longer than allowed by law.

It is the goal of Crosby County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Crosby County Commissioners Court to consider, adopt, modify or decline any Tax Abatement request.

This policy is effective as of the 13th day of May, 2013, and shall at all

#522816

times be kept current with regard to the needs of Crosby County and reflective of the official views of the County Commissioners' Court, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Crosby County Commissioners' Court does not:

1. limit the discretion of the governing body to decide whether to enter into a specific Tax Abatement Agreement;

2. limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for Tax Abatement; or

3. create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for Tax Abatement.

SECTION I. DEFINITIONS

A. **"Abatement" or "Tax Abatement"** means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Crosby County for economic development purposes.

B. **"Agreement" or "Abatement Agreement"** means a contractual Agreement between a property owner and/or lessee and Crosby County.

C. **"Base Year Value"** means the assessed value on the eligible property as of January 1 preceding the execution of the Agreement.

D. **"Deferred Maintenance"** means improvements necessary for continued operation which do not improve productivity or alter the process technology.

E. **"Eligible Facilities"** means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting the Abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Crosby County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Crosby County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to a(n):

aquaculture/agriculture Facility;
distribution center facility;
manufacturing facility;
office building;
regional entertainment/tourism facility;

research service facility;
regional service facility;
historic building in a designated area;
wind energy facility; or
other basic industrial facility.

F. **"Expansion"** means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

G. **"Facility"** means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

H. **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment.

I. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

J. **"Productive Life"** means the number of years property improvement(s) is/are expected to be in service in a facility.

SECTION II. ABATEMENT AUTHORIZED

A. **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

B. **Creation of New Values.** Abatement may only be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between Crosby County and the property owner or lessee, subject to such limitations as Crosby County may require.

C. **New and Existing Facilities.** Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between Crosby County and the property owner or lessee, subject to such limitations as Crosby County may require.

D. **Eligible Property.** Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for Tax Abatement: land; animals; inventories, supplies; tools; furnishings; vehicles;

vessels; aircraft; deferred maintenance investments; housing and property to be rented or leased, except as provided in Section II(F); property owned or used by the State of Texas.

F. **Owned/Leased Facilities.** If a leased facility is granted Abatement, the Agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement.

G. **Economic Qualifications.** In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement:

(1) must be an Eligible Facility;

(2) must add at least Five Hundred Thousand Dollars ($500,000.00) to the tax roll of eligible property;

(3) must be reasonably expected to have an increase in positive net economic benefit to Crosby County of at least One Million Dollars ($1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) of new jobs will also factor into the decision to grant an Abatement; and

(4) must not be expected to solely or primarily have the effect of transferring employment from one part of Crosby County to another.

H. **Standards for Tax Abatement.** The following factors, among others, will be considered in determining whether to grant Tax Abatement:

(1) value of existing improvements, if any;

(2) type and value of proposed improvements;

(3) productive life of proposed improvements;

(4) number of existing jobs to be retained by proposed improvements;

(5) number and type of new jobs to be created by proposed improvements;

(6) amount of local payroll to be created;

(7) whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;

(8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars ($500,000.00);

(9) the costs to be incurred by Crosby County to provide facilities directly resulting from the new improvements;

(10) the amount of ad valorem taxes to be paid to Crosby County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;

(11) the population growth of Crosby County that occurs directly as a result of new improvements;

(12) the types and values of public improvements, if any, to be made by applicant seeking Abatement;

(13) whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(14) the impact on the business opportunities of existing business;

(15) the attraction of other new businesses to the area;

(16) the overall compatibility with the *zoning* ordinances and comprehensive plan for the area; and

(17) whether the project obtains all necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. **Denial of Abatement.** Neither a Reinvestment Zone nor Abatement Agreement shall be authorized if it is determined that:

(1) there would be substantial adverse effect on the provision of government services or tax base;

(2) the applicant has insufficient financial capacity;

(3) violation of other codes or laws; or

(4) any other reason deemed appropriate by Crosby County.

J. **Taxability.** From the execution of the Abatement to the end of the Agreement period, taxes shall be payable as follows:

(1) the value of ineligible property as provided in Section II(E) shall be fully taxable;

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and

(3) the additional value of new eligible property shall be fully taxable at the end of the Abatement period.

SECTION III. APPLICATION

A. Any present or potential owner of taxable property in Crosby County may request the creation of a reinvestment zone and Tax Abatement by filing a written application with the County Judge of Crosby County.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs and legal fees associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to Crosby County. The fee for Abatement requests shall be One Thousand and No/100 Dollars ($1,000.00).

C. Crosby County shall give notice as provided by the Property Tax Code, including written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located, not later than me seven (7) days before acting upon the application.

D. If a city within Crosby County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an Abatement Agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request Tax Abatement by Crosby County by following the same application process described in Section III(A) hereof. No other notice or hearing shall be required except compliance with the open meetings act, unless the Commissioners' Court deems them necessary in a particular case.

SECTION IV. AGREEMENT

A. After approval, the Commissioners' Court of Crosby County shall formally pass a resolution and execute an Agreement with the owner of the facility and lessee as required which

shall:

(1) include a list of the kind, number and location of all proposed improvements to the property;

(2) provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Agreement;

(3) limit the use of the property consistent with the taxing unit's development goals;

(4) provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Agreement;

(5) include each term that was agreed upon with the property owner and. require the owner to annually certify compliance with the terms of the Agreement to each taxing unit; and

(6) allow the taxing unit to cancel or modify the Agreement at any time if the property owner fails to comply with the terms of the Agreement.

Such Agreement shall normally be executed as soon as practicable, but in no event less than sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners' Court.

SECTION V. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed Crosby County to become delinquent and fails to timely and property follow the legal procedures for their protest and/or content; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure during the cure period, the Agreement then may be terminated and all taxes previously abated by virtue of the Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should Crosby County determine that the applicant or its assignee is in default according to the terms and conditions of its Agreement, Crosby County shall notify the company or individual in writing at the address stated in the Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Agreement may be terminated.

SECTION VI. ADMINISTRATION

A. The Chief Appraiser of the Crosby County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving Abatement shall furnish the appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of Crosby County of the amount of the

Adopted on this the 13th day of May, 2013

Crosby County Commissioners' Court

Gary Jordan

Frank Mullins

Larry Wampler

Steve Henn

FILED
2013 MAY 13 PM 12: 11
LINDA S. JONES
COUNTY CLERK
CROSBY CO., TX
DEPUTY

#522816

Attachment B

Certificate of Account Status

Franchise Tax Account Status

As of: 10/08/2013 02:57:41 PM

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

WAKE WIND ENERGY LLC	
Texas Taxpayer Number	32050567323
Mailing Address	800 BRAZOS ST STE 400 AUSTIN, TX 78701-2548
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	03/28/2013
Texas SOS File Number	0801759151
Registered Agent Name	NATIONAL CORPORATE RESEARCH, LTD.
Registered Office Street Address	800 BRAZOS, SUITE 400 AUSTIN, TX 78701

Attachment C

State Comptroller's Recommendation

SUSAN COMBS

TEXAS COMPTROLLER of PUBLIC ACCOUNTS

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

October 8, 2013

Shawn Mason
Superintendent
Crosbyton Consolidated Independent School District
204 S. Harrison
Crosbyton, Texas 79322

Dear Superintendent Mason:

On August 21, 2013, the Comptroller received the completed application (Application # 308) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted in June 2013 to the Crosbyton Consolidated Independent School District (the school district) by Wake Wind Energy, (the applicant). This letter presents the results of the Comptroller's review of the application:

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

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment ($336 million) is consistent with the proposed appraised value limitation sought ($10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

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

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

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Note that any new building or other improvement existing as of the application review start date of August 21, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

Sincerely,

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Wake Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Crosbyton CISD
2011-12 Enrollment in School District	408
County	Crosby
Total Investment in District	$336,000,000
Qualified Investment	$336,000,000
Limitation Amount	$10,000,000
Number of total jobs committed to by applicant	10*
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	$937
Minimum Weekly Wage Required Tax Code, 313.051(b)	$712
Minimum Annual Wage committed to by applicant for qualified jobs	$48,700
Investment per Qualifying Job	$42,000,000
Estimated 15 year M&O levy without any limit or credit:	$32,486,477
Estimated gross 15 year M&O tax benefit	$23,445,927
Estimated 15 year M&O tax benefit (after deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	$23,207,197
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$3,456,000
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	$9,279,280
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	71.4%
Percentage of tax benefit due to the limitation	85.3%
Percentage of tax benefit due to the credit	14.7%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

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

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

After construction, the project will create 10 new jobs when fully operational. Eight of these jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the South Plains Association of Governments Region, where Crosby County is located was $33,662 in 2012. The annual average manufacturing wage for 2012 for Crosby County is $31,070. That same year, the county annual average wage for all industries was $31,915. In addition to a salary of $48,700, each qualifying position will offer a full package of benefits including medical, dental and vision insurance with at least 80 percent of premiums for the employee paid by Wake Wind Energy, LLC. In addition each qualifying employee will receive paid vacation time, sick leave, life insurance, disability plans and 401(k) Retirement Savings Plans. The project's total investment is $336 million, resulting in a relative level of investment per qualifying job of $42 million.

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

According to Wake Wind Energy, LLC's application, "Invenergy develops, owns and operates wind energy projects across the US, Canada and in Europe. We have numerous developments in the nearby states of Kansas and Oklahoma, where the wind resource is equivalent and their taxing incentives are similar to Texas. The Wake Wind Energy project is currently in competition with a 250 MW wind project in Oklahoma and a 200 MW wind energy project in Kansas."

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

During the past two years, six projects in the South Plains Association of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

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

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

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

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

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	8	8	16	$420,673	$579,327	$1,000,000
2014	170	169	339	$8,479,788	$11,520,212	$20,000,000
2015	10	16	26	$487,000	$2,513,000	$3,000,000
2016	10	22	32	$487,000	$2,513,000	$3,000,000
2017	10	21	31	$487,000	$2,513,000	$3,000,000
2018	10	19	29	$487,000	$2,513,000	$3,000,000
2019	10	21	31	$487,000	$2,513,000	$3,000,000
2020	10	21	31	$487,000	$2,513,000	$3,000,000
2021	10	23	33	$487,000	$2,513,000	$3,000,000
2022	10	21	31	$487,000	$2,513,000	$3,000,000
2023	10	23	33	$487,000	$2,513,000	$3,000,000
2024	10	21	31	$487,000	$2,513,000	$3,000,000
2025	10	25	35	$487,000	$2,513,000	$3,000,000
2026	10	17	27	$487,000	$2,513,000	$3,000,000
2027	10	17	27	$487,000	$2,513,000	$3,000,000
2028	10	11	21	$487,000	$2,513,000	$3,000,000

Source: CPA, REMI, Wake Wind Energy, LLC

The statewide average ad valorem tax base for school districts in Texas was $1.65 billion in 2012-2013. Crosbyton CISD's ad valorem tax base in 2012-2013 was $94.7 million. The statewide average wealth per WADA was estimated at $343,155 for fiscal 2012-2013. During that same year, Crosbyton CISD's estimated wealth per WADA was $133,161. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Crosby County, Crosby County Hospital District, and High Plains Undergound Water Conservation District #1, with all property tax incentives sought being granted using estimated market value from Wake Wind Energy, LLC's application. Wake Wind Energy, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, and water conservation district. Table 3 illustrates the estimated tax impact of the Wake Wind Energy, LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crosbyton CISD I&S Levy	Crosbyton CISD M&O Levy	CISD M&O and I&S Tax Levies (Before Credit Credited)	Crosbyton CISD M&O and I&S Tax Levies (After Credit Credited)	Crosby County Tax Levy	Crosby County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.0000	1.0800			0.5457	0.1424	0.0075	
2014	$500,000	$500,000		$0	$5,400	$5,400	$5,400	$2,729	$712	$38	$8,878
2015	$330,000,000	$330,000,000		$0	$3,564,000	$3,564,000	$3,564,000	$0	$0	$0	$3,564,000
2016	$306,900,000	$10,000,000		$0	$108,000	$108,000	$108,000	$0	$0	$0	$108,000
2017	$285,417,000	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2018	$265,437,810	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2019	$246,857,163	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2020	$229,577,162	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2021	$213,506,761	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2022	$198,561,287	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2023	$184,661,997	$10,000,000		$0	$108,000	$108,000	$54,000	$0	$0	$0	$54,000
2024	$171,735,657	$171,735,657		$0	$1,854,745	$1,854,745	$0	$0	$0	$0	$0
2025	$159,714,161	$159,714,161		$0	$1,724,913	$1,724,913	$501,658	$871,560	$227,433	$12,042	$1,612,694
2026	$148,534,170	$148,534,170		$0	$1,604,169	$1,604,169	$1,604,169	$810,551	$211,513	$11,199	$2,637,432
2027	$138,136,778	$138,136,778		$0	$1,491,877	$1,491,877	$1,491,877	$753,812	$196,707	$10,416	$2,452,812
2028	$128,467,204	$128,467,204		$0	$1,387,446	$1,387,446	$1,387,446	$701,046	$182,937	$9,686	$2,281,115
						Total	$9,040,550	$3,139,698	$819,302	$43,382	$13,042,931

Assumes School Value Limitation and Tax Abatements from the County, Hospital District, and Water Conservation District.

Source: CPA, Wake Wind Energy, LLC

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crosbyton CISD I&S Levy	Crosbyton CISD M&O Levy		Crosbyton CISD M&O and I&S Tax Levies	Crosby County Tax Levy	Crosby County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.0000	1.0800			0.5457	0.1424	0.0075	
2014	$500,000	$500,000		$0	$5,400		$5,400	$2,729	$712	$38	$8,878
2015	$330,000,000	$330,000,000		$0	$3,564,000		$3,564,000	$1,800,810	$469,920	$24,882	$5,859,612
2016	$306,900,000	$306,900,000		$0	$3,314,520		$3,314,520	$1,674,753	$437,026	$23,140	$5,449,439
2017	$285,417,000	$285,417,000		$0	$3,082,504		$3,082,504	$1,557,521	$406,434	$21,520	$5,067,978
2018	$265,437,810	$265,437,810		$0	$2,866,728		$2,866,728	$1,448,494	$377,983	$20,014	$4,713,220
2019	$246,857,163	$246,857,163		$0	$2,666,057		$2,666,057	$1,347,100	$351,525	$18,613	$4,383,295
2020	$229,577,162	$229,577,162		$0	$2,479,433		$2,479,433	$1,252,803	$326,918	$17,310	$4,076,464
2021	$213,506,761	$213,506,761		$0	$2,305,873		$2,305,873	$1,165,106	$304,034	$16,098	$3,791,111
2022	$198,561,287	$198,561,287		$0	$2,144,462		$2,144,462	$1,083,549	$282,751	$14,972	$3,525,734
2023	$184,661,997	$184,661,997		$0	$1,994,350		$1,994,350	$1,007,701	$262,959	$13,924	$3,278,932
2024	$171,735,657	$171,735,657		$0	$1,854,745		$1,854,745	$937,161	$244,552	$12,949	$3,049,407
2025	$159,714,161	$159,714,161		$0	$1,724,913		$1,724,913	$871,560	$227,433	$12,042	$2,835,949
2026	$148,534,170	$148,534,170		$0	$1,604,169		$1,604,169	$810,551	$211,513	$11,199	$2,637,432
2027	$138,136,778	$138,136,778		$0	$1,491,877		$1,491,877	$753,812	$196,707	$10,416	$2,452,812
2028	$128,467,204	$128,467,204		$0	$1,387,446		$1,387,446	$701,046	$182,937	$9,686	$2,281,115
						Total	$32,486,477	$16,414,695	$4,283,402	$226,804	$53,411,378

Source: CPA, Wake Wind Energy, LLC

[1]Tax Rate per $100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be $32,486,477. The estimated gross 15 year M&O tax benefit, or levy loss, is $23,445,927.

Attachment 3 is an economic overview of Crosby County.

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

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TEXAS EDUCATION AGENCY
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Michael Williams
Commissioner

October 2, 2013

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

Dear Mr. Wood:

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

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

Sincerely,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

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Michael Williams
Commissioner

October 2, 2013

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

Dear Mr. Wood:

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

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

Sincerely,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Crosby County

Population

- Total county population in 2010 for Crosby County: 6,069 , up 0.1 percent from 2009. State population increased 1.8 percent in the same time period.
- Crosby County was the state's 193th largest county in population in 2010 and the 190 th fastest growing county from 2009 to 2010.
- Crosby County's population in 2009 was 42.1 percent Anglo (below the state average of 46.7 percent), 4.2 percent African-American (below the state average of 11.3 percent) and 52.7 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Crosby County:

Ralls:	1,940	**Crosbyton:**	1,591
Lorenzo:	1,171		

Economy and Income

Employment

- September 2011 total employment in Crosby County: 2,454 , up 1.4 percent from September 2010. State total employment increased 0.9 percent during the same period.
  (October 2011 employment data will be available November 18, 2011).
- September 2011 Crosby County unemployment rate: 10.3 percent, up from 7.8 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

- Crosby County's ranking in per capita personal income in 2009: 101st with an average per capita income of $34,095, up 2.5 percent from 2008. Statewide average per capita personal income was $38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Crosby County averaged $144.99 million annually from 2007 to 2010. County total agricultural values in 2010 were down 4.9 percent from 2009. Major agriculture related commodities in Crosby County during 2010 included:
  - Hay
  - Wheat
  - Other Beef
  - Cottonseed
  - Cotton
- 2011 oil and gas production in Crosby County: 491,409.0 barrels of oil and 40,450.0 Mcf of gas. In September 2011, there were 442 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Crosby County during the fourth quarter 2010: $2.79 million, up 5.6 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Ralls:	$1.06 million, up 2.1 percent from the same quarter in 2009.
Crosbyton:	$961,607.00, up 0.4 percent from the same quarter in 2009.
Lorenzo:	$372,095.00, up 8.9 percent from the same quarter in 2009.

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

- Taxable sales in Crosby County through the fourth quarter of 2010: $10.25 million, up 1.1 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Ralls:	$3.83 million, up 0.6 percent from the same period in 2009.
Crosbyton:	$3.42 million, down 6.3 percent from the same period in 2009.
Lorenzo:	$1.34 million, down 2.2 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Crosby County during 2010: $10.25 million, up 1.1 percent from 2009.
- Crosby County sent an estimated $640,386.63 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Ralls:	$3.83 million, up 0.6 percent from 2009.
Crosbyton:	$3.42 million, down 6.3 percent from 2009.

Lorenzo: $1.34 million, down 2.2 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: $505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Crosby County based on the sales activity month of August 2011: $17,417.34, up 4.0 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Ralls:	$7,975.40, up 7.0 percent from August 2010.
Crosbyton:	$7,209.34, up 4.8 percent from August 2010.
Lorenzo:	$2,232.60, down 7.2 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: $6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Crosby County based on sales activity months from September 2010 through August 2011: $226,258.47, up 0.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Ralls:	$103,179.19, up 6.7 percent from fiscal 2010.
Crosbyton:	$92,855.99, down 5.8 percent from fiscal 2010.
Lorenzo:	$30,223.29, up 4.5 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: $3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Crosby County based on sales activity months through August 2011: $149,922.76, up 0.2 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Ralls:	$67,121.63, up 5.5 percent from the same period in 2010.
Crosbyton:	$61,654.58, down 7.0 percent from the same period in 2010.
Lorenzo:	$21,146.55, up 7.7 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: $6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Crosby County based on sales activity in the 12 months ending in August 2011: $226,258.47, up 0.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Ralls:	$103,179.19, up 6.7 percent from the previous 12-month period.
Crosbyton:	$92,855.99, down 5.8 percent from the previous 12-month period.
Lorenzo:	$30,223.29, up 4.5 percent from the previous 12-month period.

- ***City Calendar Year-To-Date (RJ 2011)***
- Payment to the cities from January 2011 through October 2011:

Ralls:	$84,931.24, up 4.0 percent from the same period in 2010.
Crosbyton:	$78,924.83, down 4.4 percent from the same period in 2010.
Lorenzo:	$25,791.46, up 5.8 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: $5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Crosby County based on sales activity months in 2010: $225,943.92, up 2.7 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Ralls:	$99,709.05, up 5.6 percent from 2009.
Crosbyton:	$97,519.75, down 1.0 percent from 2009.
Lorenzo:	$28,715.12, up 6.0 percent from 2009.

Property Tax

- As of January 2009, property values in Crosby County: $655.16 million, up 2.5 percent from January 2008 values. The property tax base per person in Crosby County is $107,245, above the statewide average of $85,809. About 24.5 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Crosby County's ranking in state expenditures by county in fiscal year 2010: 184th. State expenditures in the county for FY2010: $28.18 million, up 0.1 percent from FY2009.
- In Crosby County, 7 state agencies provide a total of 27 jobs and $270,638.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Department of Transportation
  - Department of Public Safety
  - AgriLife Extension Service
  - Health & Human Services Commission
  - Department of Aging and Disability Services

Higher Education

- Community colleges in Crosby County fall 2010 enrollment:
  - None.
- Crosby County is in the service area of the following:
  - South Plains College with a fall 2010 enrollment of 10,153 . Counties in the service area include:

    Bailey County
    Cochran County
    Crosby County
    Floyd County
    Gaines County
    Garza County
    Hale County
    Hockley County
    Lamb County
    Lubbock County
    Lynn County
    Motley County
    Terry County
    Yoakum County
- Institutions of higher education in Crosby County fall 2010 enrollment:
  - None.

School Districts

- Crosby County had 3 school districts with 11 schools and 1,273 students in the 2009-10 school year.

  (Statewide, the average teacher salary in school year 2009-10 was $48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
  - Crosbyton ISD had 415 students in the 2009-10 school year. The average teacher salary was $40,893. The percentage of students meeting the 2010 TAKS passing standard for all tests was 65 percent.
  - Lorenzo ISD had 317 students in the 2009-10 school year. The average teacher salary was $41,094. The percentage of students meeting the 2010 TAKS passing standard for all tests was 50 percent.
  - Ralls ISD had 541 students in the 2009-10 school year. The average teacher salary was $37,609. The percentage of students meeting the 2010 TAKS passing standard for all tests was 66 percent.

Attachment E

Summary of Financial Impact

Summary of Financial Impact of the Proposed Wake Wind Energy LLC Project on the Finances of the Crosbyton Consolidated Independent School District Under a Requested Chapter 313 Property Value Limitation

July 12, 2013

Final Report

Prepared by

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

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

Introduction

Wake Wind Energy LLC (Wake Wind) has requested that the Crosbyton Consolidated Independent School District (CCCISD) 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 CCISD on June 20, 2013, Wake Wind proposes to invest $336 million to construct a new renewable wind energy electric generation project in CCISD, which represents about 70 percent of the total Wake Wind project.

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

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period and after, although CCISD currently does not levy an I&S tax rate. The full taxable value of the investment is expected to reach $330 million in the 2015-16 school year. While depreciation is expected to reduce the taxable value of the project in future years, the project's value still represents nearly a four-fold addition to CCISD's tax base in its peak value year.

In the case of the Wake Wind project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. Under current law, CCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-$238,730), but no out-year revenue loses expected. This amount would be reimbursed by Wake Wind under the proposed agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $23.2 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation periods (and thereafter), in school districts that levy I&S taxes. The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11of the agreement as a result of the one-year lag in property values.

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

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

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

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

In the case of CCISD, it is now classified as a formula school district, although it has received very modest amounts of ASATR funding in recent years. The estimates below suggest the District would receive ASATR support in the 2016-17 school year under current law, when the value limitation takes effect.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

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

Underlying Assumptions

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

The general approach used here is to maintain static enrollment and base property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 and HB 1025 basic allotment increases are reflected in the underlying models. With regard to ASATR funding, the 92.63 percent reduction enacted for the 2013-14 school year is maintained until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Wake Wind project are also factored into the base model in order to simulate the financial impact of adding the project to the local tax base in the absence of a value limitation agreement. The impact of the limitation value for the proposed Wake Wind project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 348 students in average daily attendance (ADA) in analyzing the effects of the Wake Wind project on the finances of CCISD. The District's local tax base reached $88.4 million for the 2012 tax year and is maintained at this level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.08 per $100 is used throughout this analysis, reflecting voter approval of four cents of additional local tax effort. CCISD has estimated state property wealth per weighted ADA or WADA of approximately $135,815 for the 2013-14 school year, which would classify the District as relatively property-poor when compared with other Texas school districts.

Once the Wake Wind project is added to the CCISD tax base, however, the District's financial position changes significantly. It is interesting to note that CCISD would be subject to Tier I recapture at its compressed $1.00 tax rate in the 2016-17 school year, under the assumptions used

to prepare these estimates. The District's state property wealth per WADA would be $611,557 for that year, compared with the equalized wealth level of $504,000 per WADA that is assumed under current law. If the requested property value limitation is approved, recapture would occur in the 2016-17 school year only. A recent change in state law permits a school district to count state aid against its recapture obligations in order to avoid calling a Chapter 41 election. On the basis of these estimates, it appears the CCISD could avail itself of that option in the 2016-17 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for CCISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions. In addition, the recently-adopted $504,000 per WADA equalized wealth level for the 2014-15 school year is used in the projections shown below.

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

A second model is developed which adds the Wake Wind value but imposes the proposed $10 million property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement. (See Table 3.) A summary of the differences between these models is shown in Table 4.

Under these assumptions, CCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-$238,730). No out-year revenue losses are expected under current law. In this instance, Wake Wind would be expected to realize $3.2 million in M&O tax savings as a result of the impact of the value limitation. As noted earlier, CCISD would be subject to recapture in the 2016-7 school year. As a result of the value limitation, recapture costs would be lowered and reduce the M&O tax loss associated with the limitation by $496,088. In addition, ASATR funding would offset $2.45 million of the M&O tax reduction resulting from the $10 million value limitation.

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

Beginning with the 2017-18 school year, most of the M&O tax revenue offset would come about through increased state aid, chiefly as a result of the change in the state property value study that reflects the $10 million property value limitation. The Comptroller's state property value study strongly influences these calculations. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect.

Two state property value determinations are also made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.08 per $100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $20.0 million over the life of the agreement. In addition, Wake Wind would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $3.5 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency (TEA) for the cost of these credits.

One concern is the estimated size of the catch-up payments for tax credits, which are expected to reach $1.85 million in the 2024-25 school year and $1.22 million in the 2025-26 school year. Given an annual General Fund revenue estimate of approximately $4 million, tax credit payments in this range are significant. Although TEA does reimburse school districts for these costs, if the reimbursements are slow, this has the potential to create a cash flow problem for the District. Additional administrative and legislative steps, if needed, will be pursued to ensure that Chapter 313 school districts do not face an undue hardship because of slow payouts for tax credit reimbursements that are owed.

The key CCISD revenue losses are expected to total approximately $238,730, limited under current law to the initial 2016-17 limitation year. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $23.2 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Wake Wind under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Wake Wind project remains fully taxable for debt services taxes; although CCISD does not currently levy an I&S tax rate. Although the value of the Wake Wind project is expected to depreciate over the life of the agreement and beyond, at its peak value the Wake Wind project represents a four-fold increase in the District's taxable value for I&S tax purposes.

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

Conclusion

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

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated $23.2 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value greatly enhances the tax base of CCISD in meeting its future debt service obligations, although the District does not have any outstanding voter-approved debt at present.

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

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	347.95	693.76	$1.0800	$0.0000	$88,379,695	$88,379,695	$94,222,486	$94,222,486	$135,815	$135,815
1	2014-15	347.95	693.68	$1.0800	$0.0000	$88,879,695	$88,879,695	$94,222,486	$94,222,486	$135,831	$135,831
2	2015-16	347.95	693.68	$1.0800	$0.0000	$418,379,695	$418,379,695	$94,722,486	$94,722,486	$136,552	$136,552
3	2016-17	347.95	693.68	$1.0800	$0.0000	$395,279,695	$98,379,695	$424,222,486	$424,222,486	$611,557	$611,557
4	2017-18	347.95	693.68	$1.0800	$0.0000	$373,796,695	$98,379,695	$401,122,486	$104,222,486	$578,257	$150,247
5	2018-19	347.95	693.68	$1.0800	$0.0000	$353,817,505	$98,379,695	$379,639,486	$104,222,486	$547,287	$150,247
6	2019-20	347.95	693.68	$1.0800	$0.0000	$335,236,858	$98,379,695	$359,660,296	$104,222,486	$518,485	$150,247
7	2020-21	347.95	693.68	$1.0800	$0.0000	$317,956,857	$98,379,695	$341,079,649	$104,222,486	$491,699	$150,247
8	2021-22	347.95	693.68	$1.0800	$0.0000	$301,886,456	$98,379,695	$323,799,648	$104,222,486	$466,788	$150,247
9	2022-23	347.95	693.68	$1.0800	$0.0000	$286,940,982	$98,379,695	$307,729,247	$104,222,486	$443,621	$150,247
10	2023-24	347.95	693.68	$1.0800	$0.0000	$273,041,692	$98,379,695	$292,783,773	$104,222,486	$422,076	$150,247
11	2024-25	347.95	693.68	$1.0800	$0.0000	$260,115,352	$260,115,352	$278,884,483	$104,222,486	$402,039	$150,247
12	2025-26	347.95	693.68	$1.0800	$0.0000	$248,093,856	$248,093,856	$265,958,143	$265,958,143	$383,404	$383,404
13	2026-27	347.95	693.68	$1.0800	$0.0000	$236,913,865	$236,913,865	$253,936,647	$253,936,647	$366,074	$366,074
14	2027-28	347.95	693.68	$1.0800	$0.0000	$226,516,473	$226,516,473	$242,756,656	$242,756,656	$349,957	$349,957
15	2028-29	347.95	693.68	$1.0800	$0.0000	$216,846,899	$216,846,899	$232,359,264	$232,359,264	$334,968	$334,968

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	$858,368	$2,627,787	$0	$0	$0	$68,623	$199,059	$0	$3,753,837
1	2014-15	$863,268	$2,691,164	$0	$0	$0	$69,015	$207,371	$0	$3,830,818
2	2015-16	$4,092,530	$2,686,164	$0	$0	$0	$327,181	$988,942	$0	$8,094,817
3	2016-17	$3,925,521	$116,835	$0	$0	-$655,880	$313,830	$5,446	-$35,528	$3,670,224
4	2017-18	$3,710,681	$116,835	$0	$0	-$452,680	$296,654	$18,266	-$31,468	$3,658,287
5	2018-19	$3,510,878	$116,835	$0	$0	-$263,803	$280,681	$30,180	-$27,693	$3,647,078
6	2019-20	$3,325,063	$116,835	$0	$0	-$88,247	$265,825	$41,252	-$24,184	$3,636,544
7	2020-21	$3,152,254	$222,469	$0	$0	$0	$252,010	$51,542	-$20,922	$3,657,353
8	2021-22	$2,991,542	$395,278	$0	$0	$0	$239,162	$61,103	-$17,889	$3,669,195
9	2022-23	$2,842,080	$555,990	$0	$0	$0	$227,213	$69,986	-$15,070	$3,680,199
10	2023-24	$2,703,080	$705,452	$0	$0	$0	$216,100	$78,240	-$12,450	$3,690,423
11	2024-25	$2,541,462	$844,452	$0	$0	$0	$203,180	$84,827	-$9,888	$3,664,032
12	2025-26	$2,423,645	$973,722	$0	$0	$0	$193,761	$91,894	-$7,656	$3,675,366
13	2026-27	$2,314,076	$1,093,943	$0	$0	$0	$185,001	$98,466	-$5,580	$3,685,906
14	2027-28	$2,212,176	$1,205,748	$0	$0	$0	$176,855	$104,578	-$3,649	$3,695,708
15	2028-29	$2,117,410	$1,309,727	$0	$0	$0	$169,278	$110,261	-$1,853	$3,704,823

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	$858,368	$2,627,787	$0	$0	$0	$68,623	$199,059	$0	$3,753,837
1	2014-15	$863,268	$2,691,164	$0	$0	$0	$69,015	$207,371	$0	$3,830,818
2	2015-16	$4,092,530	$2,686,164	$0	$0	$0	$327,181	$988,942	$0	$8,094,817
3	2016-17	$956,373	$116,835	$2,448,948	$0	-$159,792	$76,458	$1,327	-$8,656	$3,431,494
4	2017-18	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
5	2018-19	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
6	2019-20	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
7	2020-21	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
8	2021-22	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
9	2022-23	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
10	2023-24	$956,373	$2,591,159	$0	$0	$0	$76,458	$203,069	$0	$3,827,059
11	2024-25	$2,541,462	$2,591,159	$0	$0	$0	$203,180	$539,634	$0	$5,875,434
12	2025-26	$2,423,645	$973,722	$0	$0	$0	$193,761	$91,894	-$7,656	$3,675,366
13	2026-27	$2,314,076	$1,093,943	$0	$0	$0	$185,001	$98,466	-$5,580	$3,685,906
14	2027-28	$2,212,176	$1,205,748	$0	$0	$0	$176,855	$104,578	-$3,649	$3,695,708
15	2028-29	$2,117,410	$1,309,727	$0	$0	$0	$169,278	$110,261	-$1,853	$3,704,823

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2014-15	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	2015-16	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	2016-17	-$2,969,148	$0	$2,448,948	$0	$496,088	-$237,372	-$4,120	$26,872	-$238,730
4	2017-18	-$2,754,308	$2,474,324	$0	$0	$452,680	-$220,196	$184,803	$31,468	$168,772
5	2018-19	-$2,554,505	$2,474,324	$0	$0	$263,803	-$204,222	$172,889	$27,693	$179,981
6	2019-20	-$2,368,690	$2,474,324	$0	$0	$88,247	-$189,367	$161,816	$24,184	$190,514
7	2020-21	-$2,195,881	$2,368,690	$0	$0	$0	-$175,552	$151,527	$20,922	$169,706
8	2021-22	-$2,035,169	$2,195,881	$0	$0	$0	-$162,704	$141,966	$17,889	$157,863
9	2022-23	-$1,885,707	$2,035,169	$0	$0	$0	-$150,755	$133,082	$15,070	$146,860
10	2023-24	-$1,746,707	$1,885,707	$0	$0	$0	-$139,642	$124,829	$12,450	$136,636
11	2024-25	$0	$1,746,707	$0	$0	$0	$0	$454,807	$9,888	$2,211,402
12	2025-26	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	2026-27	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	2027-28	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	2028-29	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial impact of the Wake Wind Energy LLC Project Property Value Limitation Request Submitted to CCISD at $1.08 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	$0	$0	$0	$1.080	$0	$0	$0	$0	$0	$0	$0
1	2014-15	$500,000	$500,000	$0	$1.080	$5,400	$5,400	$0	$0	$0	$0	$0
2	2015-16	$330,000,000	$330,000,000	$0	$1.080	$3,564,000	$3,564,000	$0	$0	$0	$0	$0
3	2016-17	$306,900,000	$10,000,000	$296,900,000	$1.080	$3,314,520	$108,000	$3,206,520	$0	$3,206,520	-$238,730	$2,967,790
4	2017-18	$285,417,000	$10,000,000	$275,417,000	$1.080	$3,082,504	$108,000	$2,974,504	$54,000	$3,028,504	$0	$3,028,504
5	2018-19	$265,437,810	$10,000,000	$255,437,810	$1.080	$2,866,728	$108,000	$2,758,728	$54,000	$2,812,728	$0	$2,812,728
6	2019-20	$246,857,163	$10,000,000	$236,857,163	$1.080	$2,666,057	$108,000	$2,558,057	$54,000	$2,612,057	$0	$2,612,057
7	2020-21	$229,577,162	$10,000,000	$219,577,162	$1.080	$2,479,433	$108,000	$2,371,433	$54,000	$2,425,433	$0	$2,425,433
8	2021-22	$213,506,761	$10,000,000	$203,506,761	$1.080	$2,305,873	$108,000	$2,197,873	$54,000	$2,251,873	$0	$2,251,873
9	2022-23	$198,561,287	$10,000,000	$188,561,287	$1.080	$2,144,462	$108,000	$2,036,462	$54,000	$2,090,462	$0	$2,090,462
10	2023-24	$184,661,997	$10,000,000	$174,661,997	$1.080	$1,994,350	$108,000	$1,886,350	$54,000	$1,940,350	$0	$1,940,350
11	2024-25	$171,735,657	$171,735,657	$0	$1.080	$1,854,745	$1,854,745	$0	$1,854,745	$1,854,745	$0	$1,854,745
12	2025-26	$159,714,161	$159,714,161	$0	$1.080	$1,724,913	$1,724,913	$0	$1,223,255	$1,223,255	$0	$1,223,255
13	2026-27	$148,534,170	$148,534,170	$0	$1.080	$1,604,169	$1,604,169	$0	$0	$0	$0	$0
14	2027-28	$138,136,778	$138,136,778	$0	$1.080	$1,491,877	$1,491,877	$0	$0	$0	$0	$0
15	2028-29	$128,467,204	$128,467,204	$0	$1.080	$1,387,446	$1,387,446	$0	$0	$0	$0	$0
					Totals	$32,486,477	$12,496,550	$19,989,927	$3,456,000	$23,445,927	-$238,730	$23,207,197

Tax Credit for Value Over Limit in First 2 Years

Year 1	Year 2	Max Credits
$0	$3,456,000	$3,456,000
Credits Earned		$3,456,000
Credits Paid		$3,456,000
Excess Credits Unpaid		$0

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

Attachment F

Taxable Value of Property

Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

054/Crosby

054-901/Crosbyton CISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	41,130,558	.9855	41,735,726	41,735,726
B. Multi-Family Residences	395,295	N/A	395,295	395,295
C. Vacant Lots	489,337	N/A	489,337	489,337
D. Rural Real (Taxable)	35,540,897	.8856	40,129,900	40,129,900
F1. Commercial Real	3,700,407	N/A	3,700,407	3,700,407
F2. Industrial Real	1,683,056	N/A	1,683,056	1,683,056
G. Oil, Gas, Minerals	589,024	N/A	589,024	589,024
J. Utilities	3,384,177	N/A	3,384,177	3,384,177
L1. Commercial Personal	2,486,138	N/A	2,486,138	2,486,138
L2. Industrial Personal	5,590,044	N/A	5,590,044	5,590,044
M. Other Personal	500	N/A	500	500
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	105,759	N/A	105,759	105,759

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
Subtotal	95,095,192		100,289,363	100,289,363
Less Total Deductions	12,182,889		12,347,055	12,347,055
Total Taxable Value	82,912,303		87,942,308	87,942,308 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	6,674,132	.8656	7,710,411
Prod Value Qualified Acres	28,866,765	.8904	32,419,489
Taxable Value	35,540,897		40,129,900

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
92,506,994	87,942,308	92,506,994	87,942,308	87,942,308	87,942,308

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
4,564,686	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
92,506,994	87,942,308	92,506,994	87,942,308	87,942,308	87,942,308

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 taxable value to be invalid, and state value was certified because your local value:

1) was invalid in one or more of the previous two years or

2) is less than 90% of the lower end of the margin of error range or

3) The appraisal district that appraises property for the school district was not in compliance with the scoring requirement of the Comptroller's most recent review of the appraisal district conducted under section 5.102, Tax Code (MAP Review)

085/Garza

054-901/Crosbyton CISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	0	N/A	0	0
D. Rural Real (Taxable)	2,598,708	N/A	2,598,708	2,598,708
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	46,792	N/A	46,792	46,792
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	9,299	N/A	9,299	9,299
M. Other Personal	0	N/A	0	0
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	2,654,799		2,654,799	2,654,799
Less Total Deductions	0		0	0
Total Taxable Value	2,654,799		2,654,799	2,654,799 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	890,567	N/A	890,567
Prod Value Qualified Acres	1,708,141	N/A	1,708,141
Taxable Value	2,598,708		2,598,708

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
2,654,799	2,654,799	2,654,799	2,654,799	2,654,799	2,654,799

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

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
2,654,799	2,654,799	2,654,799	2,654,799	2,654,799	2,654,799

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

054-901/Crosbyton CISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	41,130,558	.9855	41,735,726	41,735,726
B. Multi-Family Residences	395,295	N/A	395,295	395,295
C. Vacant Lots	489,337	N/A	489,337	489,337
D. Rural Real (Taxable)	38,139,605	.8926	42,728,608	42,728,608
F1. Commercial Real	3,700,407	N/A	3,700,407	3,700,407
F2. Industrial Real	1,683,056	N/A	1,683,056	1,683,056
G. Oil, Gas, Minerals	589,024	N/A	589,024	589,024
J. Utilities	3,430,969	N/A	3,430,969	3,430,969

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
L1. Commercial Personal	2,486,138	N/A	2,486,138	2,486,138
L2. Industrial Personal	5,599,343	N/A	5,599,343	5,599,343
M. Other Personal	500	N/A	500	500
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	105,759	N/A	105,759	105,759
Subtotal	97,749,991		102,944,162	102,944,162
Less Total Deductions	12,182,889		12,347,055	12,347,055
Total Taxable Value	85,567,102		90,597,107	90,597,107 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	7,564,699	N/A	8,600,978
Prod Value Qualified Acres	30,574,906	.8959	34,127,630
Taxable Value	38,139,605		42,728,608

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

Attachment G

Participation Agreement

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

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by and between

CROSBYTON INDEPENDENT SCHOOL DISTRICT

and

WAKE WIND ENERGY, LLC

(*Texas Taxpayer ID # 32045958157*)

TEXAS COMPTROLLER APPLICATION NUMBER 308

Dated

October 29, 2013

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

STATE OF TEXAS §

COUNTY OF CROSBY §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **CROSBYTON INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **WAKE WIND ENERGY, LLC,** a Delaware limited liability company (Texas Taxpayer Identification Number *32045958157),* hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on June 17, 2013, the Superintendent of Schools of the Crosbyton Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on June 20, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Wake Wind Energy, LLC; and,

WHEREAS, on June 28, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

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

WHEREAS, on or about August 1, 2013, the Superintendent of Schools of the Crosbyton Independent School District, acting as agent of the Board of Trustees, received supplemental Application materials from the Applicant concerning the previously submitted Application, pursuant to Chapter 313 of the Texas Tax Code and the supplemental materials, were delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller established August 21, 2013 as the completed Application date; and,

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

WHEREAS, the Comptroller, pursuant to Texas Tax Code § 313.025(d), reviewed the Application, and on October 8, 2013, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was presented to the Board of Trustees at the October 29, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

WHEREAS, the Board of Trustees carefully reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026, and carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on October 29, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on October 29, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on October 29, 2013, pursuant to the provisions of Texas Tax Code §313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code §313.051(b), based upon its factual Finding, made on October 29, 2013, that the if the number of jobs required by law (*i.e.* 10 jobs) was applied to this project, given its size and scope as described in the Application and in **Exhibit 3**, the number of jobs will exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

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

WHEREAS, on October 29, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code § 9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on October 8, 2013 that the Application be approved; and,

WHEREAS, on October 29, 2013, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

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

The period beginning with the Commencement Date of October 29, 2013 and ending on December 31, 2015 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

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

that occurred before such termination, so long as the right to such payment survives said termination.

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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing October 29, 2013)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning on October 29, 2013 Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2016	2016-17	2016	$ 10 Million property value limitation.
4	January 1, 2017	2017-18	2017	$ 10 Million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2018	2018-19	2018	$ 10 Million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2019	2019-20	2019	$ 10 Million property value limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
7	January 1, 2020	2020-21	2020	$ 10 Million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2021	2021-22	2021	$ 10 Million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-23	2022	$ 10 Million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2023	2023-24	2023	$ 10 Million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

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

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

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

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

"*Annual Limit*" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance for the applicable school year, 2012-2013 school year ADA of 358.887, as calculated pursuant to Texas Education Code § 42.005, times $100, or any larger amount in Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2013, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"*Applicant*" means Wake Wind Energy, LLC, (*Texas Taxpayer ID #32045958157*), the company listed in the Preamble of this Agreement who, on June 17, 2013, filed with the District the Original Application for an Appraised Value Limitation on Qualified Property, together with the August 1, 2013 supplemental Application materials, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest, and their direct and indirect subsidiaries.

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

"*Application*" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on June 17, 2013, together with the August 1, 2013 supplemental Application materials, which have been certified by the Comptroller to collectively constitute a complete final Application as of the date of August 21, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"*Appraisal District*" means the Crosby County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Crosbyton Independent School District.

"*Commencement Date*" means October 29, 2013, the date upon which this Agreement was approved by the District's Board of Trustees.

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

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

"*County*" means Crosby County, Texas.

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

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

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

"*Force Majeure*" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents Applicant's performance of its obligations under this Agreement.

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

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

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

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

District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

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

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

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

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

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

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

"*Qualifying Time Period*" means the period that begins on the Commencement Date of October 29, 2013 and ends on December 31, 2015.

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

"*State*" means the State of Texas.

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

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

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

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Ten Million Dollars ($10,000,000.00).

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

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

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

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

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

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

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

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

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

Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after August 21, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

(a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply;

(b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,

(c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

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

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

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

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

(a) The Market Value of the Applicant's Qualified Investment; or

(b) Ten Million Dollars ($10,000,000.00).

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

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

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

Where:

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

the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.

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

In making the calculations required by this Section 3.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.

iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, on account of any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

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

(b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

(c) All non-reimbursed increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.

(d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

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

Section 3.6. DELIVERY OF CALCULATIONS

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

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

Section 3.7. PAYMENT BY APPLICANT

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

Section 3.8. RESOLUTION OF DISPUTES

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

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

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

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

Section 3.10. Effect of Statutory Changes

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

ARTICLE IV

Section 4.1. Intent of Parties with Respect to Supplemental Payments

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

(a) Amounts Exclusive of Indemnity Amounts

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

(b) Adherence to Statutory Limits on Supplemental Payments

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

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

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

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

(b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

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

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

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

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

Plus,

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

Minus,

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

Multiplied by,

The number 0.4;

Minus,

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

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

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

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

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

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

Section 4.5. Procedures for Supplemental Payment Calculations

(a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.

(b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.

(c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.6. District's Option to Designate Successor Beneficiary

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

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

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1. Annual Limitation After First Three Years

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

Section 5.2. OPTION TO CANCEL AGREEMENT

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

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the

Applicant complies with the requirements under such provisions, including the timely filing of a completed tax credit application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

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

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

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

Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

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

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

(a) it will abide by all of the terms of the Agreement;

(b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,

(c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

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

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

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

Section 7.5. CALCULATION OF PENALTY AND INTEREST

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

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

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

(b) Subject to Section 5.2, Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.

(c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

(d) Subject to Section 5.2, Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.

(e) Applicant fails to create and maintain at least the number of New Jobs set forth in Schedule C, Column C of its Application.

(f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth in Schedule C, Column E of its Application.

(g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.

(h) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.

(i) Applicant fails to comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its material obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

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

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

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to 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 ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Crosby County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such

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

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90), the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a lien and/or tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30. In the event that the Applicant is a prevailing party in any such legal proceedings under this section, the District shall be responsible for the payment of the Applicant's reasonable attorney's fees.

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

Section 7.10. LIMITATION OF OTHER DAMAGES

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

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

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

Shawn Mason, Superintendent
Crosbyton Independent School District
204 S. Harrison
Crosbyton, Texas 79322
Fax: 806) 675-2409
E-mail: smason@crosbyton.k12.tx.us

With a copy to:

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

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

Notices to the Applicant shall be addressed as follows:

Bryan Schueler
Senior Vice President, Development
Invenergy LLC
One South Wacker Drive, Suite 1900
Chicago, Illinios 60606
Fax:
E-mail: bschueler@invenergyllc.com

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

(a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,

(b) Subject to Section 5.2, the obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date established in Section 1.2 of this Agreement.

(c) In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars ($10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2015.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

Section 8.4. ASSIGNMENT

Unless otherwise prohibited by law, Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this

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

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

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

intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement. In the event of legal proceedings between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such legal proceeding shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct in all material

respects. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full; provided, however, to the extent of any differences or inconsistencies between the terms, conditions, representations, information, and facts contained in the Application and those contained in this Agreement, the terms, conditions, representations, information, and facts contained in this Agreement shall be controlling.

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

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

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

c. This Section does not require the Publication of information that is confidential under Texas Tax Code § 313.028.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 29th day of October, 2013.

WAKE WIND ENERGY, LLC

By: _____
Authorized Representative

Name: Bryan Schueler
Vice President

Title: _____

CROSBYTON INDEPENDENT SCHOOL DISTRICT

By: _____
CLIFFORD TRULL
President
Board of Trustees

Attest:

By: _____
JESSE SALINAS
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Crosby County Reinvestment Zone* was originally created on May 13, 2013 by action of the Crosby County Commissioner's Court. As a result of the action of the Crosby County Commissioner's Court, all real property within Crosby County, Texas is located within the boundaries of the *Crosby County Reinvestment Zone.* A map of the *Crosby County Reinvestment Zone* is attached as the next page of this **Exhibit 1**.

REINVESTMENT ZONE
Crosby County, Texas

EXHIBIT A

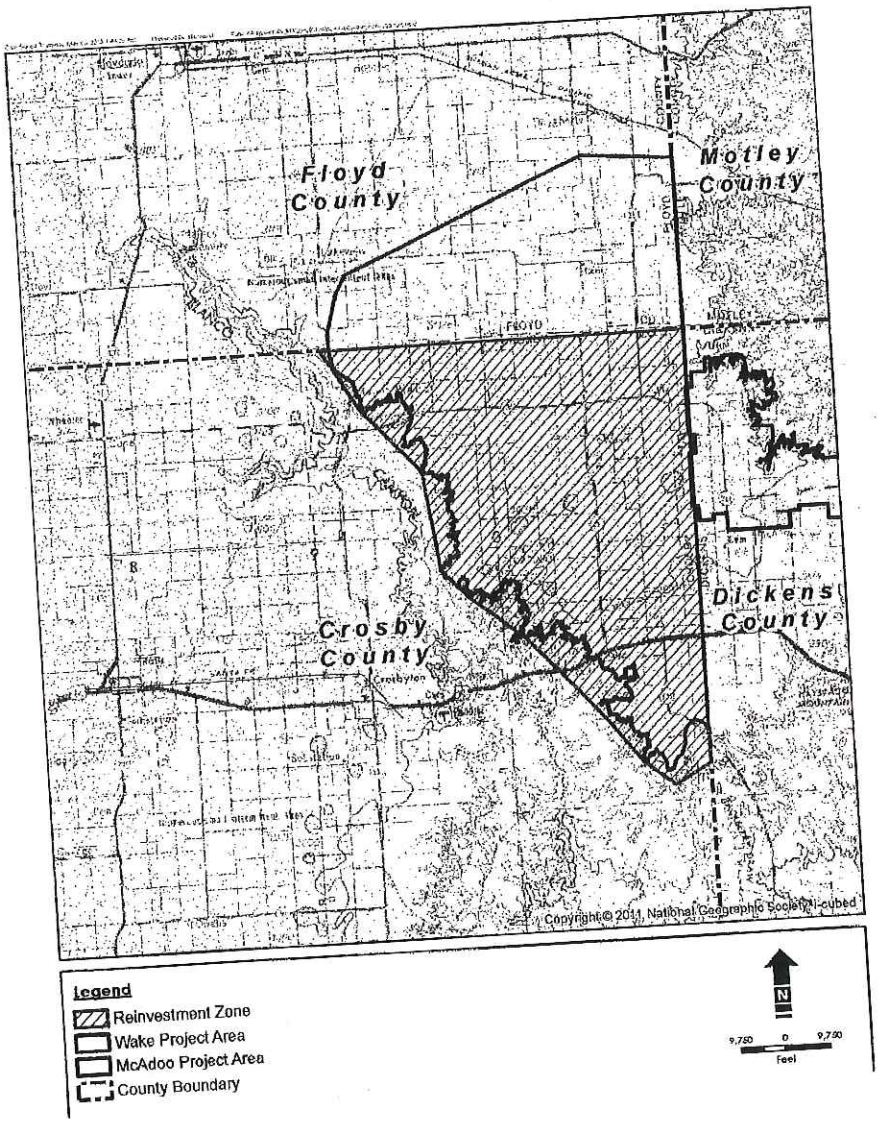

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

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

Exhibit B

THE FOLLOWING REAL PROPERTY LOCATED IN CROSBY COUNTY, TX:

SURVEY	BLOCK	SECTION	ABSTRACT
AB&M	H	4 1/2	1478
AB&M	H	4 1/2	1109
AB&M	H	5 1/2	1434
AB&M	H	6 1/2	1512
AB&M	H	3 1/2	204
AB&M	H	6 1/2	1110
AB&M		2	1505
AB&M	H	2 1/2	1111
AB&M	H	2 1/2	1339
AB&M	H	7 1/2	203
AB&M	H	8 1/2	1100
AB&M	H	1 1/2	196
AB&M	H	8 1/2	1463
ARCHER, F	13	4	1500
ARCHER, F	13	4	1333
BASSETT, J M		20	1343
BBB&C RR CO		2	1546
BBB&C RR CO		1	5
BELL, N J			1541
BS&F		4	1377
BS&F		4	1351
BS&F		4	1122
BS&F		3	216
BS&F		1	217
BS&F		2	1099
BS&F	A	2	1113
BS&F	A	2	1493
BS&F	A	2	1513
BS&F	A	3	4
BS&F	A	2	1504
BS&F	A	1	6
BS&F	A	4	1114
BS&F	A	4	1352
BS&F	A	8	1115
BS&F	A	7	5
BS&F	A	6	1307

SURVEY	BLOCK	SECTION	ABSTRACT
BS&F	A	5	880
CCSD&RGNG RR CO		1	1316
CCSD&RGNG RR CO		2	1523
CHAPIN, S			7
CONNELLEE, C U		20	478
CONNELLEE, C U	CU	19	436
CONNELLEE, C U	CU	3	445
CONNELLEE, C U	CU	4	446
CONNELLEE, C U	CU	2	444
CONNELLEE, C U	CU	5	447
CONNELLEE, C U	CU	1	442
CONNELLEE, C U	CU	6	448
CONNELLEE, C U	CU	7	449
CONNELLEE, C U	CU	8	450
CONNELLEE, C U	CU	9	451
CONNELLEE, C U	CU	10	452
CONNELLEE, C U	CU	11	453
CONNELLEE, C U	CU	14	443
CONNELLEE, C U	CU	13	455
CONNELLEE, C U	CU	12	454
CONNELLEE, C U	CU	17	458
CONNELLEE, C U	CU	15	456
CONNELLEE, C U	CU	16	457
CONNELLEE, C U	CU	18	459
EASTLAND CSL		1	29
EL&RR RR CO		4	1479
EL&RR RR CO		3	884
EL&RR RR CO		2	1129
EL&RR RR CO		2	1120
EL&RR RR CO		2	1422
EL&RR RR CO		1	347
EL&RR RR CO		1	883
GAMBLE, W R	12	1	1268
GAMBLE, W R	12	1	1525
GIBSON, J H		1	356
GIBSON, J H	A	1	32

SURVEY	BLOCK	SECTION	ABSTRACT
GIBSON, J H	A	2	1117
GIBSON, J H	A	3	257
GIBSON, J H	A	4	1159
GIBSON, J H	A	5	1306
GIBSON, J H	A	6	889
GIBSON, J H	A	12	1098
GIBSON, J H	A	11	36
GIBSON, J H	A	10	1194
GIBSON, J H	A	10	959
GIBSON, J H	A	9	33
GIBSON, J H	A	8	1158
GIBSON, J H	A	7	885
GIBSON, J H	A	16	1521
GIBSON, J H	A	13	35
GIBSON, J H	A	14	1118
GIBSON, J H	A	15	34
GIBSON, J H	A	16	1116
GIBSON, J H	A	16	1353
GIBSON, J H	A	18	890
GIBSON, J H	A	17	1305
GIBSON, J H	A	20	638
GIBSON, J H	A	19	886
H&GN RR CO	28	49	63
H&GN RR CO	28	50	578
H&GN RR CO	28	47	62
H&GN RR CO	28	48	622
H&GN RR CO	28	46	470
H&GN RR CO	28	45	61
H&GN RR CO	28	43	60
H&GN RR CO	28	44	620
H&GN RR CO	28	41	59
H&GN RR CO	28	39	58
H&GN RR CO	28	40	621
H&GN RR CO	28	31	54
H&GN RR CO	28	30	613
H&GN RR CO	28	19	48
H&GN RR CO	28	18	575
H&GN RR CO	28	17	47
H&GN RR CO	28	14	573
H&GN RR CO	28	15	46
H&GN RR CO	28	16	574
H&GN RR CO	28	2	502
H&GN RR CO	28	1	39

SURVEY	BLOCK	SECTION	ABSTRACT
HARMAN, J		312	?4
HICKMAN, S C		3	1263
HICKMAN, S C		2	1262
HICKMAN, S C		1	1261
HOLT, J W		1	1532
HT&B RR CO		1	38
HT&B RR CO		2	1520
HT&B RR CO		2	1141
HUTSON, A			37
HUTSON, E		2	1292
HUTSON, E		1	1291
LEONARD, V A		2	1213
LEONARD, V A		2	1544
LEONARD, V A		1	1212
LEONARD, V A		8	1211
LIBERTY CSL			898
MATADOR CATTLE CO	M	21	808
MATTHEWS, K J		32	1413
MATTHEWS, M J		G	1220
MEP&P RR CO		21	1545
MEP&P RR CO		22	1143
MEP&P RR CO		22	1374
MEP&P RR CO		22	?6
MEP&P RR CO		23	1458
MEP&P RR CO		24	1373
MEP&P RR CO		26	1475
MEP&P RR CO		25	491
MEP&P RR CO		24	1444
MEP&P RR CO		26	1474
MEP&P RR CO		26	1140
MEP&P RR CO		24	1218
MEP&P RR CO		14	1375
MEP&P RR CO		24	1436
MEP&P RR CO		28	1437
MEP&P RR CO		27	287
MEP&P RR CO		14	1142
MEP&P RR CO		14	1363
MEP&P RR CO		13	289
MEP&P RR CO		28	1132
MEP&P RR CO		1	284
MEP&P RR CO		2	1108
MEP&P RR CO		28	1119
MEP&P RR CO		3	283

SURVEY	BLOCK	SECTION	ABSTRACT
MEP&P RR CO		4	1156
MEP&P RR CO		7	285
MEP&P RR CO		9	288
MEP&P RR CO		8	1121
MEP&P RR CO		8	1450
MEP&P RR CO		5	286
MEP&P RR CO		6	1155
MEP&P RR CO		10	469
NORRIS, J G	H	20	1399
NORRIS, J G	4	19	1424
PERRY, J H			579
REED, R			158
ROBINSON, A		1	1299
SALLIE, S			420
SHARP, A J			1459
SMITH, R B		3	1279
SMITH, R B		3	1524
STATE OF TEXAS			9
TT RR CO		30	1497
TT RR CO		27	1309
TT RR CO		30	1145
TT RR CO		28	1047
TT RR CO		28	1498
TT RR CO		28	1510
TT RR CO		29	310
WHITE, J			159

FILED
2013 MAY 13 PM 12: 11
LINDA S. JONES
COUNTY CLERK
CROSBY CO., TX
DEPUTY

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Wake Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200-300 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently, plans are to install GE 1.7 megawatt turbines on property within the reinvestment zone in Crosby County, Texas. Wake Wind Energy estimates that approximately 210 megawatts are planned to be installed in Crosbyton CISD.

The additional improvements for the Wake Project will include but are not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations.