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JUSTIN DEMERATH

June 13, 2014

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

RE: Final School District Data Response for Agreement between Rankin Independent School District and Spinning Star Energy

To the Local Government Assistance & Economic Analysis Division:

Please accept this letter, in lieu of the Comptroller's Forms 50-772 Annual Eligibility Report and 50-773 Biennial Progress Report. This letter will certify that the Qualifying Time Period set forth in the agreement between Rankin ISD and Spinning Star Energy has expired, and prior to the expiration of the Qualifying Time Period, the Applicant failed to make the minimum Qualified Investment required both by Tex. Tax Code §313.021 and by the Agreement between the parties.

As a result of the lack of Qualified Investment, the Applicant failed to meet the condition precedent necessary to trigger the tax benefits contained in the value limitation agreement. Therefore, Applicant never became entitled to participate in the value limitation and the agreement between Rankin ISD and Spinning Star Energy has been cancelled.

Please accept this letter as the official certification that the aforementioned project has been cancelled. As the project has been cancelled, please remove the project from the list of active 313 value limitation agreements.

Because the project has been cancelled, this will be the final report from Rankin ISD. Also please accept this letter as a substantive document as defined by 34 Tex. Admin Code §9.1051(19) and post this correspondence on the Comptroller's website.

Please let me know if you have any questions.

Sincerely,

Kevin O'Hanlon
Special Counsel to Rankin ISD

Cc: Spinning Star Energy

Mali Hanley

From: Shweta Sharma <ssharma@spinningstarenergy.com>
Sent: Friday, June 13, 2014 12:48 AM
To: 'Bob Popinski'; shweta_sh@hotmail.com
Cc: Mali Hanley; 'Chris Grammer'
Subject: RE: Chapter 313 Forms for Rankin ISD and Spinning Star

Dear Bob,
We are finalizing the applications. I wanted to have a chat with you on few points in the application. Since our "qualifying period" ended in 2013 and unfortunately we did not invest minimum of $10mm that we were supposed to, how that does impact our filing of this report? Please let me know.
Also, we could not find "application number" anywhere.
Lastly, we had hired consultants to file these forms for us in 2012, by any chance would you be able to forward to us that copy?
Best regards,
Shweta

From: Bob Popinski [mailto:bpopinski@moakcasey.com]
Sent: Wednesday, May 28, 2014 2:04 PM
To: ssharma@spinningstarenergy.com
Cc: Mali Hanley (mhanley@808west.com); Chris Grammer
Subject: Chapter 313 Forms for Rankin ISD and Spinning Star

Good afternoon,

Moak, Casey & Associates is in the process of gathering all of the biennial reports for the Chapter 313 agreement between Rankin ISD and Spinning Star. After reviewing our files, it appears we do not have the company forms 50- 772A and 50-773A that were required to be turned into the school districts by May 15th. If we have missed your submission or the forms have yet to be submitted we ask that you email us the required **PDF and Excel** spreadsheets as soon as possible. The comptroller requires the school district to review these forms and conduct a separate school district revenue loss and benefit analysis based on the data provided by the company.

We have attached a basic FAQ on how to fill out these forms and a link to the latest forms on the Comptroller's website.

http://www.texasahead.org/tax_programs/chapter313/forms.php

If you have any questions please feel free to contact our office.

If you have the forms available please email them to mhanley@808west.com and bpopinski@moakcasey.com.

Thank you.

In addition to the FAQ we have copied some common issues that were are seeing with the Chart A2 of the form:

Please review the following:

1. Use the new Comptroller forms that have year one and year two split into two cells.
2. Make sure A2 has all of the cells properly filled out. An example has been provided below.