

**FINDINGS OF THE GLASSCOCK COUNTY
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED BY
CPV RATTLESNAKE DEN RENEWABLE
ENERGY COMPANY, LLC**



October 15, 2013

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OF THE
GLASSCOCK COUNTY INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
CPV RATTLESNAKE DEN RENEWABLE ENERGY
COMPANY, LLC**

OCTOBER 15, 2013

Board Findings of the Glasscock County Independent School District

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 Glasscock 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 2, 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 Glasscock County 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 Glasscock County 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 CPV Rattlesnake Den , over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

Board Findings of the Glasscock County Independent School District

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

Board Finding Number 1.

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

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 CPV Rattlesnake Den Renewable Energy 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 Garden City, Texas is in need of long-term improvement, based on the state's analysis of Glasscock County data.

Based on information provided by the Comptroller's Office that focused on the county level, Glasscock County is the 245th largest county in the state in terms of population. Population growth in Glasscock County is up slightly, based on these data. The population of Glasscock County increased by 0.4 percent between 2009 and 2010, whereas the state population increased 1.8 percent during the same period.

September 2011 employment for Glasscock County was unchanged from September 2010, below the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Glasscock County was 5.7 percent in September 2011, lower than the state average of 8.5 percent.

Board Findings of the Glasscock County Independent School District

Glasscock County continues to have a slightly lower per capita personal income than the state as a whole. In terms of per capita income, Glasscock County's \$38,371 in 2009 ranked 45th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The local economy in Glasscock County will benefit from economic activity like that associated with the CPV Rattlesnake Den 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 \$50,186 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. CPV Rattlesnake Den indicates that total employment will be approximately 10 new jobs, 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 those 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 Permian Basin Regional Planning Commission, where Glasscock County is located was \$45,624 in 2012. The annual average manufacturing wage for 2012-2013 for Glasscock County is not available. That same year, the county annual average wage for all industries was \$32,591. In addition to a salary of \$50,186, each qualifying position will receive benefits such as retirement and 401k plans, medical insurance, prescription plan, dental insurance, vision benefit, FlexLeave, short term disability, long term disability, life insurance, accidental death & dismemberment, flexible spending accounts, holidays, jury/witness duty, armed forces reserve leave, employee assistance program, student scholarship program, and educational assistance program.

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 \$38.75 million on the basis of the goal of 8 new qualifying positions for the entire CPV Rattlesnake Den project.

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

The project's total investment is \$310 million, resulting in a relative level of investment per qualifying job of \$38.75 million.

Board Finding Number 5.

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

Table 1 depicts CPV Rattlesnake Den Renewable Energy'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 CPV Rattlesnake Den Renewable Energy

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	10	11	21	\$620,000	\$380,000	\$1,000,000
2014	210	235	445	\$12,901,864	\$15,098,136	\$28,000,000
2015	10	20	30	\$501,864	\$2,498,136	\$3,000,000
2016	10	11	21	\$501,864	\$2,498,136	\$3,000,000
2017	10	6	16	\$501,864	\$1,498,136	\$2,000,000
2018	10	2	12	\$501,864	\$1,498,136	\$2,000,000
2019	10	0	10	\$501,864	\$498,136	\$1,000,000
2020	10	0	10	\$501,864	\$498,136	\$1,000,000
2021	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2022	10	4	14	\$501,864	\$498,136	\$1,000,000
2023	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2024	10	6	16	\$501,864	\$1,498,136	\$2,000,000
2025	10	6	16	\$501,864	\$498,136	\$1,000,000
2026	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2027	10	2	12	\$501,864	\$498,136	\$1,000,000
2028	10	4	14	\$501,864	\$498,136	\$1,000,000

Source: CPA, REMI, CPV Rattlesnake Den Renewable Energy Company, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Glasscock County ISD's ad valorem tax base in 2011-2012 was \$1.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Glasscock County ISD's estimated wealth per WADA was \$2,815,902. 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, Glasscock County, and Glasscock Groundwater Conservation District, with all property tax incentives sought being granted using estimated market value from CPV Rattlesnake Den Renewable Energy's application. CPV Rattlesnake Den Renewable Energy has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the CPV Rattlesnake Den Renewable Energy project on the region if all taxes are assessed.

Board Findings of the Glasscock County Independent School District

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Glasscock County ISD I&S Levy	Glasscock County ISD M&O Levy	Glasscock County ISD M&O and I&S Tax Levies (Before Credit Credited)	Glasscock County ISD M&O and I&S Tax Levies (After Credit Credited)	Glasscock County Tax Levy	Glasscock Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.0749	1.0171			0.2200	0.0062	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$310,000,000	\$310,000,000		\$232,190	\$3,153,010	\$3,385,200	\$3,385,200	\$272,800	\$19,285	\$3,677,285
2016	\$294,500,000	\$30,000,000		\$220,581	\$305,130	\$525,711	\$525,711	\$259,160	\$18,321	\$803,191
2017	\$279,000,000	\$30,000,000		\$208,971	\$305,130	\$514,101	\$257,051	\$245,520	\$17,357	\$519,927
2018	\$263,500,000	\$30,000,000		\$197,362	\$305,130	\$502,492	\$251,246	\$231,880	\$16,392	\$499,518
2019	\$248,000,000	\$30,000,000		\$185,752	\$305,130	\$490,882	\$245,441	\$327,360	\$15,428	\$588,229
2020	\$232,500,000	\$30,000,000		\$174,143	\$305,130	\$479,273	\$239,636	\$306,900	\$14,464	\$561,000
2021	\$217,000,000	\$30,000,000		\$162,533	\$305,130	\$467,663	\$233,832	\$286,440	\$13,500	\$533,771
2022	\$201,500,000	\$30,000,000		\$150,924	\$305,130	\$456,054	\$228,027	\$265,980	\$12,535	\$506,542
2023	\$186,000,000	\$30,000,000		\$139,314	\$305,130	\$444,444	\$222,222	\$245,520	\$11,571	\$479,313
2024	\$170,500,000	\$170,500,000		\$127,705	\$1,734,156	\$1,861,860	\$691,434	\$375,100	\$10,607	\$1,077,141
2025	\$155,000,000	\$155,000,000		\$116,095	\$1,576,505	\$1,692,600	\$1,692,600	\$341,000	\$9,643	\$2,043,243
2026	\$139,500,000	\$139,500,000		\$104,486	\$1,418,855	\$1,523,340	\$1,523,340	\$306,900	\$8,678	\$1,838,918
2027	\$124,000,000	\$124,000,000		\$92,876	\$1,261,204	\$1,354,080	\$1,354,080	\$272,800	\$7,714	\$1,634,594
2028	\$108,500,000	\$108,500,000		\$81,267	\$1,103,554	\$1,184,820	\$1,184,820	\$238,700	\$6,750	\$1,430,270
						Total	\$12,034,638	\$3,976,060	\$182,244	\$16,192,942

Assumes School Value Limitation and Tax Abatements from the County.

Source: CPA, CPV Rattlesnake Den Renewable Energy Company, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Glasscock County ISD I&S Levy	Glasscock County ISD M&O Levy		Glasscock County ISD M&O and I&S Tax Levies	Glasscock County Tax Levy	Glasscock Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.0749	1.0171			0.2200	0.0062	
2014	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
2015	\$310,000,000	\$310,000,000		\$232,190	\$3,153,010		\$3,385,200	\$682,000	\$19,285	\$4,086,485
2016	\$294,500,000	\$294,500,000		\$220,581	\$2,995,360		\$3,215,940	\$647,900	\$18,321	\$3,882,161
2017	\$279,000,000	\$279,000,000		\$208,971	\$2,837,709		\$3,046,680	\$613,800	\$17,357	\$3,677,837
2018	\$263,500,000	\$263,500,000		\$197,362	\$2,680,059		\$2,877,420	\$579,700	\$16,392	\$3,473,512
2019	\$248,000,000	\$248,000,000		\$185,752	\$2,522,408		\$2,708,160	\$545,600	\$15,428	\$3,269,188
2020	\$232,500,000	\$232,500,000		\$174,143	\$2,364,758		\$2,538,900	\$511,500	\$14,464	\$3,064,864
2021	\$217,000,000	\$217,000,000		\$162,533	\$2,207,107		\$2,369,640	\$477,400	\$13,500	\$2,860,540
2022	\$201,500,000	\$201,500,000		\$150,924	\$2,049,457		\$2,200,380	\$443,300	\$12,535	\$2,656,215
2023	\$186,000,000	\$186,000,000		\$139,314	\$1,891,806		\$2,031,120	\$409,200	\$11,571	\$2,451,891
2024	\$170,500,000	\$170,500,000		\$127,705	\$1,734,156		\$1,861,860	\$375,100	\$10,607	\$2,247,567
2025	\$155,000,000	\$155,000,000		\$116,095	\$1,576,505		\$1,692,600	\$341,000	\$9,643	\$2,043,243
2026	\$139,500,000	\$139,500,000		\$104,486	\$1,418,855		\$1,523,340	\$306,900	\$8,678	\$1,838,918
2027	\$124,000,000	\$124,000,000		\$92,876	\$1,261,204		\$1,354,080	\$272,800	\$7,714	\$1,634,594
2028	\$108,500,000	\$108,500,000		\$81,267	\$1,103,554		\$1,184,820	\$238,700	\$6,750	\$1,430,270
						Total	\$31,990,140	\$6,444,900	\$182,244	\$38,617,284

Source: CPA, CPV Rattlesnake Den Renewable Energy Company, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$310 million to the tax base for debt service purposes at the peak investment level for the 2015-16 school year. The CPV Rattlesnake Den project remains fully taxable for debt services taxes, with Glasscock County ISD recently adopting a \$0.0549 per \$100 I&S rate. While the value of the CPV Rattlesnake Den project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add to the District's I&S tax base.

Board Finding Number 7.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the CPV Rattlesnake Den 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 Glasscock County ISD as stated in **Attachment D**.

Board Finding Number 8.

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

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

According to CPV Rattlesnake Den Renewable Energy's application, "CPV REC is currently evaluating which of its development projects it will invest in and move development/construction forward in 2013/2014. In addition to CPV Rattlesnake Den, CPV REC is in late stage development of wind projects in Kansas, Mexico and

Board Findings of the Glasscock County Independent School District

Canada. Also, CPV Power Development Inc., CPV REC's sister company that develops thermal power generation projects, is seeking investment to move forward with the construction of two large thermal generation projects in New Jersey and Maryland. Obtaining an appraised value limitation on qualified property is crucial to the decision to move the Rattlesnake Den Project forward. The absence of the tax benefit from the value limitation renders the project unable to compete economically in the ERCOT market and thus unable to obtain a commercial contract. CPV requires a commercial contract to obtain financing to construct the Project."

Board Finding Number 9.

During the past two years, seven projects in the Permian Basin Regional Planning Commission applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

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

Board Finding Number 11.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty 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 Glasscock County ISD is \$370.6 million. Glasscock County ISD 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. Glasscock County ISD is classified as a "rural" district due to its population characteristics. Given that the value of industrial property

Board Findings of the Glasscock County Independent School District

in Glasscock County ISD is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32034811342) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 13.

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

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

Board Finding Number 14.

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

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Glasscock County 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 Glasscock County Independent School District.

Board Findings of the Glasscock County Independent School District

Dated the 15th day of October 2013.

GLASSCOCK COUNTY INDEPENDENT SCHOOL DISTRICT

By: Andrew Wheeler
Andrew Wheeler, President, Board of Trustees

ATTEST:

By: Carl D Hoelscher
Carl Hoelscher, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

October 15, 2013

President and Members
Board of Trustees
Glasscock County Independent School District
P.O. Box 9
Garden City, Texas 79739

Re: Recommendations and Findings of the firm Concerning Application of CPV Rattlesnake Den Renewable Energy Company, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Wheeler 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 Glasscock County Independent School District, with respect to the pending Application of CPV Rattlesnake Den Renewable Energy Company, 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 CPV Rattlesnake Den Renewable Energy Company, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

LESLIE McCOLLOM

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

JUSTIN DEMERATH

October 15, 2013

President and Members
Of the Board of Trustees
Glasscock County Independent School District
P. O. Box 9
Garden City, Texas 79739

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

Dear President Wheeler 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 Jacksboro Independent School District, with respect to the pending Application of CPV Rattlesnake Den Renewable Energy Company, 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 CPV Rattlesnake Den Renewable Energy Company, 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 CPV Rattlesnake Den Renewable Energy Company, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment A

Application

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

July 31, 2013

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Amended Application to the Glasscock County Independent School District from
CPV Rattlesnake Den Renewable Energy Company, LLC

To the Local Government Assistance & Economic Analysis Division:

In response to the deficiency letter dated July 29, 2013 from the Comptroller's Office, the Applicant CPV Rattlesnake Den Renewable Energy Company, LLC submitted an amended Application for an Appraised Value Limitation on Qualified Property. The Application has been re-determined to be complete by the school district on July 31, 2013.

The Amended Application specifically addresses all items listed in Attachment A to the deficiency letter. Specifically:

1. Page 5-The NAICS code provided was the 2012 code for Power Generation, Wind Electric. The Amended Application now also shows the 1997 NAICS for Other Electric Power Generation.
2. Attachment 3. In addition to the combined group information provided originally, the Applicant has included a copy of the Texas Franchise Tax Extension Affiliate List.
3. Attachment 7- The Applicant has provided an expanded view of the map to demonstrate the relationship of the project to the County. Also included is a Google Earth view of the project site. In addition, the Applicant has provided a map that shows an overlay of the reinvestment zone over the project site. The school district is county wide; the district boundaries and county boundaries are contiguous.
4. Attachment 10-The land description that was provided in response to the description of Qualified Property-Land has been renamed as Attachment 10.

5. Attachment 21-See No. 3 above. In addition, the Applicant has provided an expanded view of the reinvestment zone to demonstrate its location in relation to the County.
6. Attachment 24-Attached.

Please note, no construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement. There is no existing property for this project.

In addition to the items referenced in the deficiency letter, the Applicant has revised the wage information to reflect the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is above the required statutory minimums.

The Applicant has maintained its request to keep confidential the preliminary layout which shows the specific planned location of the turbines. Those items have been submitted separately with a letter detailing the nature of the claim of confidentiality. In order to avoid the inadvertent disclosure of those items, they have not been transmitted electronically with this letter. Please keep these materials segregated from the remainder of the application, and please do not publish these items.

A paper and electronic copy of the application and the segregated confidential materials will be hand delivered to your office. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Glasscock County Appraisal District.

Please feel free to contact me with questions.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Glasscock County Appraisal District

CPV Rattlesnake Den Renewable Energy Company, LLC

Johnny Tubb, Glasscock County ISD



Application for Appraised Value Limitation on Qualified Property

By: CPV Rattlesnake Den
Renewable Energy Company, LLC

To: Glasscock County
Independent School District

June 3, 2013



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

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

This notice must include:

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district 6-10-13
First Name Johnny	Last Name Tubb	
Title Superintendent		
School District Name Glasscock County Independent School District		
Street Address PO Box 9		
Mailing Address PO Box 9		
City Garden City	State TX	ZIP 79739-0009
Phone Number (432) 354-2230	Fax Number (432) 354-2503	
Mobile Number (optional)	E-mail Address jhtubb@gckats.net	

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

Will consultant be primary contact? Yes No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

Bob Popinski
First Name Last Name

Consultant

Moak Casey & Associates

400 W 15th ST, Suite 1410

400 W 15th ST, Suite 1410

Austin TX 78701

(512) 485-7878 (512) 485-7888

bpopinski@moakcasey.com

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

Signature (Authorized School District Representative) Date 06/10/13

Has the district determined this application complete? Yes No

6/14/13 redetermined complete as of 7/31/13

If yes, date determined complete.

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Robert		Last Name Mastria	
Title Manager			
Organization CPV Rattlesnake Den Renewable Energy Company, LLC			
Street Address 50 Braintree Hill Office Park, Suite 300			
Mailing Address 50 Braintree Hill Office Park, Suite 300			
City Braintree		State MA	ZIP 02184
Phone Number 781-952-1147		Fax Number 781-848-5804	
Mobile Number (optional) 781-635-7613		Business e-mail Address rmastria@cpv.com	

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

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

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

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

Will consultant be primary contact? Yes No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Business email Address			

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

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

Signature (Authorized Business Representative (Applicant))

Date

5/30/2013

GIVEN under my hand and seal of office this 30th day of May, 2013

Notary Public, State of Massachusetts

(Notary Seal)



My commission expires

12/17/15

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)?

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)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

CPV Rattlesnake Den Renewable Energy Company, LLC

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

32034811342

NAICS code

221115 (2012 NAICS) 221119 (1997 NAICS)

Is the applicant a party to any other Chapter 313 agreements?

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

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

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)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

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

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

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

Are you requesting that any of the land be classified as qualified investment? Yes 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)

Please see Checklist Item 4 attachment

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

Please see Checklist Item 4 attachment

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Fourth Quarter 2013 Begin Hiring New Employees Second Quarter 2014
Construction Complete Fourth Quarter 2014 Fully Operational Fourth Quarter 2014
Purchase Machinery & Equipment Third Quarter 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? Second Quarter 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.)

CPV Rattlesnake Den Renewable Energy Company, LLC has executed a Tax Abatement Agreement with Glasscock County. Please refer to Schedule D: Other Tax Information for tax abatement percentages.

THE PROPERTY

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

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

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

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

County: Glasscock County (100%) City: _____
(Name and percent of project) (Name and percent of project)

Hospital District: _____ Water District: Glasscock Groundwater Conservation District (100%)
(Name and percent of project) (Name and percent of project)

Other (describe): Glasscock County ISD (100%) Other (describe): _____
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No
 If not, please provide additional information on the project scope and size to assist in the economic analysis.



INVESTMENT

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$30,000,000.00

What is the amount of appraised value limitation for which you are applying? \$30,000,000.00

What is your total estimated qualified investment? \$310,000,000.00

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

What is the anticipated date of application approval? December, 2013

What is the anticipated date of the beginning of the qualifying time period? December, 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? \$310,000,000.00

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

Attach the following items to this application:

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

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] 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? [X] 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? [X] Yes [] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] 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? [X] Yes [] No

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

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] 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 [X] 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? See Attachment Qualified Property - Land

Will the applicant own the land by the date of agreement execution? [] Yes [X] No

Will the project be on leased land? [] Yes [X] No *

* - The Project will be located on land in which we have a possessory interest in the form of an easement.

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

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

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

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

Total number of new jobs that will have been created when fully operational 10

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

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

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

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is \$689.43
 110% of the county average weekly wage for manufacturing jobs in the county is no data available
 110% of the county average weekly wage for manufacturing jobs in the region is \$965.12

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? \$50,186.40

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$50,186.40

- 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? 100%

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

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

Please see Checklist Item 15 attachment

ECONOMIC IMPACT

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No
- Is Schedule A completed and signed for all years and attached? Yes No
- Is Schedule B completed and signed for all years and attached? Yes No
- Is Schedule C (Application) completed and signed for all years and attached? Yes No
- Is Schedule D completed and signed for all years and attached? Yes No

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	N/A
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	See 06
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	See 07
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	See 07
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	N/A
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	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

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

Schedule A (Rev. Jan. 2010): Investment

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 qualify- ing 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 appli- cation with district (neither qualified property nor eligible to become qualified investment)							 	
	Investment made after filing complete appli- cation 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)								
	Complete tax years of qualifying time period	1							
		2							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3						 	
		4							
		5							
		6							
		7							
		8							
		9							
		10							
Credit Settle-Up Period	Continue to Maintain Viable Presence	11							
		12							
		13							
Post- Settle-Up Period		14							
Post- Settle-up Period		15							

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

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

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

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

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____



Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name _____

ISD Name _____

						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								
	Complete tax years of qualifying time period	1								
		2								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

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.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____



Schedule C - Application: Employment Information

Applicant Name _____

ISD Name _____

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs	Column D: Average annual wage rate for all new jobs.	Qualifying Jobs	
					Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)		Column E: Number of quali- fying jobs appli- cant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre- year 1								
Complete tax years of quality- ing time period		1								
		2								
		3								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

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 _____

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

Applicant Name _____

ISD Name _____

					Sales Tax Information		Franchise Tax	Other Property Tax AbateMENTS Sought				
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
		Year	School Year (YYYY)	Tax/Calendar Year (YYYY)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Complete tax years of qualifying time period	1										
		2										
		3										
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4										
		5										
		6										
		7										
		8										
		9										
		10										
Credit Settle-Up period	Continue to Maintain Viable Presence	11										
		12										
		13										
Post- Settle-Up Period		14										
Post- Settle-Up Period		15										

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____

Qualified Property - Land

CPV Rattlesnake Den Renewable Energy Company, LLC

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 321 or as an enterprise zone under Government Code Chapter 2303? **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?

The majority of the land on which the CPV Rattlesnake Den Project will be built is located in Glasscock County Reinvestment Zone -4 which was approved via an Order of The Commissioner's Court of Glasscock County, Texas on June 28, 2011. Reinvestment Zone -4 encompasses sixty (60) sections in Glasscock County.

The Project is working with Glasscock County to create another reinvestment zone for four (4) sections of land. The new reinvestment zone is being requested and presented at The Commissioner's Court of Glasscock County, Texas meeting on June 10, 2013 and is expected to be approved in June 2013.

Once the new reinvestment zone is approved the entire project will be located within a reinvestment zone.

The property descriptions of the land included in Reinvestment Zone -4 and currently under consideration for designation as a reinvestment zone are as follows:

T. & P. R.R. Co., Block 34, Township 4-S

Sections 31, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47, 48

T. & P. R.R. Co., Block 33, Township 5-S

Sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43, 44

T. & P. R.R. Co., Block 35, Township 4-S

Sections 37, 48

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 and Contact Information

CPV Rattlesnake Den Renewable Energy Company, LLC

Please attach documentation of the combined group membership and contact information.

Entity Name	Contact Information
Competitive Power Ventures, Inc.	8403 Colesville Road, Suite 915 Silver Spring, MD 20910 (240) 723-2300
CPV Renewable Energy Company, Inc.	8403 Colesville Road, Suite 915 Silver Spring, MD 20910 (240) 723-2300
CPV Power Development, Inc.	8403 Colesville Road, Suite 915 Silver Spring, MD 20910 (240) 723-2300

Checklist Item 3

2D52B4 3.000

TX2013

Ver. 4.0

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

Texas Franchise Tax Extension Affiliate List

■ **Tcode** 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

510402836

2013

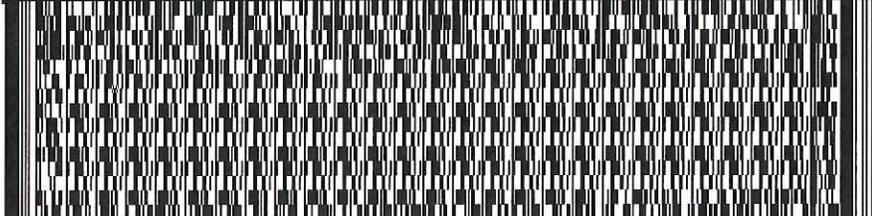
COMPETITIVE POWER VENTURES, INC. AND AFFILIAT

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER <small>(If none, enter FEI number)</small>	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. CPV RENEWABLE ENERGY COMPANY, INC.	260325098	■ <input type="checkbox"/>
2. CPV POWER DEVELOPMENT, INC.	522306411	■ <input type="checkbox"/>
3.		■ <input type="checkbox"/>
4.		■ <input type="checkbox"/>
5.		■ <input type="checkbox"/>
6.		■ <input type="checkbox"/>
7.		■ <input type="checkbox"/>
8.		■ <input type="checkbox"/>
9.		■ <input type="checkbox"/>
10.		■ <input type="checkbox"/>
11.		■ <input type="checkbox"/>
12.		■ <input type="checkbox"/>
13.		■ <input type="checkbox"/>
14.		■ <input type="checkbox"/>
15.		■ <input type="checkbox"/>
16.		■ <input type="checkbox"/>
17.		■ <input type="checkbox"/>
18.		■ <input type="checkbox"/>
19.		■ <input type="checkbox"/>
20.		■ <input type="checkbox"/>
21.		■ <input type="checkbox"/>

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



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



7001

Checklist Item 4

Project Description

CPV Rattlesnake Den Renewable Energy Company, LLC

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.

CPV Rattlesnake Den Renewable Energy Company, LLC is developing the CPV Rattlesnake Den wind project (the "Project"). The Project will generate clean electricity from the wind and will utilize equipment such as wind turbine generators, towers, foundations, transformers, electrical collection and transmission lines, associated ancillary equipment and meteorological equipment to collect data on wind speed, wind direction, temperature, pressure and humidity which will be used to test the performance of the Project. The Project is expected to consist of up to 118 wind turbine generators with a name plate capacity of 1.7 MW each. The Project expects to commence construction in the fourth quarter of 2013 and achieve commercial operation by the end of 2014. All of the property for which the Project is applying for a limitation on appraised value will be owned by the Project.

The Project is completely located within Glasscock County and completely within the Glasscock County Independent School District which will house 100% of the qualified investment. Most of the Project is located within Reinvestment Zone – 4; however, the Project has requested that an additional reinvestment zone be established which will encompass four sections of property. Once the new reinvestment zone is established, the Project will be entirely located in reinvestment zone areas. Current land use within the Project site consists of farming, ranching and oil and gas production and associated activities.

Included with Checklist Item 4 is a preliminary map of the Project turbine layout.

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

CPV Rattlesnake Den Renewable Energy Company, LLC is a joint venture of GE Energy ("GE") and CPV Renewable Energy Company, LLC ("CPV REC"). GE is the group within the General Electric conglomerate that focuses on the energy industry. GE is comprised of GE Oil & Gas, GE Energy Management and GE Power & Water. The renewable energy group, which is a worldwide leader in the manufacturing and installation of wind turbines, is under GE Power & Water. CPV REC is a subsidiary of Competitive Power Ventures Holdings, LLC, a leading North American electric power development and asset management company. CPV REC focuses on the development of wind and solar projects. CPV REC has been awarded 700 MW of power purchase agreements since 2008 and has caused approximately 550 MW of wind generation projects to be constructed and brought into operation.

CPV REC is currently evaluating which of its development projects it will invest in and move development/construction forward in 2013/2014. In addition to CPV Rattlesnake Den, CPV REC is in late stage development of wind projects in Kansas, Mexico and Canada. Also, CPV Power Development Inc., CPV REC's sister company that develops thermal power generation projects, is seeking investment to

Checklist Item 4

move forward with the construction of two large thermal generation projects in New Jersey and Maryland.

Obtaining an appraised value limitation on qualified property is crucial to the decision to move the Rattlesnake Den Project forward. The absence of the tax benefit from the value limitation renders the project unable to complete economically in the ERCOT market and thus unable to obtain a commercial contract. CPV requires a commercial contract to obtain financing to construct the Project.

Checklist Item 6

Description of Qualified Investment

CPV Rattlesnake Den Renewable Energy Company, LLC

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

Attach the following items to this application:

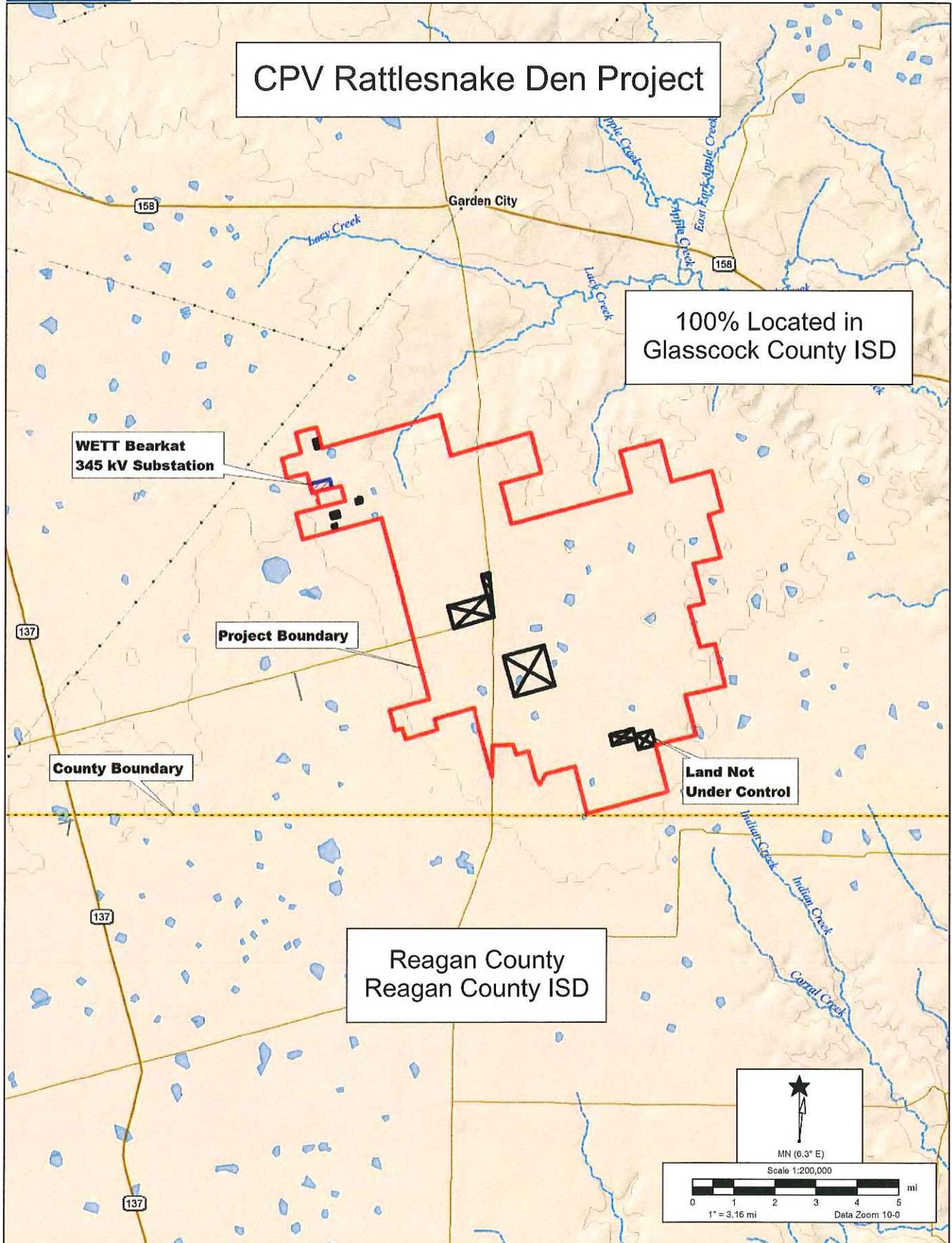
- (1) A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code§313.021,**
- (2) A description of any new buildings, proposed improvements or personal property which you intend 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.**

CPV Rattlesnake Den Renewable Energy Company, LLC plans to construct an approximately 200 MW wind powered electric generating facility (the "Project"). The Project expects to install 118 GE 1.7 MW wind turbine generators however, the exact locations of the turbines have not been finalized. The improvements the Project intends to install which would contribute to the qualified investment are:

- Wind Turbine Generators
- Turbine Foundations
- Turbine FAA Lighting
- Roads, Turnouts and Crane Pads
- Underground Electric, Communication & Data Collection System
- Electric Transformers
- Project 345 kV Substation
- Underground and/or Overhead Electric Transmission Facilities
- Interconnection Facilities
- Appurtenant Electrical Equipment
- Administration / Operations & Maintenance Building
- Equipment Spares
- Permanent and Temporary Meteorological Towers
- Any and all other equipment associated with the safe and proper operation of a wind powered electric generating facility

A map of the Project's preliminary turbine layout is included with Checklist Item 4.

The description of the qualified investment describes the qualified property.



Data use subject to license.

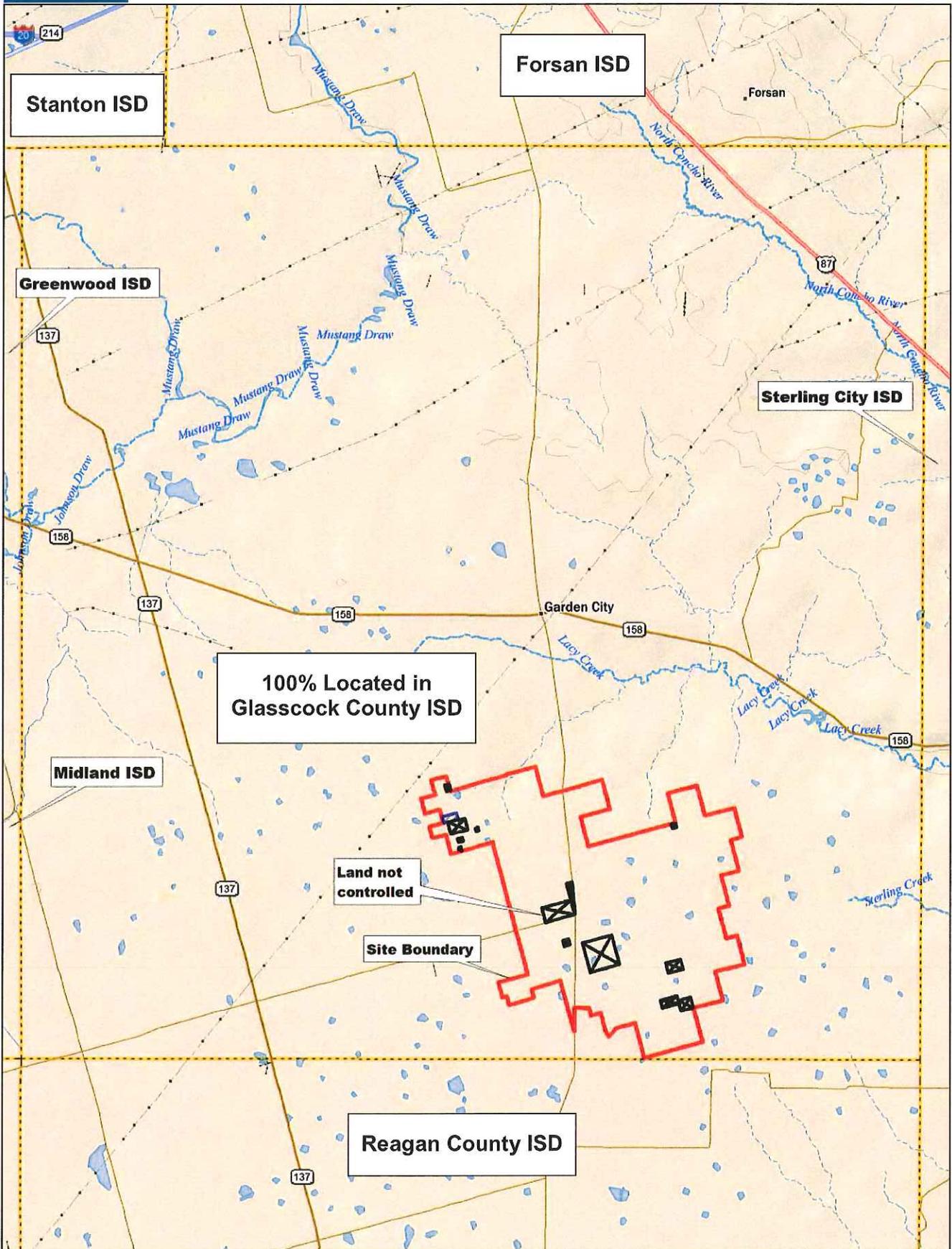
© DeLorme. XMap® 7.

www.delorme.com

Checklist Item 7
Map of Qualified Investment



XMap® 7



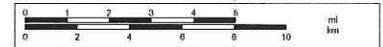
Data use subject to license.

© DeLorme. XMap® 7.

www.delorme.com



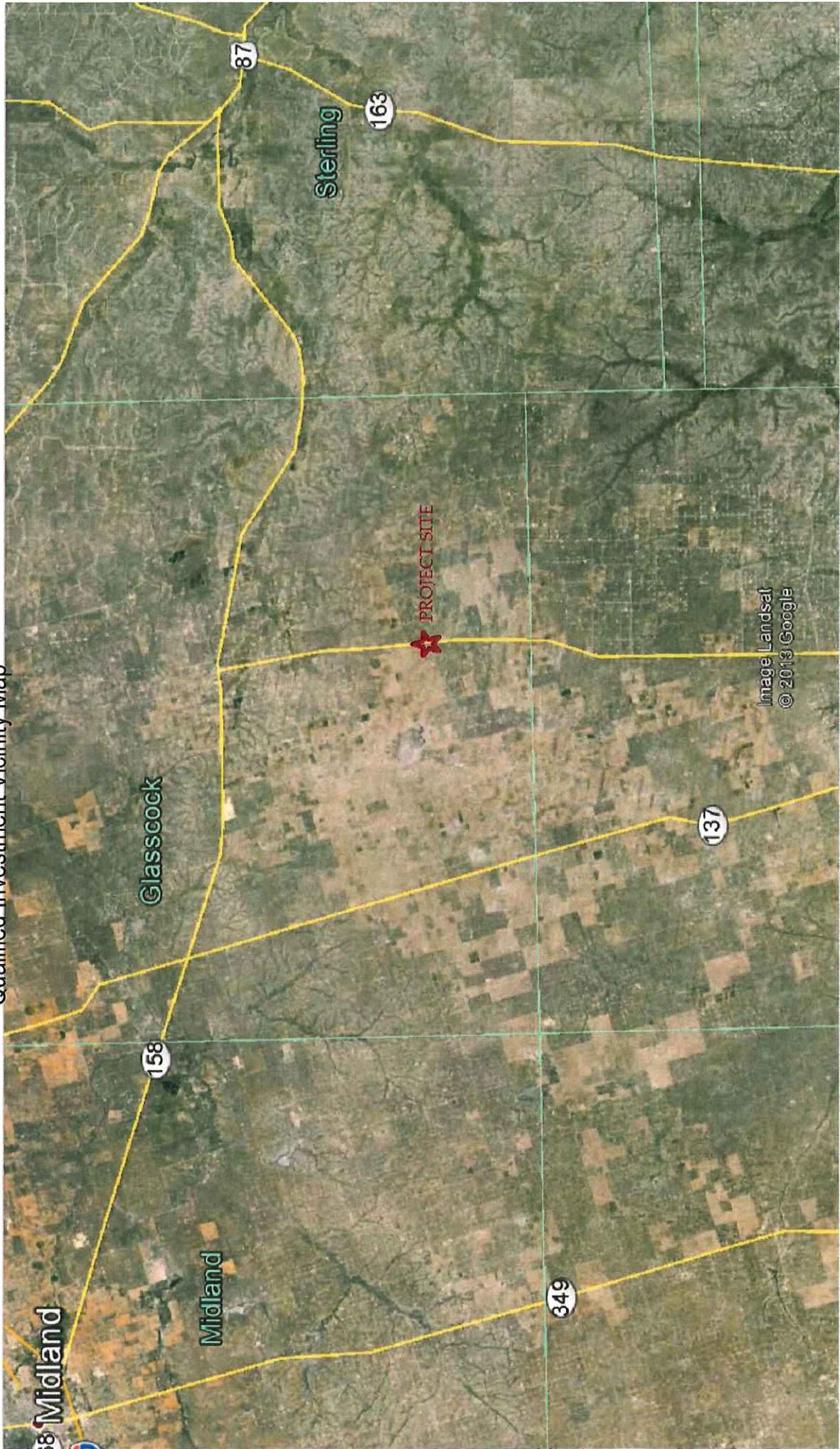
Scale 1 : 275,000

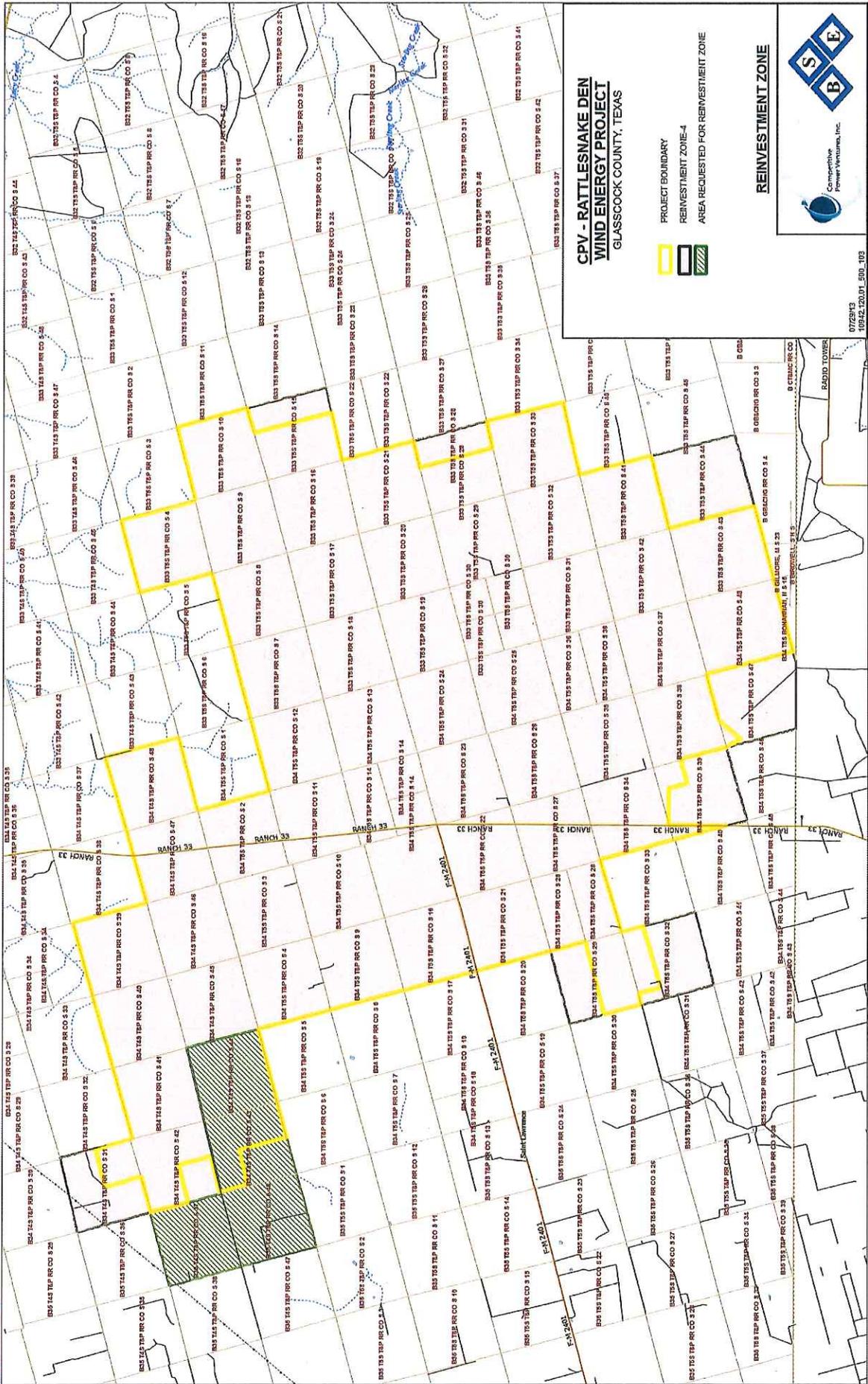


1" = 4.34 mi

Data Zoom 9-5

Checklist Item 7
Qualified Investment Vicinity Map





**CPV - RATTLESNAKE DEN
WIND ENERGY PROJECT**
GLASSCOCK COUNTY, TEXAS

PROJECT BOUNDARY
REINVESTMENT ZONE-4
AREA REQUESTED FOR REINVESTMENT ZONE

REINVESTMENT ZONE

Comprehensive
Power Systems, Inc.

07/20/15
11042, 1201, 150, 183

mi
0 1/2 1 1 1/2 2
Data Zoom 11-5



Checklist Item 10

Description of Land

CPV Rattlesnake Den Renewable Energy Company, LLC

T. & P. R.R. Co., Block 34, Township 4-S

Sections 31, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47, 48

T. & P. R.R. Co., Block 33, Township 5-S

Sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43, 44

T. & P. R.R. Co., Block 35, Township 4-S

Sections 37, 48

Checklist Item 11 - Map of Land



XMap® 8

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www.delorme.com

8674475
1042, 220, 0' - 509, 103



MIN (6.3° E)



**CPV - RATTLESNAKE DEN
WIND ENERGY PROJECT**
GLASSCOCK COUNTY, TEXAS

REINVESTMENT ZONE-4
AREA REQUESTED FOR REINVESTMENT ZONE
GLASSCOCK COUNTY ISD
REAGAN COUNTY ISD

REINVESTMENT ZONE

Checklist Item 14
County and Regional Wage Calculations

	Hourly	Weekly	Annual
Glasscock County Average Wage	\$ 15.67	\$ 626.75	\$ 32,591.00
110% of Glasscock County Average Wage	\$ 17.24	\$ 689.43	\$ 35,850.10
Glasscock County Avg. Mfg. Wage	No data available		
110% of Glasscock County Avg. Mfg. Wage	No data available		
Permian Basin RPC Avg. Mfg. Wage	\$ 21.93	\$ 877.38	\$ 45,624.00
110% of Permian Basin RPC Avg. Mfg. Wage	\$ 24.12	\$ 965.12	\$ 50,186.40

Glasscock County Average Weekly Wage Calc.	
2012 - 2nd Quarter	\$ 605.00
2012 - 3rd Quarter	\$ 607.00
2012 - 4th Quarter	\$ 740.00
2013 - 1st Quarter	\$ 555.00
Average	\$ 626.75

Checklist Item 14

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Glasscock County	Total All	00	0	10	Total, All Industries	\$607
2012	2nd Qtr	Glasscock County	Total All	00	0	10	Total, All Industries	\$605
2012	3rd Qtr	Glasscock County	Total All	00	0	10	Total, All Industries	\$607
2012	4th Qtr	Glasscock County	Total All	00	0	10	Total, All Industries	\$740
2013	1st Qtr	Glasscock County	Total All	00	0	10	Total, All Industries	\$555

Checklist Item 14

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2013

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

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

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

Data intended for TAC 313 purposes only.

Checklist Item 15

Description of Benefits

CPV Rattlesnake Den Renewable Energy Company, LLC

Describe each type of benefits to be offered to qualifying jobholders.

The following benefits will be offered to all full time employees with CPV Rattlesnake Den Renewable Energy Company, LLC.

- Retirement and 401k Plans
- Medical Insurance
- Prescription Plan
- Dental Insurance
- Vision Benefit
- FlexLeave
- Short Term Disability
- Long Term Disability
- Life Insurance
- Accidental Death & Dismemberment
- Flexible Spending Accounts
- Holidays
- Jury/Witness Duty
- Armed Forces Reserve Leave
- Employee Assistance Program
- Student Scholarship Program
- Educational Assistance Program

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: CPV Rattlesnake Den Renewable Energy Company, LLC
 ISD Name: Glasscock County 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)			\$ -	\$ -		\$ -	\$ -	
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2013-2014	2013	\$ -		\$ -	\$ -	
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)				\$ -		\$ -	\$ -	
	Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014-2015	2014	\$ 1,000,000.00	\$ -	\$ -	\$ -
			2	2015-2016	2015	\$ 307,800,000.00	\$ 1,200,000.00	\$ -	\$ 309,000,000.00
			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	\$ -	\$ -	\$ -	\$ -
			11	2024-2025	2024	\$ -	\$ -	\$ -	\$ -
			12	2025-2026	2025	\$ -	\$ -	\$ -	\$ -
		13	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	
		14	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	
		15	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	
Credit Settle-Up Period	Continue to Maintain Viable Presence			\$ -	\$ -	\$ -	\$ -	\$ -	
	Post-Settle-Up Period			\$ -	\$ -	\$ -	\$ -	\$ -	
Post-Settle-Up Period	Post-Settle-Up Period			\$ -	\$ -	\$ -	\$ -	\$ -	
	Post-Settle-Up Period			\$ -	\$ -	\$ -	\$ -	\$ -	

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

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

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

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

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 6-3-13

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
CPV Rattlesnake Den Renewable Energy Company, LLC

Form 50-296

Applicant Name
ISD Name

Glasscock County, ISD

Year	Tax Year (Fill in actual tax year) YYYY	School Year (YYYY-YYYY)	Qualified Property			Reductions from Market Value		Estimated Taxable Value	
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O - after all reductions	
pre-year 1	2013	2013-2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	2014	2014-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2015	2015-2016	\$ -	\$ 1,200,000	\$ 308,800,000	\$ -	\$ 310,000,000	\$ 310,000,000	\$ 310,000,000
3	2016	2016-2017	\$ -	\$ 1,140,000	\$ 293,360,000	\$ -	\$ 294,500,000	\$ 294,500,000	\$ 30,000,000
4	2017	2017-2018	\$ -	\$ 1,080,000	\$ 277,920,000	\$ -	\$ 279,000,000	\$ 279,000,000	\$ 30,000,000
5	2018	2018-2019	\$ -	\$ 1,020,000	\$ 262,480,000	\$ -	\$ 263,500,000	\$ 263,500,000	\$ 30,000,000
6	2019	2019-2020	\$ -	\$ 960,000	\$ 247,040,000	\$ -	\$ 248,000,000	\$ 248,000,000	\$ 30,000,000
7	2020	2020-2021	\$ -	\$ 900,000	\$ 231,600,000	\$ -	\$ 232,500,000	\$ 232,500,000	\$ 30,000,000
8	2021	2021-2022	\$ -	\$ 840,000	\$ 216,160,000	\$ -	\$ 217,000,000	\$ 217,000,000	\$ 30,000,000
9	2022	2022-2023	\$ -	\$ 780,000	\$ 200,720,000	\$ -	\$ 201,500,000	\$ 201,500,000	\$ 30,000,000
10	2023	2023-2024	\$ -	\$ 720,000	\$ 185,280,000	\$ -	\$ 186,000,000	\$ 186,000,000	\$ 30,000,000
11	2024	2024-2025	\$ -	\$ 660,000	\$ 169,840,000	\$ -	\$ 170,500,000	\$ 170,500,000	\$ 170,500,000
12	2025	2025-2026	\$ -	\$ 600,000	\$ 154,400,000	\$ -	\$ 155,000,000	\$ 155,000,000	\$ 155,000,000
13	2026	2026-2027	\$ -	\$ 540,000	\$ 138,960,000	\$ -	\$ 139,500,000	\$ 139,500,000	\$ 139,500,000
14	2027	2027-2028	\$ -	\$ 480,000	\$ 123,520,000	\$ -	\$ 124,000,000	\$ 124,000,000	\$ 124,000,000
15	2028	2028-2029	\$ -	\$ 420,000	\$ 108,080,000	\$ -	\$ 108,500,000	\$ 108,500,000	\$ 108,500,000

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.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

6-3-13

DATE

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

Applicant Name

CPV Rattlesnake Den Renewable Energy Company, LLC

ISD Name

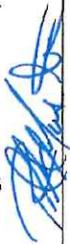
Glasscock County ISD

Form 50-296

Other Property Tax Abatements Sought

		Sales Tax Information			Franchise Tax	County	City	Hospital	Other
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	
	2013-2014	2013	\$ -	\$ 1,000,000	\$ -	0%	N/A	0%	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		1	\$ 5,000,000	\$ 304,000,000	\$ 54,320	60%	N/A	0%	
		2	\$ -	\$ -	\$ 231,322	60%	N/A	0%	
		3	\$ -	\$ -	\$ 231,322	60%	N/A	0%	
		4	\$ -	\$ -	\$ 231,322	60%	N/A	0%	
		5	\$ -	\$ -	\$ 231,322	60%	N/A	0%	
		6	\$ -	\$ -	\$ 243,132	40%	N/A	0%	
		7	\$ -	\$ -	\$ 281,614	40%	N/A	0%	
		8	\$ -	\$ -	\$ 281,614	40%	N/A	0%	
		9	\$ -	\$ -	\$ 281,614	40%	N/A	0%	
		10	\$ -	\$ -	\$ 281,614	40%	N/A	0%	
		11	\$ -	\$ -	\$ 281,614	0%	N/A	0%	
		12	\$ -	\$ -	\$ 281,614	0%	N/A	0%	
		13	\$ -	\$ -	\$ 281,614	0%	N/A	0%	
		14	\$ -	\$ -	\$ 281,614	0%	N/A	0%	
		15	\$ -	\$ -	\$ 281,614	0%	N/A	0%	

*For planning, construction and operation of the facility.

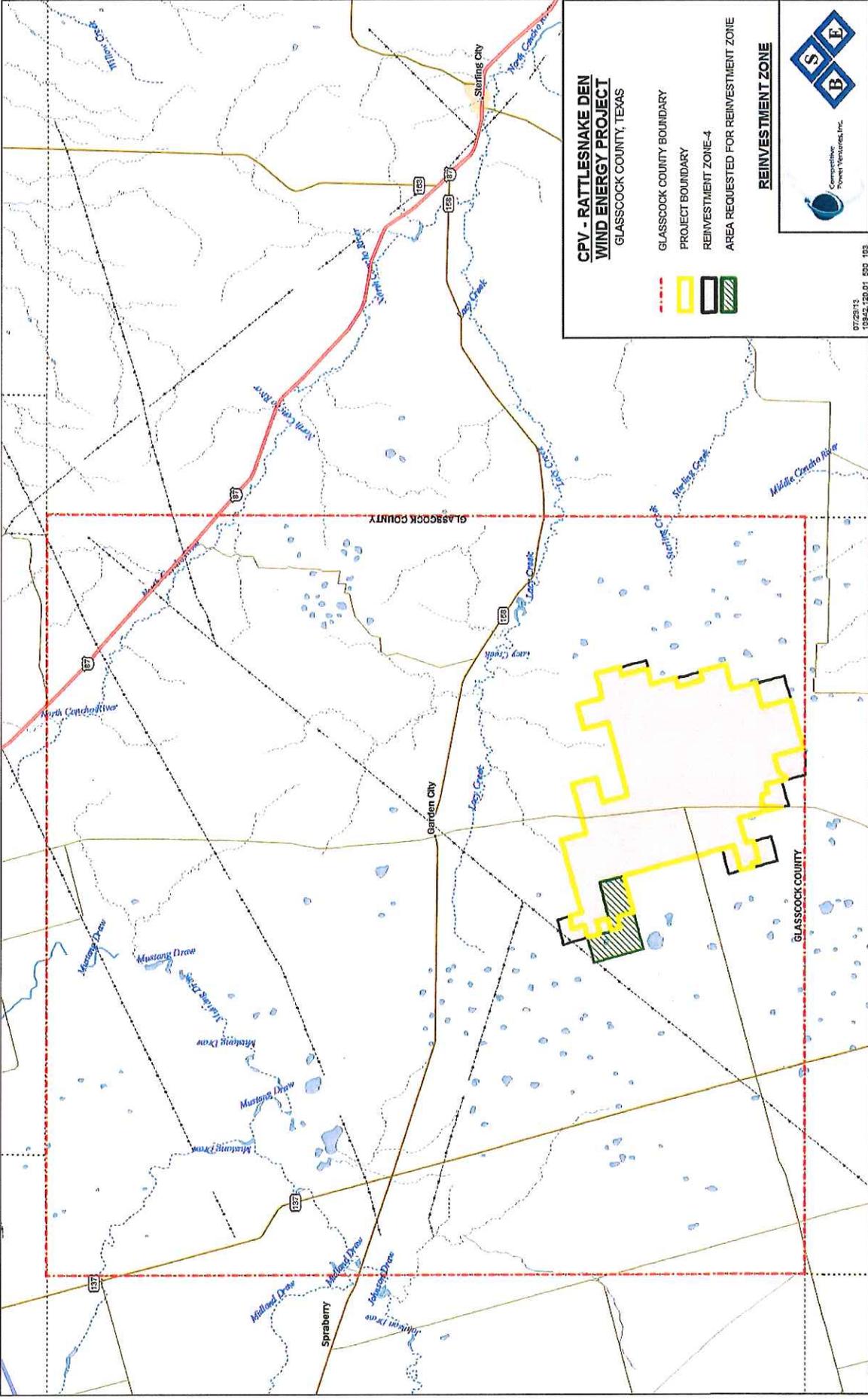


SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

6-3-13

Checklist Item 21 - Reinvestment Zone Map with Project Boundary



**CPV - RATTLESNAKE DEN
WIND ENERGY PROJECT**
GLASSCOCK COUNTY, TEXAS

- - - GLASSCOCK COUNTY BOUNDARY
- PROJECT BOUNDARY
- REINVESTMENT ZONE-4
- AREA REQUESTED FOR REINVESTMENT ZONE

REINVESTMENT ZONE

9729115
0325-12301-503-103



532

Glasscock County Commissioners Court

Notice of Public Hearing

**Tuesday, June 28, 2011 at 8:30 a.m. in the Glasscock County Courtroom,
Glasscock County Courthouse at 117 E. Currie, Garden City, Texas**

The Commissioner's Court, Glasscock County will meet in a special public hearing to consider the following items:

Creation of Reinvestment Zone

The property designated by CPV Rattlesnake Den Renewable Energy Company, LLC, is intended for use as a wind power generation facility, electrical substation, associated transmission facilities and lines, and operations facility by CPV Rattlesnake Den Renewable Energy Company, LLC, and consists of:

All the real property located in Glasscock County and contained in sections 31, 39, 40, 41, 42, 45, 46, 47 and 48, Block 34, Township 4-S, T & P RR Co. Survey, Glasscock County, Texas.

All of the real property located in Glasscock County and contained in sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47 and 48, Block 34, Township 5-S, T & P RR Co. Survey, Glasscock County, Texas.

All of the real property located in Glasscock County and contained in sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43 and 44, Block 33, Township 5-S, T & P RR Co. Survey, Glasscock County, Texas.

Jim Halffmann

FILED June 22 2011
Robert Ladd
County Clerk Glasscock County, Tex.
by: _____ Deputy



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Glasscock County
Clerks Office

Page 1 of 12

GLASSCOCK COUNTY COMMISSIONERS COURT

PUBLIC HEARING

To Consider Creation of Reinvestment Zone

Tuesday, June 28, 2011 at 8:30 A.M.

Present: Judge Kim Halfmann,
Commissioners: Jimmy Strube, Mark Halfmann, Gary Jones and Michael Hoch,
Deputy County Clerk: Suzie Hillger

Also Present: Robert A. Mastria Jr. from Competitive Power Ventures, Inc.
Steve Long
Jo Melanie Calverly

Rob Mastria Jr. gave a discussion on the proposed zone project with CPV
Rattlesnake Den Renewable Energy Co. LLC and offered to answer any questions
about the project. Commissioners reviewed the map.

Hearing ended at 8:55 A.M.



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Page 2 of 12

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GLASSCOCK COUNTY COMMISSIONER'S COURT
NOTICE OF OPEN MEETING
OF THE COMMISSIONER'S COURT OF GLASSCOCK COUNTY, TEXAS

Notice is hereby given that a Special Meeting of the Glasscock County Commissioner's Court will be held on the 28th day of June, 2011 at 9:00 a.m., at 117 E. Currie in the Courtroom, Glasscock County Courthouse, Garden City, Texas, 432-354-2639, at which time the Court will discuss/consider action on or concerning the following items, which may be considered in a different order than here presented:

Call to Order

1. Order establishing a reinvestment zone
2. Declaration of eligibility for tax abatements
3. Consider award of bid for 2011 county asphalt resurfacing and authorization for county judge to sign contract
4. Public comment
5. Announcements
6. Future agenda items
7. Order for Adjournment

Pursuant to the authority granted under Government Code, Chapter 551, the Commissioner's Court may convene a closed session to discuss any of the above agenda items. Immediately before any closed session, the specific section or sections of the Government Code which provides statutory authority will be announced. Any final actions, decisions or votes will be taken in open meeting.

Kim Halffman

FILED June 23 20 11
Rubus Ball
County Clerk Glasscock County, Tex.
by: _____ Deputy



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Clerks Office

Page 3 of 12

GLASSCOCK COUNTY COMMISSIONERS COURT
GLASSCOCK COUNTY COURTHOUSE
SPECIAL MEETING

On June 28, 2011 at 9:00 A.M. Commissioners Court of Glasscock County met at the Courthouse in Garden City, Texas. There was present and presiding County Judge Kim Halfmann; County Commissioners: Jimmy Strube, Mark Halfmann, Gary Jones and Michael Hoch. Also present County Deputy Clerk Suzie Hillger.

Gary Jones made a motion to open court and duly seconded by Michael Hoch. Unanimous.

ORDER #1-----Order establishing a reinvestment zone
Jimmy Strube made a motion to approve an order establishing a reinvestment zone, known as Reinvestment Zone -4, and duly seconded by Mark Halfmann. Unanimous
See attachment

ORDER #2-----Declaration of eligibility for tax abatements
Mark Halfmann made a motion to approve a declaration of eligibility for tax abatements within the previously established reinvestment zone and duly seconded by Gary Jones. Unanimous See attachment

ORDER #3-----Consider award of bid for 2011 county asphalt resurfacing and authorization for County Judge to sign contract
Michael Hoch made a motion to accept the Asphalt surfacing bid from Ronald R. Wagner & Co. and duly seconded by Gary Jones. Unanimous See attachment

Michael Hoch made a motion for the County Judge Kim Halfmann to sign the contract and duly seconded by Mark Halfmann. Unanimous

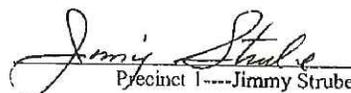
ORDER #4-----Public comment
Commissioners reviewed the plans for boundaries for redistricting. Kim Halfmann made a suggestion for a public hearing before the July meeting on this matter.

ORDER #5-----Announcements
There were no announcements.

ORDER #6-----Future Agenda items
Regular July meeting to be July 11, 2011 at 9:00 AM
Public hearing regarding redistricting at 8:30 AM on July 11, 2011, if plans can be made for necessary persons to attend.

ORDER #7-----Order for adjournment
Jimmy Strube made a motion to adjourn and duly seconded by Michael Hoch. Unanimous


County Judge Kim Halfmann


Precinct 1----Jimmy Strube


Precinct 2----Mark Halfmann


Precinct 3----Gary Jones


Precinct 4---Michael Hoch


Attested---Rebecca Batla



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Clerks Office

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Designation of	§	The Commissioners' Court
Glasscock County	§	of
Reinvestment Zone	§	Glasscock County, Texas

ORDER

**Approving Motion for Designation
of Glasscock County Reinvestment Zone**

The Commissioners' Court of Glasscock County, Texas, meeting in special session on the 28th day of June, 2011, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF GLASSCOCK COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner *Halfon* seconded by *Commissioner Strub* that the following action be taken by the court:

1. THAT Glasscock County hereby designates the property located in Glasscock County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this Order, as a Reinvestment Zone under the Glasscock County Guidelines and Criteria for Granting Tax Abatements, 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
2. THAT Glasscock County hereby certifies as correct and accurate the description and boundaries depicted on the attached Exhibits A and B; and
3. THAT Glasscock County hereby declares itself eligible to participate in tax abatements as authorized by Chapter 312 of the Texas Tax Code.
4. THAT the zone shall be called the "Reinvestment Zone-4"


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 of original filed in the
 Glasscock County
 Clerks Office
 Page 5 of 12

This ORDER shall become effective as of June 28, 2011. PASSED AND APPROVED at this public hearing of the Glasscock County Commissioners Court, at which a quorum was present, on the 28th day of June, 2011.

Kim Halfmann KIM HALFMANN, Glasscock County Judge
Jimmy Strube JIMMY STRUBE, Commissioner Precinct 1
Mark Halfmann MARK HALFMANN, Commissioner Precinct 2
Gary Jones GARY JONES, Commissioner Precinct 3
Michael Hoch MICHAEL HOCH, Commissioner Precinct 4

ATTESTED: *Rebecca Balta* Rebecca Balta, County Clerk
Deputy



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Glasscock County
Clerks Office

538

Exhibit A
Legal Description of Reinvestment Zone

T. & P. R.R. Co., Block 34, Township 4-S

Sections 31, 39, 40, 41, 42, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47, 48

T. & P. R.R. Co., Block 33, Township 5-S

Sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43, 44



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Clerks Office

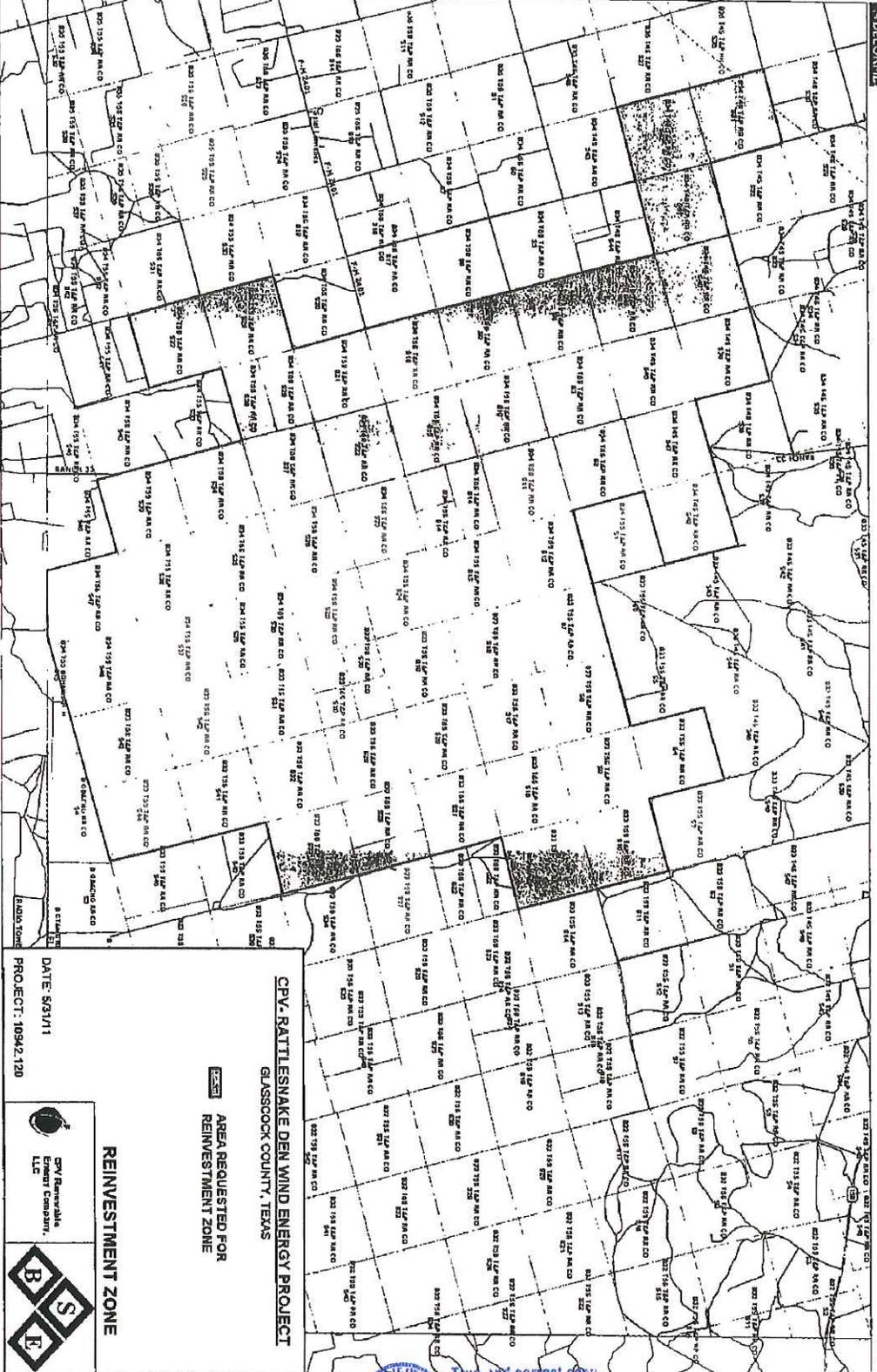
Page 7 of 12

Exhibit B
Map of Reinvestment Zone

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Glasscock County
Clerks Office
Page 8 of 12

DELORME

Checklist Items 22, 23 & 24



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CPV. RATTESNAKE DEN WIND ENERGY PROJECT
GLASSCOCK COUNTY, TEXAS

AREA REQUESTED FOR REINVESTMENT ZONE

REINVESTMENT ZONE

CPV Renewable Energy Company, LLC

DATE: 8/31/11
PROJECT: 10942.120



This is a correct copy of original filed in the Glasscock County Clerks Office

COMMISSIONERS' COURT OF GLASSCOCK COUNTY
GLASSCOCK COUNTY COURTHOUSE
GARDEN CITY, TEXAS

ORDER

The Commissioners' Court of Glasscock County, Texas, meeting in a special session on the 28th day of June, 2011, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF GLASSCOCK COUNTY, TEXAS AS FOLLOWS:

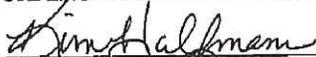
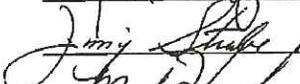
THAT the portion of Glasscock County, Texas described in Exhibit "A" attached hereto and incorporated by reference is hereby designated as a Reinvestment Zone pursuant to V.T.C.A Tax Code Section 312.001, et seq.; and

THAT the Commissioners' Court of Glasscock County, Texas finds that the designation is reasonably likely to contribute to the retention or expansion of primary employment or attract major investment in the zone that would be a benefit to the property and will contribute to the economic development of the community.

THEREFORE, in compliance with V.T.C.A. Tax Code 312 and based upon the above described findings, the Commissioners' Court of Glasscock County, Texas, hereby designate the area described in Exhibit "A" attached hereto and incorporated by reference as a Reinvestment Zone,

This order shall become effective as of June 28, 2011.

ORDERED AND ADOPTED this 28th day of June, 2011.

	_____	KIM HALFMANN, Glasscock County Judge
	_____	JIMMY STRUBE, Commissioner Precinct 1
	_____	MARK HALFMANN, Commissioner Precinct 2
	_____	GARY JONES, Commissioner Precinct 3
	_____	MICHAEL HOCH, Commissioner Precinct 4



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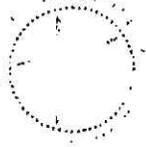
Checklist Items 22, 23 & 24

542

The foregoing Order is a true and correct copy of the actual Order passed by the Commissioners' Court in open and regular session at the Glasscock County Courthouse at 9:15 am. on the 28th day of June, 2011.

Rebecca Batla

Rebecca Batla, County Clerk
Glasscock County, Texas



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Glasscock County
Clerks Office

Page 11 of 12

Exhibit "A"

Reinvestment Zone

Adopted June 28, 2011

T. & P. R.R. Co., Block 34, Township 4-S

Sections 31, 39, 40, 41, 42, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47, 48

T. & P. R.R. Co., Block 33, Township 5-S

Sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43, 44



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of original filed in the
Glasscock County
Clerks Office

Page 12 of 12

**CERTIFIED TRUE AND CORRECT COPY CERTIFICATE
STATE OF TEXAS
COUNTY OF GLASSCOCK**

The above and foregoing is a full, true and correct photographic copy of the original record now in my lawful custody and possession, as the same is filed/recorded in the D.C.K. Records of my office, found in VOL. 15, PAGE 332.



I hereby certified on 8 Aug. 2011

REBECCA BATLA, COUNTY & DISTRICT CLERK
GLASSCOCK COUNTY, TEXAS

BY Rebecca Batla DEPUTY

Checklist Items 22, 23 & 24



**CPV RENEWABLE ENERGY
COMPANY, LLC**

May 29, 2013

The Honorable Kim Halfmann
Glasscock County Judge
P.O. Box 67
Garden City, Texas 79739

**Re: CPV Rattlesnake Den Renewable Energy Company, LLC; Glasscock County
Reinvestment Zone and Property Tax Abatement Application**

Dear Judge Halfmann:

CPV Rattlesnake Den Renewable Energy Company, LLC is pleased to submit this Application for a new reinvestment zone and request to amend the Property Tax Abatement, executed August 19, 2011 for the CPV Rattlesnake Den Project to be located in Glasscock County, Texas, to include the new reinvestment zone. The legal descriptions of the properties and a map of the requested area to be designated a reinvestment zone are attached to this application.

The CPV Rattlesnake Den Project will be constructed in phases and, depending upon market conditions, turbine availability and other factors, will consist of not less than 100 megawatts to be installed in the project area. CPV anticipates that it will commence construction in December 2013 and complete construction by the end of 2014. This is a long term investment with an expected useful life in excess of twenty years. Hundreds of workers will be employed during construction and over 12 full time jobs are expected to be created for this project.

There is enclosed herewith the required application fee of \$1,000.00, made payable to the Glasscock County Clerk. This reduction in taxes would make the CPV Rattlesnake Den Project a more economically competitive project for CPV in the electricity marketplace while still providing a revenue stream to the County during the first ten years of operation. After year ten, the property tax abatement would expire and the project would pay property taxes on the then current value of the improvements.

We look forward to working with you to bring a clean renewable wind power project to Glasscock County. The CPV Rattlesnake Den Project has been years in the making and we are excited to see it through to completion. Please let me know if you have any questions or comments about the foregoing and we look forward to working with you throughout the abatement process.

CPV

COMPETITIVE POWER
VENTURES, INC.

50 BRAINTREE HILL OFFICE PARK
SUITE 300
BRAintree, MA 02184

T/781-848-0253
F/781-848-5804
WWW.CPV.COM

Checklist Items 22, 23 & 24

Respectfully submitted,

**CPV RATTLESNAKE DEN RENEWABLE
ENERGY COMPANY, LLC**

By:  _____

Name: Robert Mastria

Title: Manager

Checklist Items 22, 23 & 24

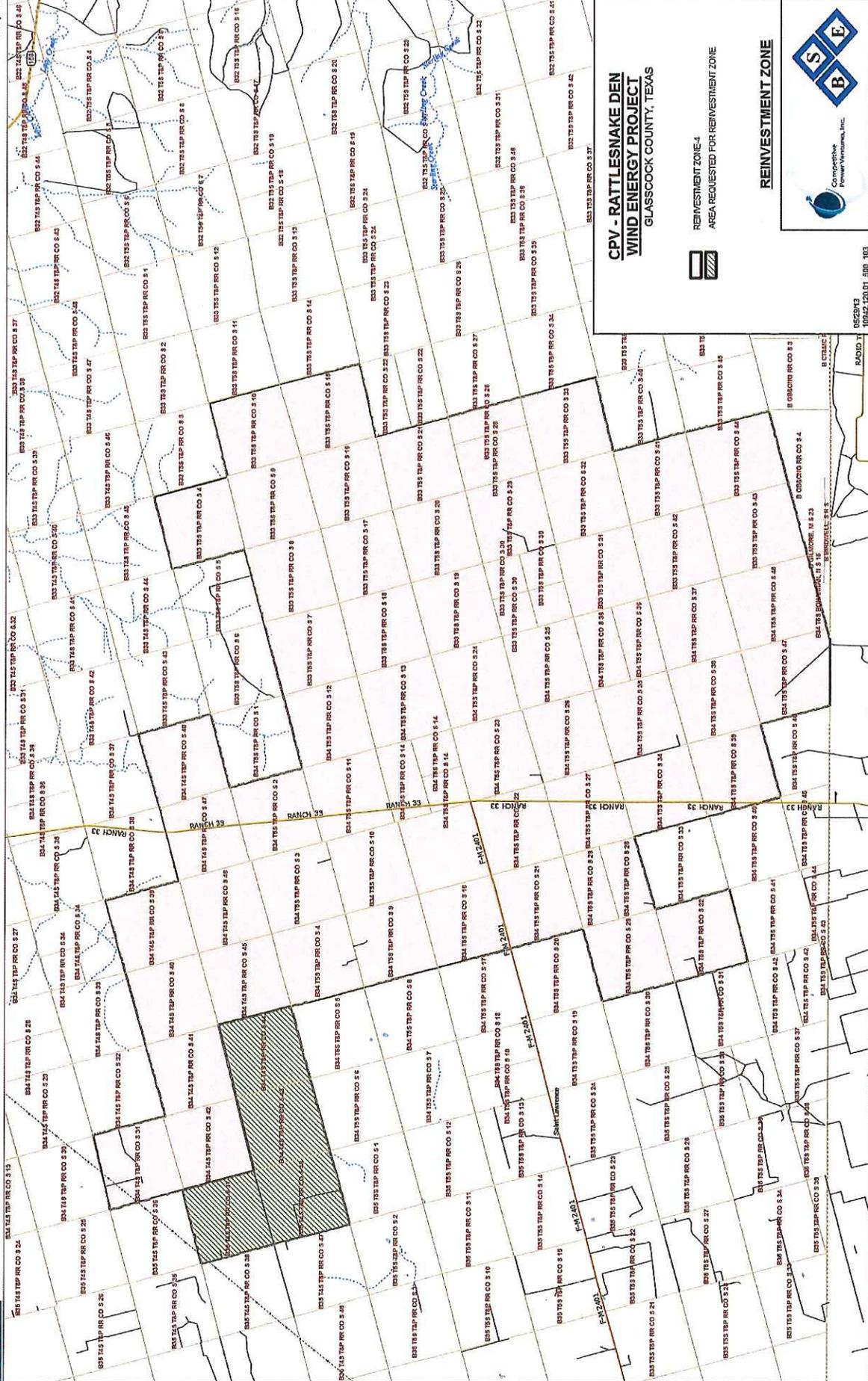
Area Requested to be Designated a Reinvestment Zone

T. & P. R.R. Co., Block 34, Township 4-S

Sections 43, 44

T. & P. R.R. Co., Block 35, Township 4-S

Sections 37, 48



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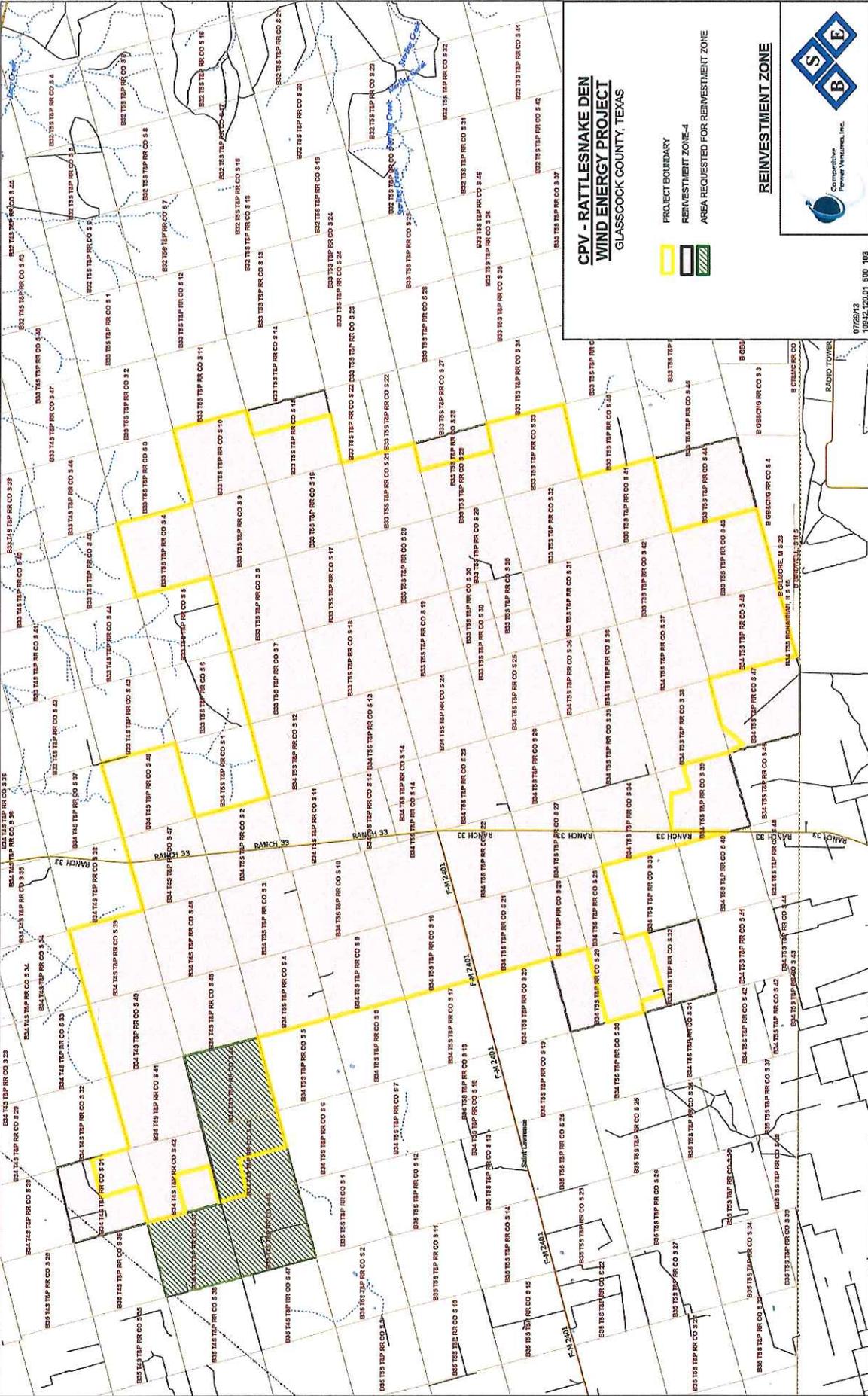
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**CPV - RATTLESNAKE DEN
 WIND ENERGY PROJECT**
 GLASSCOCK COUNTY, TEXAS

REINVESTMENT ZONE 4
 AREA REQUESTED FOR REINVESTMENT ZONE

REINVESTMENT ZONE



**CPV - RATTLESNAKE DEN
WIND ENERGY PROJECT**
GLASSCOCK COUNTY, TEXAS

-  PROJECT BOUNDARY
-  REINVESTMENT ZONE-4
-  AREA REQUESTED FOR REINVESTMENT ZONE

REINVESTMENT ZONE



Data Zoom 11.5



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Glasscock County State of Texas

Tax Abatement Guidelines and Criteria

The following Guidelines and Criteria have been adopted by the Glasscock County Commissioners Court establish a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property, except as otherwise provided. These Guidelines and Criteria are effective as of the date adopted.

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

1. Must be reasonably expected to have an increase in positive net economic benefit to Glasscock County of at least \$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) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Glasscock County to another.

In addition to the criteria set forth above, the Glasscock 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 contract 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 abatement contracts will be no longer than allowed by law.

It is the goal of Glasscock 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 Glasscock County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of the date adopted by the Glasscock County Commissioners Court and shall at all times be kept current with regard to the needs of Glasscock County and reflective of the official views of the County Commissioners Court. These Guidelines and Criteria shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Glasscock 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 1 Definitions

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Glasscock County or the City of Garden City for economic development purposes.
- B. "Agreement" means a contractual agreement between a property owner and/or lessee and Glasscock 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 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 Glasscock County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Glasscock County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- 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, or both.

- 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 a property improvement is expected to be in service in a facility.

Section 2 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 Glasscock County and the property owner or lessee, subject to such limitations as Glasscock 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 Glasscock County and the property owner or lessee, subject to such limitations as Glasscock County may require.
- D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility.
- E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: Land; supplies; tools; furnishings, and other forms of movable personal property; housing; deferred maintenance; property to be rented or leased, except as provided in Section 2 F, property which has a productive life of less than ten (10) years.
- F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.
- G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have an increase in positive net benefit to Glasscock County of at least \$1,000,000.00 over the life of the abatement agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and

2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Glasscock County to another.

H. Standards for Tax Abatement. The following factors, among others, shall 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 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 \$1,000,000.00;
9. The costs to be incurred by Glasscock County to provide facilities directly resulting from the new improvements;
10. The amount of ad valorem taxes to be paid to Glasscock 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 Glasscock 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 businesses;
15. The attraction of other new businesses to the area;
16. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
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. Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
4. Violation of other codes or laws; or
5. Any other reason deemed appropriate by Glasscock 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 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

- A. Any present or potential Owner ("Owner or "Applicant" herein) of taxable property in Glasscock County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- 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 the property; a map and property description; 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 this application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Glasscock County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be one thousand and no/100 dollars (\$1,000.00), accompanied by the agreement that the Applicant shall pay costs of publishing the statutorily required notices and reasonable attorney and consulting fees as may be incurred by Glasscock County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement.

- C. Glasscock 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 seven (7) days before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing before acting upon application, Glasscock County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced herein above, and the public the opportunity to show cause why the abatement should or should not be granted.
- D. If a city within Glasscock County designates a reinvestment zone within its corporate limits and enters into or proposes to enter 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 Glasscock County by following the same application process described in Section 3 A hereof. No other notice of hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.

Section 4 Agreement

- A. After approval, the Commissioners Court of Glasscock County shall formally pass a resolution and execute an agreement with the Owner 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 ensure 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
- B. The Owner shall also agree to the following:
1. A specified number of permanent full time jobs at facility shall be created, and the Owner and Lessee shall make reasonable efforts to employ persons who are residents of Glasscock County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.

2. Each person employed in such job shall perform a portion, if not all, of their work in Glasscock County.
3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Glasscock County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Glasscock County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individual who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Glasscock County for local contractors to perform work on the construction project.
5. Owner shall agree to maintain a viable presence (as below defined) within the Reinvestment Zone for a period of time, as set by the Glasscock County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered.
5. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Glasscock County, and to the governing body of each taxing unit, that Owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5 Recapture

- A. In the event that the Owner or its assignee:
1. Allows its ad valorem taxes owed Glasscock County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 2. Violates any of the terms and conditions of the abatement agreement and fails to cure 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 Glasscock County determine that the applicant or its assignee is in default according to the terms and conditions of its agreement, Glasscock 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 ("Cure Period") then the agreement may be terminated.

Section 6 Administration

- A. The Chief Appraiser of the Glasscock 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 Glasscock County of the amount of the assessment.
- B. Glasscock County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Glasscock County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Glasscock County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

Section 7 Assignment

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

Section 8 Sunset Provision

088

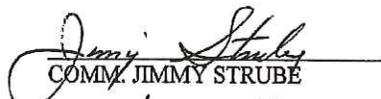
These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years unless amended by three-quarters vote of the Commissioners Court of Glasscock County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the Guidelines and Criteria will be modified, renewed, or eliminated.

ADOPTED the 10th day of June, 2013.

GLASSCOCK COUNTY COMMISSIONERS' COURT



JUDGE KIM HALFMANN



COMM. JIMMY STRUBE

COMM. MARK HALFMANN



COMM. GARY JONES



COMM. MICHAEL HOCH

Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 10/02/2013 01:30:57 PM

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

CPV RATTLESNAKE DEN RENEWABLE ENERGY COMPANY, LLC	
Texas Taxpayer Number	32034811342
Mailing Address	8403 COLESVILLE RD SILVER SPRING, MD 20910-6331
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/27/2008
Texas SOS File Number	0800944056
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Recommendation

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 2, 2013

Johnny Tubb
Superintendent
Glasscock County ISD
PO Box 9
Garden City, Texas 79739-0009

Dear Superintendent Tubb:

On August 8, 2013, the Comptroller received the completed application (Application # 303) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in June 2013 to the Glasscock County Independent School District (the school district) by CPV Rattlesnake Den Renewable Energy Company, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

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

The school district is currently classified as a rural school district in Category I 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 (\$310 million) is consistent with the proposed appraised value limitation sought (\$30 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 Glasscock County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

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

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

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

Note that any new building or other improvement existing as of the application review start date of August 8, 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	CPV Rattlesnake Den Renewable Energy Company, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Glasscock County ISD
2011-12 Enrollment in School District	281
County	Glasscock
Total Investment in District	\$310,000,000
Qualified Investment	\$310,000,000
Limitation Amount	\$30,000,000
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	\$965
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$965
Minimum Annual Wage committed to by applicant for qualified jobs	\$50,186
Investment per Qualifying Job	\$38,750,000
Estimated 15 year M&O levy without any limit or credit:	\$29,795,945
Estimated gross 15 year M&O tax benefit	\$19,955,502
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):	\$19,422,145
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$2,847,880
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$10,373,800
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	65.2%
Percentage of tax benefit due to the limitation	85.7%
Percentage of tax benefit due to the credit	14.3%

This presents the Comptroller's economic impact evaluation of CPV Rattlesnake Den Renewable Energy (the project) applying to Glasscock County 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 those 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 Permian Basin Regional Planning Commission, where Glasscock County is located was \$45,624 in 2012. The annual average manufacturing wage for 2012-2013 for Glasscock County is not available. That same year, the county annual average wage for all industries was \$32,591. In addition to a salary of \$50,186, each qualifying position will receive benefits such as retirement and 401k plans, medical insurance, prescription plan, dental insurance, vision benefit, FlexLeave, short term disability, long term disability, life insurance, accidental death & dismemberment, flexible spending accounts, holidays, jury/witness duty, armed forces reserve leave, employee assistance program, student scholarship program, and educational assistance program. The project's total investment is \$310 million, resulting in a relative level of investment per qualifying job of \$38.75 million.

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

According to CPV Rattlesnake Den Renewable Energy's application, "CPV REC is currently evaluating which of its development projects it will invest in and move development/construction forward in 2013/2014. In addition to CPV Rattlesnake Den, CPV REC is in late stage development of wind projects in Kansas, Mexico and Canada. Also, CPV Power Development Inc., CPV REC's sister company that develops thermal power generation projects, is seeking investment to move forward with the construction of two large thermal generation projects in New Jersey and Maryland. Obtaining an appraised value limitation on qualified property is crucial to the decision to move the Rattlesnake Den Project forward. The absence of the tax benefit from the value limitation renders the project unable to compete economically in the ERCOT market and thus unable to obtain a commercial contract. CPV requires a commercial contract to obtain financing to construct the Project."

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

During the past two years, seven projects in the Permian Basin Regional Planning Commission 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 CPV Rattlesnake Den Renewable Energy 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 CPV Rattlesnake Den Renewable Energy'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 CPV Rattlesnake Den Renewable Energy

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	10	11	21	\$620,000	\$380,000	\$1,000,000
2014	210	235	445	\$12,901,864	\$15,098,136	\$28,000,000
2015	10	20	30	\$501,864	\$2,498,136	\$3,000,000
2016	10	11	21	\$501,864	\$2,498,136	\$3,000,000
2017	10	6	16	\$501,864	\$1,498,136	\$2,000,000
2018	10	2	12	\$501,864	\$1,498,136	\$2,000,000
2019	10	0	10	\$501,864	\$498,136	\$1,000,000
2020	10	0	10	\$501,864	\$498,136	\$1,000,000
2021	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2022	10	4	14	\$501,864	\$498,136	\$1,000,000
2023	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2024	10	6	16	\$501,864	\$1,498,136	\$2,000,000
2025	10	6	16	\$501,864	\$498,136	\$1,000,000
2026	10	4	14	\$501,864	\$1,498,136	\$2,000,000
2027	10	2	12	\$501,864	\$498,136	\$1,000,000
2028	10	4	14	\$501,864	\$498,136	\$1,000,000

Source: CPA, REMI, CPV Rattlesnake Den Renewable Energy Company, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Glasscock County ISD's ad valorem tax base in 2011-2012 was \$1.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Glasscock County ISD's estimated wealth per WADA was \$2,815,902. 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, Glasscock County, and Glasscock Groundwater Conservation District, with all property tax incentives sought being granted using estimated market value from CPV Rattlesnake Den Renewable Energy's application. CPV Rattlesnake Den Renewable Energy has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the CPV Rattlesnake Den Renewable Energy project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Glasscock County ISD I&S Levy	Glasscock County ISD M&O Levy	Glasscock County ISD M&O and I&S Tax Levies (Before Credit Credited)	Glasscock County ISD M&O and I&S Tax Levies (After Credit Credited)	Glasscock County Tax Levy	Glasscock Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
				0.0749	1.0171			0.2200	0.0062	
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$310,000,000	\$310,000,000		\$232,190	\$3,153,010	\$3,385,200	\$3,385,200	\$272,800	\$19,285	\$3,677,285
2016	\$294,500,000	\$300,000,000		\$220,581	\$305,130	\$525,711	\$525,711	\$259,160	\$18,321	\$803,191
2017	\$279,000,000	\$30,000,000		\$208,971	\$305,130	\$514,101	\$257,051	\$245,520	\$17,357	\$519,927
2018	\$263,500,000	\$30,000,000		\$197,362	\$305,130	\$502,492	\$251,246	\$231,880	\$16,392	\$499,518
2019	\$248,000,000	\$30,000,000		\$185,752	\$305,130	\$490,882	\$245,441	\$327,360	\$15,428	\$588,229
2020	\$232,500,000	\$30,000,000		\$174,143	\$305,130	\$479,273	\$239,636	\$306,900	\$14,464	\$561,000
2021	\$217,000,000	\$30,000,000		\$162,533	\$305,130	\$467,663	\$233,832	\$286,440	\$13,500	\$533,771
2022	\$201,500,000	\$30,000,000		\$150,924	\$305,130	\$456,054	\$228,027	\$265,980	\$12,535	\$506,542
2023	\$186,000,000	\$30,000,000		\$139,314	\$305,130	\$444,444	\$222,222	\$245,520	\$11,571	\$479,313
2024	\$170,500,000	\$170,500,000		\$127,705	\$1,734,156	\$1,861,860	\$691,434	\$375,100	\$10,607	\$1,077,141
2025	\$155,000,000	\$155,000,000		\$116,095	\$1,576,505	\$1,692,600	\$1,692,600	\$341,000	\$9,643	\$2,043,243
2026	\$139,500,000	\$139,500,000		\$104,486	\$1,418,855	\$1,523,340	\$1,523,340	\$306,900	\$8,678	\$1,838,918
2027	\$124,000,000	\$124,000,000		\$92,876	\$1,261,204	\$1,354,080	\$1,354,080	\$272,800	\$7,714	\$1,634,594
2028	\$108,500,000	\$108,500,000		\$81,267	\$1,103,554	\$1,184,820	\$1,184,820	\$238,700	\$6,750	\$1,430,270
						Total	\$12,034,638	\$3,976,060	\$182,244	\$16,192,942

Assumes School Value Limitation and Tax Abatements from the County.

Source: CPA, CPV Rattlesnake Den Renewable Energy Company, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Glasscock County ISD I&S Levy	Glasscock County ISD M&O Levy	Glasscock County ISD M&O and I&S Tax Levies	Glasscock County Tax Levy	Glasscock Groundwater Conservation District Tax Levy	Estimated Total Property Taxes	
				0.0749	1.0171		0.2200	0.0062		
2014	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	
2015	\$310,000,000	\$310,000,000		\$232,190	\$3,153,010	\$3,385,200	\$682,000	\$19,285	\$4,086,485	
2016	\$294,500,000	\$294,500,000		\$220,581	\$2,995,360	\$3,215,940	\$647,900	\$18,321	\$3,882,161	
2017	\$279,000,000	\$279,000,000		\$208,971	\$2,837,709	\$3,046,680	\$613,800	\$17,357	\$3,677,837	
2018	\$263,500,000	\$263,500,000		\$197,362	\$2,680,059	\$2,877,420	\$579,700	\$16,392	\$3,473,512	
2019	\$248,000,000	\$248,000,000		\$185,752	\$2,522,408	\$2,708,160	\$545,600	\$15,428	\$3,269,188	
2020	\$232,500,000	\$232,500,000		\$174,143	\$2,364,758	\$2,538,900	\$511,500	\$14,464	\$3,064,864	
2021	\$217,000,000	\$217,000,000		\$162,533	\$2,207,107	\$2,369,640	\$477,400	\$13,500	\$2,860,540	
2022	\$201,500,000	\$201,500,000		\$150,924	\$2,049,457	\$2,200,380	\$443,300	\$12,535	\$2,656,215	
2023	\$186,000,000	\$186,000,000		\$139,314	\$1,891,806	\$2,031,120	\$409,200	\$11,571	\$2,451,891	
2024	\$170,500,000	\$170,500,000		\$127,705	\$1,734,156	\$1,861,860	\$375,100	\$10,607	\$2,247,567	
2025	\$155,000,000	\$155,000,000		\$116,095	\$1,576,505	\$1,692,600	\$341,000	\$9,643	\$2,043,243	
2026	\$139,500,000	\$139,500,000		\$104,486	\$1,418,855	\$1,523,340	\$306,900	\$8,678	\$1,838,918	
2027	\$124,000,000	\$124,000,000		\$92,876	\$1,261,204	\$1,354,080	\$272,800	\$7,714	\$1,634,594	
2028	\$108,500,000	\$108,500,000		\$81,267	\$1,103,554	\$1,184,820	\$238,700	\$6,750	\$1,430,270	
						Total	\$31,990,140	\$6,444,900	\$182,244	\$38,617,284

Source: CPA, CPV Rattlesnake Den Renewable Energy Company, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$29,795,945. The estimated gross 15 year M&O tax benefit, or levy loss, is \$19,955,502.

Attachment 3 is an economic overview of Glasscock 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.



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

September 25, 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 Rattlesnake Den Renewable Energy Company LLC project for the Glasscock County Independent School District (GCISD). 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 Rattlesnake Den Renewable Energy Company LLC project on GCISD are correct.

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

September 25, 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 Rattlesnake Den Renewable Energy Company LLC project on the number and size of school facilities in Glasscock County Independent School District (GCISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the GCISD superintendent, Thomas Weeaks, the TEA has found that the Rattlesnake Den Renewable Energy Company LLC project would not have a significant impact on the number or size of school facilities in GCISD.

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

Sincerely,

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

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Glasscock County

Population

- Total county population in 2010 for Glasscock County: 1,236 , up 0.4 percent from 2009. State population increased 1.8 percent in the same time period.
- Glasscock County was the state's 245th largest county in population in 2010 and the 158 th fastest growing county from 2009 to 2010.
- Glasscock County's population in 2009 was 64.9 percent Anglo (above the state average of 46.7 percent), 0.7 percent African-American (below the state average of 11.3 percent) and 34.1 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Glasscock County:

Economy and Income

Employment

- September 2011 total employment in Glasscock County: 601 , unchanged 0.0 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 Glasscock County unemployment rate: 5.7 percent, up from 5.4 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

- Glasscock County's ranking in per capita personal income in 2009: 45th with an average per capita income of \$38,371, up 1.3 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Glasscock County averaged \$39.39 million annually from 2007 to 2010. County total agricultural values in 2010 were up 62.0 percent from 2009. Major agriculture related commodities in Glasscock County during 2010 included:
 - Pecans ▪ Other Beef ▪ Hunting ▪ Cottonseed ▪ Cotton
- 2011 oil and gas production in Glasscock County: 3.7 million barrels of oil and 12.1 million Mcf of gas. In September 2011, there were 1338 producing oil wells and 113 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 Glasscock County during the fourth quarter 2010: \$1.26 million, up 107.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

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

- Taxable sales in Glasscock County through the fourth quarter of 2010: \$3.03 million, up 49.0 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Annual (2010)

- Taxable sales in Glasscock County during 2010: \$3.03 million, up 49.0 percent from 2009.
- Glasscock County sent an estimated \$189,309.13 (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:

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 Glasscock County based on the sales activity month of August 2011:
- Payment based on the sales activity month of August 2011 to the city of:

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 Glasscock County based on sales activity months from September 2010 through August 2011:
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

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 Glasscock County based on sales activity months through August 2011:
- Payments based on sales activity months through August 2011 to the city of:

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 Glasscock County based on sales activity in the 12 months ending in August 2011:
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

City Calendar Year-To-Date (RJ 2011)

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

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 Glasscock County based on sales activity months in 2010:
- Payment based on sales activity months in 2010 to the city of:

Property Tax

- As of January 2009, property values in Glasscock County: \$1.23 billion, down 2.0 percent from January 2008 values. The property tax base per person in Glasscock County is \$1,009,745, above the statewide average of \$85,809. About 75.2 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Glasscock County's ranking in state expenditures by county in fiscal year 2010: 252nd. State expenditures in the county for FY2010: \$1.53 million, down 0.5 percent from FY2009.
- In Glasscock County, 5 state agencies provide a total of 12 jobs and \$98,486.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - AgriLife Extension Service
 - Department of Transportation
 - Department of State Health Services
 - Texas A & M University

Higher Education

- Community colleges in Glasscock County fall 2010 enrollment:
 - None.

- Glasscock County is in the service area of the following:
 - Howard County Junior College with a fall 2010 enrollment of 4,685 . Counties in the service area include:
 - Coke County
 - Concho County
 - Dawson County
 - Glasscock County
 - Howard County
 - Irion County
 - Kimble County
 - Martin County
 - Menard County
 - Schleicher County
 - Sterling County
 - Sutton County
 - Tom Green County

- Institutions of higher education in Glasscock County fall 2010 enrollment:
 - None.

School Districts

- Glasscock County had 1 school districts with 2 schools and 274 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.)
 - Glasscock County ISD had 274 students in the 2009-10 school year. The average teacher salary was \$47,905. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED CPV
RATTLESNAKE DEN RENEWABLE ENERGY COMPANY, LLC
PROJECT ON THE FINANCES OF THE GLASSCOCK COUNTY
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

August 1, 2013

Amended Final Report

PREPARED BY



Estimated Impact of the Proposed CPV Rattlesnake Den Renewable Energy Company, LLC Project on the Finances of the Glasscock County Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

The CPV Rattlesnake Den Renewable Energy Company, LLC (CPV Rattlesnake Den) has requested that the Glasscock County Independent School District (GCISD) 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 GCISD on June 10, 2013, CPV Rattlesnake Den proposes to invest \$310 million to construct a new wind renewable energy electric generation project in GCISD.

The CPV Rattlesnake Den 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, GCISD may offer a minimum value limitation of \$30 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 \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with GCISD currently levying a \$0.075 per \$100 I&S tax rate. The full value of the investment is expected to reach \$310 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement. At that level, the project represents approximately a 10 percent increase to the District's base I&S taxable values.

In the case of the CPV Rattlesnake Den project, the agreement will call 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. GCISD would experience a revenue loss as a result of the implementation of the value limitation beginning in the 2016-17 school year, with an estimated revenue loss of \$533,357 over the eight value-limitation years.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$19.4 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 period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 of 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 GCISD, it is now classified as a formula school district, although it is subject to a significant amount of recapture. The estimates below suggest the District will receive some level of ASATR support until it expires in the 2017-18 school year under current law.

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 CPV Rattlesnake Den 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 underlying base property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding, the 92.63 percent reduction enacted for the 2013-14 school year remains in place 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. In addition to the underlying tax base, Chapter 313 agreements approved previously by the GCISD Board of Trustees are also factored into these estimates. These include an Airtricity wind project and two gas manufacturing plants operated by Crosstex Permian and DCP Midstream, respectively.

The projected taxable values of the CPV Rattlesnake Den project are later factored into the base model used here, primarily to simulate the financial impact of the project being fully taxed in the absence of a value limitation. The impact of the limitation value for the proposed CPV Rattlesnake Den project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 271 students in average daily attendance (ADA) in analyzing the effects of the CPV Rattlesnake Den project on the finances of GCISD. The District's underlying local tax base reached \$3.25 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.0171 per \$100 is used throughout this analysis. GCISD has estimated state property wealth per weighted ADA or WADA of approximately \$5.9 million for the 2013-14 school year, which classifies GCISD as a wealthy school district subject to substantial recapture at its compressed tax rate. 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 GCISD 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 the case of GCISD, the access to tax effort not subject to recapture is far more beneficial than the guarantee provided under the Austin yield.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed CPV Rattlesnake Den 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 CPV Rattlesnake Den value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, GCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$105,583), with similar losses for each of the seven remaining limitation years. The revenue reduction results from the mechanics of the up to six cents of tax effort beyond the compressed M&O tax rate that are not subject to recapture.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.63 percent adjustment adopted for the 2013-14 school year, although it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2013 statement of legislative intent.

Nearly all of the loss in M&O taxes associated with the value limitation is offset by reduced recapture costs for the eight value-limitation years. This information is detailed in Table 4. While a small amount of ASATR funding would contribute to reducing the M&O revenue loss in the 2016-17 school year, an annual reduction in recapture costs is the major contributing factor.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state value determinations are 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 \$1.017 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 \$17.1 million over the life of the agreement. In addition, CPV Rattlesnake Den would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$2.8 million over the life of the agreement, with no unpaid tax credits anticipated. The District is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key GCISD revenue losses are expected to total approximately \$533,357 over the course of the agreement, as noted above. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$19.4 million over the life of the agreement.

Facilities Funding Impact

The CPV Rattlesnake Den project remains fully taxable for debt services taxes, with GCISD currently levying a \$0.075 I&S rate. The value of the CPV Rattlesnake Den project is expected to increase the District's underlying I&S tax base by about 10 percent in the peak value year. This will assist GCISD in meeting its future debt service needs.

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

Conclusion

The proposed CPV Rattlesnake Den renewable wind energy electric generation project enhances the tax base of GCISD. 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 \$19.4 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of GCISD in meeting its future debt service obligations.

Table 1 – Base District Information with CPV Rattlesnake Den Renewable Energy Company, 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	270.74	523.37	\$1.0171	\$0.0749	\$3,352,094,656	\$3,352,094,656	\$3,069,719,854	\$3,069,719,854	\$5,865,326	\$5,865,326
1	2014-15	270.74	523.32	\$1.0171	\$0.0749	\$3,347,074,656	\$3,347,074,656	\$3,155,279,854	\$3,155,279,854	\$6,029,360	\$6,029,360
2	2015-16	270.74	523.32	\$1.0171	\$0.0749	\$3,631,534,656	\$3,631,534,656	\$3,150,259,854	\$3,150,259,854	\$6,019,767	\$6,019,767
3	2016-17	270.74	523.32	\$1.0171	\$0.0749	\$3,616,034,656	\$3,351,534,656	\$3,434,719,854	\$3,434,719,854	\$6,563,336	\$6,563,336
4	2017-18	270.74	523.32	\$1.0171	\$0.0749	\$3,600,534,656	\$3,351,534,656	\$3,419,219,854	\$3,154,719,854	\$6,533,718	\$6,028,290
5	2018-19	270.74	523.32	\$1.0171	\$0.0749	\$3,585,034,656	\$3,351,534,656	\$3,403,719,854	\$3,154,719,854	\$6,504,099	\$6,028,290
6	2019-20	270.74	523.32	\$1.0171	\$0.0749	\$3,754,114,580	\$3,536,114,580	\$3,388,219,854	\$3,154,719,854	\$6,474,480	\$6,028,290
7	2020-21	270.74	523.32	\$1.0171	\$0.0749	\$3,734,722,982	\$3,532,222,982	\$3,557,299,778	\$3,339,299,778	\$6,797,572	\$6,381,000
8	2021-22	270.74	523.32	\$1.0171	\$0.0749	\$3,715,409,215	\$3,528,409,215	\$3,537,908,180	\$3,335,408,180	\$6,760,517	\$6,373,564
9	2022-23	270.74	523.32	\$1.0171	\$0.0749	\$3,712,126,724	\$3,540,626,724	\$3,518,594,413	\$3,331,594,413	\$6,723,610	\$6,366,276
10	2023-24	270.74	523.32	\$1.0171	\$0.0749	\$3,703,064,983	\$3,547,064,983	\$3,515,311,922	\$3,343,811,922	\$6,717,338	\$6,389,622
11	2024-25	270.74	523.32	\$1.0171	\$0.0749	\$3,682,254,116	\$3,682,254,116	\$3,506,250,181	\$3,350,250,181	\$6,700,022	\$6,401,925
12	2025-26	270.74	523.32	\$1.0171	\$0.0749	\$3,661,551,531	\$3,661,551,531	\$3,485,439,314	\$3,485,439,314	\$6,660,255	\$6,660,255
13	2026-27	270.74	523.32	\$1.0171	\$0.0749	\$3,640,954,696	\$3,640,954,696	\$3,464,736,729	\$3,464,736,729	\$6,620,695	\$6,620,695
14	2027-28	270.74	523.32	\$1.0171	\$0.0749	\$3,620,466,881	\$3,620,466,881	\$3,444,139,894	\$3,444,139,894	\$6,581,337	\$6,581,337
15	2028-29	270.74	523.32	\$1.0171	\$0.0749	\$3,600,085,559	\$3,600,085,559	\$3,423,652,079	\$3,423,652,079	\$6,542,187	\$6,542,187

*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	\$32,165,332	\$101,204	\$251,996	\$0	-\$29,398,425	\$1,313,951	\$0	\$0	\$4,434,058
1	2014-15	\$32,117,259	\$93,894	\$288,883	\$0	-\$29,380,214	\$1,311,987	\$0	\$0	\$4,431,808
2	2015-16	\$34,841,357	\$93,894	\$56,532	\$0	-\$31,871,962	\$1,423,267	\$0	\$0	\$4,543,087
3	2016-17	\$34,744,617	\$93,894	\$305,549	\$0	-\$32,024,238	\$1,419,315	\$0	\$0	\$4,539,135
4	2017-18	\$34,593,153	\$93,894	\$0	\$0	-\$31,872,363	\$1,413,127	\$0	\$0	\$4,227,811
5	2018-19	\$34,441,690	\$93,894	\$0	\$0	-\$31,720,486	\$1,406,940	\$0	\$0	\$4,222,038
6	2019-20	\$36,057,836	\$93,894	\$0	\$0	-\$33,198,614	\$1,472,960	\$0	\$0	\$4,426,074
7	2020-21	\$35,869,104	\$93,894	\$0	\$0	-\$33,157,289	\$1,465,250	\$0	\$0	\$4,270,959
8	2021-22	\$35,681,120	\$93,894	\$0	\$0	-\$32,968,742	\$1,457,571	\$0	\$0	\$4,263,842
9	2022-23	\$35,646,655	\$93,894	\$0	\$0	-\$32,922,259	\$1,456,163	\$0	\$0	\$4,274,452
10	2023-24	\$35,556,848	\$93,894	\$0	\$0	-\$32,836,696	\$1,452,494	\$0	\$0	\$4,266,540
11	2024-25	\$35,327,066	\$93,894	\$0	\$0	-\$32,617,304	\$1,443,108	\$0	\$0	\$4,246,763
12	2025-26	\$35,128,811	\$93,894	\$0	\$0	-\$32,418,184	\$1,435,009	\$0	\$0	\$4,239,529
13	2026-27	\$34,931,567	\$93,894	\$0	\$0	-\$32,220,072	\$1,426,952	\$0	\$0	\$4,232,341
14	2027-28	\$34,735,368	\$93,894	\$0	\$0	-\$32,022,995	\$1,418,937	\$0	\$0	\$4,225,203
15	2028-29	\$34,540,189	\$93,894	\$0	\$0	-\$31,826,934	\$1,410,964	\$0	\$0	\$4,218,112

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	\$32,165,332	\$101,204	\$251,996	\$0	-\$29,398,425	\$1,313,951	\$0	\$0	\$4,434,058
1	2014-15	\$32,117,259	\$93,894	\$288,883	\$0	-\$29,380,214	\$1,311,987	\$0	\$0	\$4,431,808
2	2015-16	\$34,841,357	\$93,894	\$56,532	\$0	-\$31,871,962	\$1,423,267	\$0	\$0	\$4,543,087
3	2016-17	\$32,159,969	\$93,894	\$504,024	\$0	-\$29,638,067	\$1,313,732	\$0	\$0	\$4,433,553
4	2017-18	\$32,159,969	\$93,894	\$0	\$0	-\$29,418,878	\$1,313,732	\$0	\$0	\$4,148,718
5	2018-19	\$32,159,969	\$93,894	\$0	\$0	-\$29,418,878	\$1,313,732	\$0	\$0	\$4,148,718
6	2019-20	\$33,927,578	\$93,894	\$0	\$0	-\$31,038,704	\$1,385,939	\$0	\$0	\$4,368,707
7	2020-21	\$33,890,310	\$93,894	\$0	\$0	-\$31,161,170	\$1,384,416	\$0	\$0	\$4,207,451
8	2021-22	\$33,853,788	\$93,894	\$0	\$0	-\$31,124,413	\$1,382,924	\$0	\$0	\$4,206,194
9	2022-23	\$33,970,788	\$93,894	\$0	\$0	-\$31,229,085	\$1,387,704	\$0	\$0	\$4,223,300
10	2023-24	\$34,032,443	\$93,894	\$0	\$0	-\$31,295,703	\$1,390,222	\$0	\$0	\$4,220,856
11	2024-25	\$35,327,066	\$93,894	\$0	\$0	-\$32,493,565	\$1,443,108	\$0	\$0	\$4,370,503
12	2025-26	\$35,128,811	\$93,894	\$0	\$0	-\$32,418,184	\$1,435,009	\$0	\$0	\$4,239,529
13	2026-27	\$34,931,567	\$93,894	\$0	\$0	-\$32,220,072	\$1,426,952	\$0	\$0	\$4,232,341
14	2027-28	\$34,735,368	\$93,894	\$0	\$0	-\$32,022,995	\$1,418,937	\$0	\$0	\$4,225,203
15	2028-29	\$34,540,189	\$93,894	\$0	\$0	-\$31,826,934	\$1,410,964	\$0	\$0	\$4,218,112

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	-\$2,584,647	\$0	\$198,476	\$0	\$2,386,172	-\$105,583	\$0	\$0	-\$105,583
4	2017-18	-\$2,433,183	\$0	\$0	\$0	\$2,453,485	-\$99,395	\$0	\$0	-\$79,093
5	2018-19	-\$2,281,721	\$0	\$0	\$0	\$2,301,608	-\$93,208	\$0	\$0	-\$73,321
6	2019-20	-\$2,130,258	\$0	\$0	\$0	\$2,159,911	-\$87,021	\$0	\$0	-\$57,368
7	2020-21	-\$1,978,793	\$0	\$0	\$0	\$1,996,119	-\$80,834	\$0	\$0	-\$63,508
8	2021-22	-\$1,827,331	\$0	\$0	\$0	\$1,844,329	-\$74,646	\$0	\$0	-\$57,648
9	2022-23	-\$1,675,867	\$0	\$0	\$0	\$1,693,174	-\$68,459	\$0	\$0	-\$51,152
10	2023-24	-\$1,524,405	\$0	\$0	\$0	\$1,540,992	-\$62,272	\$0	\$0	-\$45,684
11	2024-25	\$0	\$0	\$0	\$0	\$123,740	\$0	\$0	\$0	\$123,740
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 CPV Rattlesnake Den Renewable Energy Company, LLC Project Property Value Limitation Request Submitted to GCISD at \$1.017 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	\$1.017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$1.017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$310,000,000	\$310,000,000	\$0	\$1.017	\$3,153,010	\$3,153,010	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$294,500,000	\$30,000,000	\$264,500,000	\$1.017	\$2,995,360	\$305,130	\$2,690,230	\$0	\$2,690,230	-\$105,583	\$2,584,647
4	2017-18	\$279,000,000	\$30,000,000	\$249,000,000	\$1.017	\$2,837,709	\$305,130	\$2,532,579	\$257,051	\$2,789,630	-\$79,093	\$2,710,536
5	2018-19	\$263,500,000	\$30,000,000	\$233,500,000	\$1.017	\$2,680,059	\$305,130	\$2,374,929	\$251,246	\$2,626,174	-\$73,321	\$2,552,853
6	2019-20	\$248,000,000	\$30,000,000	\$218,000,000	\$1.017	\$2,522,408	\$305,130	\$2,217,278	\$245,441	\$2,462,719	-\$57,368	\$2,405,351
7	2020-21	\$232,500,000	\$30,000,000	\$202,500,000	\$1.017	\$2,364,758	\$305,130	\$2,059,628	\$239,636	\$2,299,264	-\$63,508	\$2,235,756
8	2021-22	\$217,000,000	\$30,000,000	\$187,000,000	\$1.017	\$2,207,107	\$305,130	\$1,901,977	\$233,832	\$2,135,809	-\$57,648	\$2,078,160
9	2022-23	\$201,500,000	\$30,000,000	\$171,500,000	\$1.017	\$2,049,457	\$305,130	\$1,744,327	\$228,027	\$1,972,353	-\$51,152	\$1,921,202
10	2023-24	\$186,000,000	\$30,000,000	\$156,000,000	\$1.017	\$1,891,806	\$305,130	\$1,586,676	\$222,222	\$1,808,898	-\$45,684	\$1,763,214
11	2024-25	\$170,500,000	\$170,500,000	\$0	\$1.017	\$1,734,156	\$1,734,156	\$0	\$1,170,426	\$1,170,426	\$0	\$1,170,426
12	2025-26	\$155,000,000	\$155,000,000	\$0	\$1.017	\$1,576,505	\$1,576,505	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$139,500,000	\$139,500,000	\$0	\$1.017	\$1,418,855	\$1,418,855	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$124,000,000	\$124,000,000	\$0	\$1.017	\$1,261,204	\$1,261,204	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$108,500,000	\$108,500,000	\$0	\$1.017	\$1,103,554	\$1,103,554	\$0	\$0	\$0	\$0	\$0
						\$29,795,945	\$12,688,323	\$17,107,622	\$2,847,880	\$19,955,502	-\$533,357	\$19,422,145
Tax Credit for Value Over Limit in First 2 Years									Year 1	Year 2	Max Credits	
									\$0	\$2,847,880	\$2,847,880	
									Credits Earned		\$2,847,880	
									Credits Paid		<u>\$2,847,880</u>	
									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

087/Glasscock

087-901/Glasscock County ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	2,732,903	N/A	2,732,903	2,732,903
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	122,886	N/A	122,886	122,886
D. Rural Real(Taxable)	46,725,008	.5245	89,078,573	46,725,008
F1. Commercial Real	2,603,757	N/A	2,603,757	2,603,757
F2. Industrial Real	266,805,758	N/A	266,805,758	266,805,758
G. Oil, Gas, Minerals	2,767,623,754	1.0500	2,635,832,147	2,767,623,754
J. Utilities	84,754,942	N/A	84,754,942	84,754,942
L1. Commercial Personal	460,590	N/A	460,590	460,590
L2. Industrial Personal	103,824,225	N/A	103,824,225	103,824,225
M. Other Personal	616,809	N/A	616,809	616,809
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0

S. Special Inventory	0	N/A	0	0
Subtotal	3,276,270,632		3,186,832,590	3,276,270,632
Less Total Deductions	206,550,778		206,550,778	206,550,778
Total Taxable Value	3,069,719,854		2,980,281,812	3,069,719,854 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	25,105,010	.9117	27,536,481
Prod Value Qualified Acres	21,619,998	.3513	61,542,092
Taxable Value	46,725,008		89,078,573

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
3,072,240,791	3,069,719,854	3,070,432,289	3,067,911,352	3,069,920,129	3,068,111,627

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
2,520,937	1,808,502

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

exemption

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
3,271,489,654	3,268,968,717	3,269,681,152	3,267,160,215	3,269,168,992	3,267,360,490

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

Attachment G

Participation Agreement

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

by and between

**GLASSCOCK COUNTY
INDEPENDENT SCHOOL DISTRICT**

and

**CPV RATTLESNAKE DEN
RENEWABLE ENERGY COMPANY, LLC**

(Texas Taxpayer ID # 32034811342)

TEXAS COMPTROLLER APPLICATION NUMBER 303

Dated

October 15, 2013

EXHIBIT 1

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

STATE OF TEXAS §

COUNTY OF GLASSCOCK §

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 **GLASSCOCK COUNTY 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 **CPV RATTLESNAKE DEN RENEWABLE ENERGY COMPANY, LLC**, Texas Taxpayer Identification Number 32034811342, hereinafter referred to as the "Applicant." The Applicant and the District are 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 10, 2013, the Superintendent of Schools of the Glasscock County Independent School District ("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 10, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from CPV Rattlesnake Den Renewable Energy Company, LLC, and on June 14, 2013, the Superintendent 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 CCG (Local); and,

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

WHEREAS, on July 31, 2013, the Applicant submitted to the District supplemental Application materials; and,

WHEREAS, the supplemented Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Comptroller has established August 8, 2013 as the completed Application date; and,

WHEREAS, the Application was reviewed by the Comptroller pursuant to Texas Tax Code § 313.025(d), and on October 2, 2013, the Comptroller, 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 a public hearing held in connection with the Board's consideration of the Application; and,

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

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

WHEREAS, on October 15, 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 15, 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) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; (iii) granting the Application is in the best interest of the District and the State of Texas; and, (iv) each criterion referred to in Texas Tax Code § 313.025(e) has been met ; and,

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

WHEREAS, on October 15, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on October 15, 2013, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant;

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 as defined by Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant is entitled to the Tax Limitation Amount defined in Section 1.3, below for the following Tax Years: 2016 through 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.

For the first two full Tax Years that begin after the Commencement Date (*i.e.*, the 2014 and 2015 Tax Years), which together with the period from the date of approval until January 1, 2014 are collectively referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4), Applicant shall not be entitled to a tax limitation.

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	January 1, 2013	2013-2014	2013	Start of Qualifying Time Period – Commencement Date. First year for Annual Limit computation
1	January 1, 2014	2014-2015	2014	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2015	2015-2016	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2016	2016-2017	2016	\$30 million property value limitation.
4	January 1, 2017	2017-2018	2017	\$30 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2018	2018-2019	2018	\$30 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2019	2019-2020	2019	\$30 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2020	2020-2021	2020	\$30 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2021	2021-2022	2021	\$30 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-2023	2022	\$30 million property value limitation. Possible tax credit due

Agreement for Limitation on Appraised Value

Between Glasscock County Independent School District and CPV Rattlesnake Den Renewable Energy Company, LLC

Texas Comptroller Chapter 313 Application No. 303

October 15, 2013

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
				to Applicant.
10	January 1, 2023	2023-2024	2023	\$30 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-2025	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-2026	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-2027	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:

“*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 (50) percent 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, 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 the value 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 CPV Rattlesnake Den Renewable Energy Company, LLC (Texas Taxpayer ID # 32034811342), the company listed in the Preamble of this Agreement who, on June 10, 2013, filed the initial Application and on July 31, 2013, filed supplemental Application materials with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors in interest.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of 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 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 10, 2013, together with supplemental Application materials filed on July 31, 2013, which have been certified by the Comptroller's office to constitute a complete final Application as of August 8, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose

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of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by 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 Glasscock County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Glasscock County Independent School District.

“Commencement Date” means October 15, 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 any designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

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

“County” means Glasscock 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 Glasscock County 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" shall be calculated in accord with Section 4.3 below and 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 new jobs, as defined by 34 Texas Administrative Code § 9.1051, which Applicant will create in connection with the project that is the subject of its Application. In accordance with the requirements of Tex. Tax Code § 313.024(d), at least eighty percent (80%) of all New Jobs created by 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 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 exist 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 and ends on December 31, 2015.

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

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“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 Applicant, or to be applied against any taxes that the school 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 Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the 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 through 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) Thirty Million Dollars (\$30,000,000.00)

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by 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, Texas

Tax Code, which are set forth at Title 19, Part 2 of the Texas Administrative Code, together with any court or administrative decisions interpreting the same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN QUALIFIED REINVESTMENT ZONES

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as reinvestment zones under Chapter 312 of the Texas Tax Code. The legal descriptions of the reinvestment zones in which the Applicant's Qualified Property is located are attached to this Agreement as **EXHIBIT 1** and are 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 within is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes ("Land"). The Parties expressly agree that the boundaries of the Land may not be materially changed from its 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. 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 Section 1.2, above. Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** that: (1) is owned by the Applicant; (2) was first placed in service after August 8, 2013, the completed Application date established by the Comptroller; and (3) and 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; at any other time when there is a material change in the Qualified Property located on the land described in Exhibit 2; or, upon a reasonable request of the District, the Comptroller, or the Appraisal District, 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)(5) as a renewable energy electric generation facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as Applicant makes a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), 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 through 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) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by 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 as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article IV. Subject 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 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. 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 of New M&O Revenue made for years three (3) through ten (10) 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 only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or on account of any other factors not contained in this Agreement.

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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 Applicant, any applicable tax credit to which 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 is 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 for payments 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 any calculations required under Section 3.2, Section 3.3, Article IV, or Section 5.1 of this Agreement. Such calculations shall be 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 three (3) 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

Should the Applicant disagree with the certification containing the calculations pursuant to Section 3.4 and Section 3.6, 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, Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property and/or Qualified Investment and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values placed upon the Qualified Property and/or Qualified Investment 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, that may be applicable to the Qualified Property 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.

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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 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 Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the

District of its election in writing not later than the June 30 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code and 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 or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

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

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to

any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as defined in Section 1.3), 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 is in Material Breach of this Agreement, as defined in Section 7.6, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

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

Section 7.5. CALCULATION OF PENALTY AND INTEREST

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

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

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

- (a.) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b.) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c.) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d.) Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e.) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f.) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g.) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.

- (h.) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (i.) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules and under the Act, including but not limited to the filing of all required reports.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

In accordance with the provisions of Texas Tax Code § 313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breaches of this Agreement, defined in Sections 7.6(e), 7.6(f), or 7.6(g), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 7.6(e), 7.6(f), or 7.6(g) 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 (as defined in Section 7.6 of this Agreement), such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, or failing to make any payment required under this Agreement when due, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the

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

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have 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 residing in Glasscock 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) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this Section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their

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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:

SUPERINTENDENT THOMAS WEEAKS
GLASSCOCK COUNTY INDEPENDENT SCHOOL DISTRICT
P.O. BOX 9
GARDEN CITY, TEXAS 79739
FAX: 432-354-2503
E-MAIL: TWEEAKS@GCKATS.NET

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 to:

CPV RATTLESNAKE DEN RENEWABLE ENERGY COMPANY, LLC
ATTN: PROJECT MANAGER
50 BRAINTREE HILL OFFICE PARK, SUITE 300
BRAINTREE, MA 02184
FAX: (781) 848-5804

AND

CPV RATTLESNAKE DEN RENEWABLE ENERGY COMPANY, LLC
ATTN: GENERAL COUNSEL
8403 COLESVILLE ROAD, SUITE 915
SILVER SPRING, MD 20910
FAX: (240) 723-2339

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date of this Agreement.
- (c) In the event that Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2017.

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 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

The 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, 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 contract 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 COUNTY APPRAISAL DISTRICT RECORDS

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

Section 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 Glasscock County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this

Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

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

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

Section 8.14. PUBLICATION OF SUBSTANTIVE DOCUMENTS

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

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 15th day of October 2013.

[SIGNATURE PAGE FOLLOWS]

**CPV RATTLESNAKE DEN RENEWABLE
ENERGY COMPANY, LLC**

**GLASSCOCK COUNTY INDEPENDENT SCHOOL
DISTRICT**

**BY: CPV RENEWABLE ENERGY COMPANY,
LLC AS AUTHORIZED AGENT**

By: 

SEAN J. FINNERTY
Senior Vice President

By: 

ANDREW WHEELER
President
Board of Trustees

ATTEST:



CARL HOELSCHER
Secretary
Board of Trustees

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EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONES

Reinvestment Zone 4

Reinvestment Zone 4 was originally created on June 28, 2011 by action of the Glasscock County Commissioner's Court. A map of the Reinvestment Zone 4 is attached to this EXHIBIT 1. As a result of the action of the Glasscock County Commissioner's Court, Reinvestment Zone 4 includes real property within unincorporated Glasscock County, Texas, more specifically the following property and tracks:

T. & P. R.R. Co., Block 34, Township 4-S

Sections 31, 39, 40, 41, 42, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 34, 35, 36, 37, 38, 39, 47, 48

T. & P. R.R. Co., Block 33, Township 5-S

Sections 4, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, 33, 41, 42, 43, 44

Reinvestment Zone 5

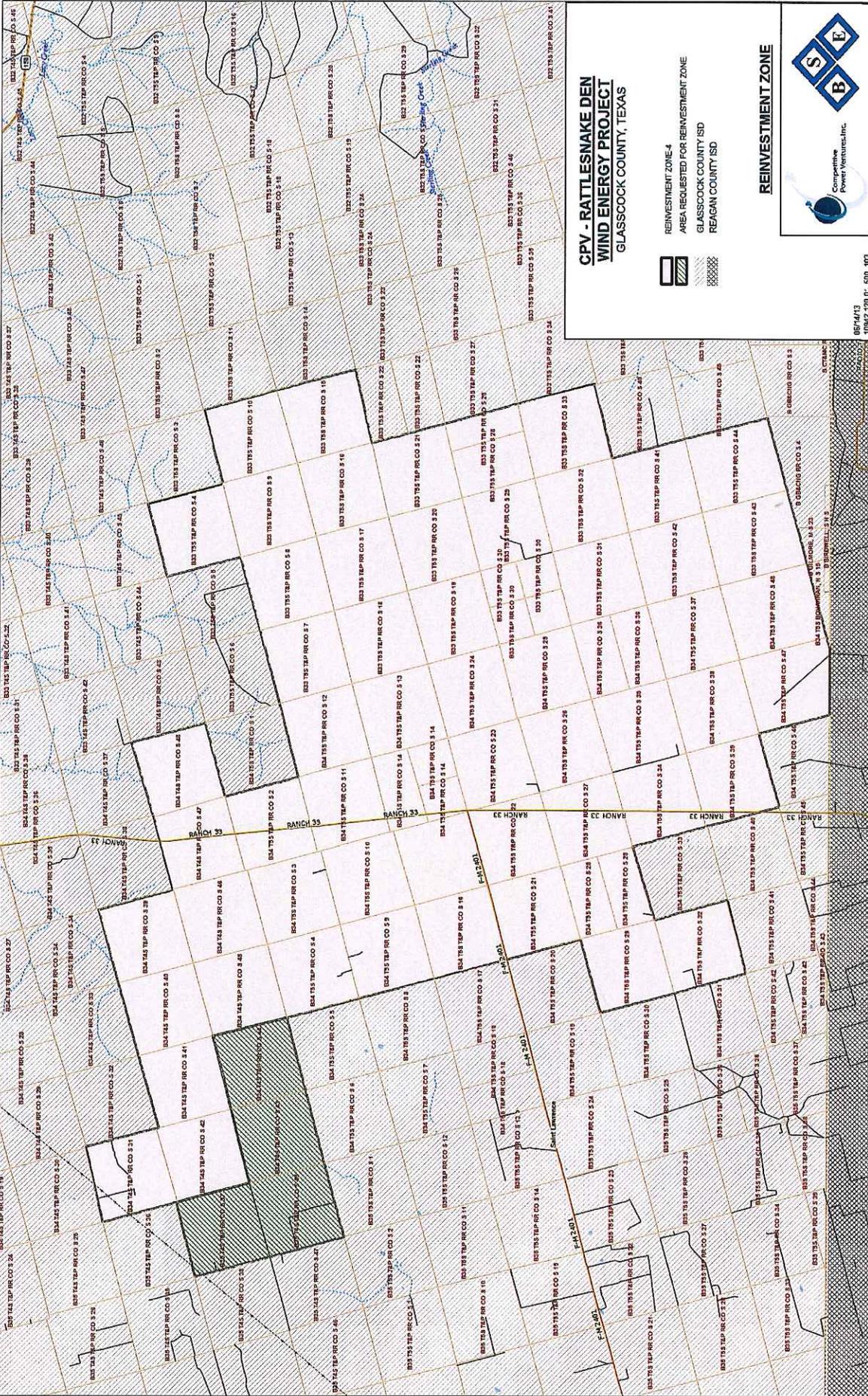
Reinvestment Zone 5 was created on July 5, 2013, by action of the Glasscock County Commissioner's Court. A map of the Reinvestment Zone 5 is attached to this EXHIBIT 1. As a result of the action of the Glasscock County Commissioner's Court, Reinvestment Zone 5 includes real property within unincorporated Glasscock County, Texas, more specifically the following property and tracks:

T. & P. R.R. Co., Block 34, Township 4-S

Sections 43, 44

T. & P. R.R. Co., Block 35, Township 4-S

Sections 37, 48



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MIN (6.3" E)

05/14/13
15642, 15010, 500, 103



REINVESTMENT ZONE

REINVESTMENT ZONE 4
 AREA REQUESTED FOR REINVESTMENT ZONE
 GLASSCOCK COUNTY ISD
 REAGAN COUNTY ISD

**CPV - RATTLESNAKE DEN
 WIND ENERGY PROJECT**
 GLASSCOCK COUNTY, TEXAS

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Glasscock County Independent School District and Reinvestment Zones 4 or 5 will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant located in the following sections of land is included, to wit:

Reinvestment Zone 4

T. & P. R.R. Co., Block 34, Township 4-S

Sections 42, 45, 46, 47, 48

T. & P. R.R. Co., Block 34, Township 5-S

Sections 2, 9, 10, 11, 12, 13, 14, 22, 23, 27, 28, 34, 35, 36

T. & P. R.R. Co., Block 33, Township 5-S

Sections 7, 8, 9, 10, 31

Reinvestment Zone 5

T. & P. R.R. Co., Block 34, Township 4-S

Sections 43, 44

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a wind farm). The property will include, but is not limited to, the following: up to approximately 200 megawatts of wind power turbine generators or equivalent; a reinforced concrete slab supporting the weight of each turbine tower; electrical equipment, including pad mounted transformers, located at each wind turbine location; equipment and towers used to gather meteorological data; buried and overhead electrical conductor cables (including poles) used to transport electricity from each turbine tower to an electrical substation; the electrical substation and electrical conductor cables used to transport electricity off of the project site; one or more buildings used to hold maintenance supplies, replacement parts, and related equipment; an administration building; roads; and various appurtenant equipment and small items related to the above. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement. The facility will also require a relatively insubstantial amount of personal property.