

**FINDINGS**  
of the  
***REAGAN COUNTY INDEPENDENT  
SCHOOL DISTRICT  
BOARD OF TRUSTEES***

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

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

**SUBMITTED BY**

***SANTA RITA WIND ENERGY LLC***

***Comptroller Application Number 1103***

**RESOLUTION AND FINDINGS OF FACT**  
**of the**  
**REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES**  
**UNDER CHAPTER 313 OF THE TEXAS TAX CODE**  
**ON THE APPLICATION FOR APPRAISED VALUE LIMITATION**  
**ON QUALIFIED PROPERTY**  
**SUBMITTED BY SANTA RITA WIND ENERGY LLC**

STATE OF TEXAS           §  
  §  
COUNTY OF REAGAN       §

**PREAMBLE**

On the 9<sup>th</sup> day of May, 2016, a public meeting of the Board of Trustees of the Reagan County Independent School District (the “Board”) was held to solicit input from interested parties on the application by Santa Rita Wind Energy LLC (“Santa Rita Wind” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board considered the application by Santa Rita Wind for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Evaluation under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Reagan County Independent School District makes the following Findings regarding the Application:

On or about the 27<sup>th</sup> day of August, 2015, the Board of Trustees for the Reagan County Independent School District received an Application for Appraised Value Limitation on Qualified Property from Santa Rita Wind, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for equipment and material related to the construction of a wind-powered electric generating facility (the “Property”). *See* Application, Tab 4, attached hereto as Attachment A. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about September 17, 2015. Thereafter, on or about October 23, 2015, the District, on behalf of the Applicant, submitted revised application pages to address specific deficiencies addressed by the Comptroller (page 6, Tab 4, Tab 12 and Tab 16), and the Comptroller issued its notice of completeness by letter dated October 26, 2015, the Application Review Start Date. Thereafter, the Applicant submitted directly to the Comptroller a revised Tab 5 (limitation as determining factor) on or about January 6, 2016, and a revised Schedule A-1 on or about January 21, 2016. The Application, and revised pages are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of October 26, 2015 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for Santa Rita Wind Energy LLC is 32057805403. Santa Rita Wind is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Reagan County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on January 22, 2016 that the Application be approved (the "Certification"). *See* Attachment C. The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification and Economic Impact Evaluation are attached to these Findings as Attachments C and D.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Reagan County Independent School District. A copy of a report prepared by McDowell & Brown, LLC is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property in the Reagan County Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 2 of §313.054 of the Texas Tax Code at the time the Certification was issued. *See* Comptroller's "2015 ISD Summary Worksheet," attached hereto as Attachment G; *see also* Attachment D.

The District's Board of Trustees, by resolution dated March 1, 2016, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until June 22, 2016. The Comptroller was provided notice of this extension, as set out under 34 Texas Administrative Code §9.1054(d). *See* Resolution authorizing extension of consideration period and notice to Applicant, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with Santa Rita Wind regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue

protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. Some of the terms agreed to by the parties were at variance with specific language contained in Comptroller Form 50-286. Such changes were submitted to the Texas Comptroller for review pursuant to 34 Tex. Admin. Code §9.1055(e)(1). At the specific direction of the Comptroller's Office, the parties used the template Texas Economic Development Agreement. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* See copy of April 29, 2016, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certification and Economic Impact Evaluation, and in consideration of its own analysis of Santa Rita Wind's Application and all other substantive documentation related thereto, the Board, in addition to the above Findings, further finds as follows:

**Board Finding Number 1.**

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

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

**Determination required by 313.025(h)**

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

\* \* \*

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

See Attachment C.

**Board Finding Number 2.**

*The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the District's maintenance and operations ad valorem tax*

*revenue lost as a result of the Agreement before the 25<sup>th</sup> anniversary of the beginning of the limitation period.*

In support of Finding Number 2, the Certification states:

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

*See Attachment C.*

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

**Attachment B - Tax Revenue over 25 Years**

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

*[see table on next page]*

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$275,000	\$275,000	\$2,213,200	\$2,213,200
	2018	\$275,000	\$550,000	\$2,039,026	\$4,252,226
	2019	\$275,000	\$825,000	\$1,877,044	\$6,129,270
	2020	\$275,000	\$1,100,000	\$1,726,401	\$7,855,671
	2021	\$275,000	\$1,375,000	\$1,586,303	\$9,441,974
	2022	\$275,000	\$1,650,000	\$1,456,012	\$10,897,986
	2023	\$275,000	\$1,925,000	\$1,334,841	\$12,232,827
	2024	\$275,000	\$2,200,000	\$1,222,152	\$13,454,979
	2025	\$275,000	\$2,475,000	\$1,117,351	\$14,572,331
	2026	\$275,000	\$2,750,000	\$1,019,887	\$15,592,217
Maintain Viable Presence (5 Years)	2027	\$1,230,143	\$3,980,143	\$0	\$15,592,217
	2028	\$1,168,635	\$5,148,778	\$0	\$15,592,217
	2029	\$1,110,204	\$6,258,982	\$0	\$15,592,217
	2030	\$1,054,693	\$7,313,675	\$0	\$15,592,217
	2031	\$1,001,959	\$8,315,634	\$0	\$15,592,217
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$971,900	\$9,287,534	\$0	\$15,592,217
	2033	\$942,743	\$10,230,277	\$0	\$15,592,217
	2034	\$914,461	\$11,144,737	\$0	\$15,592,217
	2035	\$887,027	\$12,031,764	\$0	\$15,592,217
	2036	\$860,416	\$12,892,180	\$0	\$15,592,217
	2037	\$834,604	\$13,726,784	\$0	\$15,592,217
	2038	\$809,565	\$14,536,350	\$0	\$15,592,217
	2039	\$785,279	\$15,321,628	\$0	\$15,592,217
	2040	\$761,720	\$16,083,348	\$0	\$15,592,217
	2041	\$738,869	\$16,822,217	\$0	\$15,592,217
		<b>\$16,822,217</b>	is greater than	<b>\$15,592,217</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, Santa Rita Wind Energy, LLC

See Attachment D.

### **Board Finding Number 3.**

*The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).*

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports that a ratio of 1 technician for every 10-15 turbines is typical for projects that are staffed by full-time employees, and 1 technician per 12 turbines is typical when GE 2.0 MW turbines are used. Applicant reports it will create 8 jobs for 87 GE 2.0 MW turbines proposed for this project, which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See Attachments A and D.

### **Board Finding Number 4.**

*The Applicant will create eight (8) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; and (3) an annual wage of \$42,774.60, an amount equal to 110% of the average weekly wage for manufacturing jobs in Reagan County.*

See Attachments A, D and J.

### **Board Finding Number 5.**

*The ability of the Applicant to locate the proposed wind energy facility in another state or another region of this state is significant because of the highly competitive marketplace for economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas.*

See Attachment C.

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

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

- Per the applicant, its parent company Invenenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma and Kansas, with similar wind resources and competitive regulatory environments.
- Per the applicant - Santa Rita Wind Energy, LLC is in the early stage of exploring the possibility of constructing a wind facility at this site.
- Per the applicant, the land upon which the proposed project may be constructed has no existing improvements.
- Per the applicant, the economic return of this project is constantly compared to returns from other locations within and outside Texas.
- Per the applicant, the project requires to receive a value limitation to be financially competitive and to allow it the best possibility of moving forward.
- On July 01, 2015 and July 29, 2015, articles in the Big Lake Wildcat reported that Santa Rita Wind, LLC project is in the early stages of development. Courtney Timmons, manager of business development told the Reagan County Commissioners Court that their project is currently scheduled to begin construction early 2016.
- On October 14, 2015, an article in the Big Lake Wildcat reported that the Reagan County Commissioners Court discussed accepting a tax abatement application from Santa Rita Wind Energy, LLC. According to the article, three of the county commissioners indicated they were not inclined to enter into an abatement agreement with the company.

See Attachment D.

Santa Rita Wind further states, in Tab 5 of its Application, that:

\* \* \*

While the project entity, Santa Rita Wind Energy LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return.

Invenenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this

project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

See Attachment A.

#### **Board Finding Number 6.**

*The proposed limitation on appraised value for the qualified property is \$25,000,000.*

See Attachments A and D.

#### **Board Finding Number 7.**

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

In support of this Finding, McDowell & Brown, LLC estimate in the District's Financial Impact Report, based on Santa Rita Wind's Application, that the project would add \$226,200,000 to the tax base at the peak investment level for the 2017 tax year. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Table 4 of Attachment D. In addition, the projected revenue gains from the proposed Agreement would be approximately \$1,125,260. See Attachment H at Section 6.2.A and Table VI of Attachment E.

#### **Board Finding Number 8.**

*The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Reagan County ISD can easily accommodate the projected student growth anticipated from Applicant's project with its existing facilities. However, possible increases in and/or changes to class size and personnel could cause the District to incur extraordinary educational expenses.*

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

Santa Rita Wind Energy LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that eight full-time employees are expected. It is not known whether these would be

new employees to the Reagan County ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new eight positions equates to 4 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Reagan County ISD.

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

**Board Finding Number 9.**

*The projected dollar amount of the taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled “Taxes w/o Agreement”), and is further based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the Table.*

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
2015-2016	1.17	0.100	0	0	0	0
2016-2017	1.17	0.091	0	0	0	0
2017-2018	1.17	0.083	2,646,540	2,354,040	(692,209)	1,661,831
2018-2019	1.17	0.083	2,461,282	2,168,782	(61,686)	2,107,096
2019-2020	1.17	0.082	2,288,992	1,996,492	(56,432)	1,940,060
2020-2021	1.17	0.075	2,128,763	1,836,263	(51,589)	1,784,674
2021-2022	1.17	0.074	1,979,750	1,687,250	(47,071)	1,640,178
2022-2023	1.17	0.074	1,841,167	1,548,667	(42,901)	1,505,766
2023-2024	1.17	0.073	1,712,285	1,419,785	(39,006)	1,380,780
2024-2025	1.17	0.073	1,592,425	1,299,925	(35,407)	1,264,518
2025-2026	1.17	0.080	1,480,956	1,188,456	(32,043)	1,156,412
2026-2027	1.17	0.080	1,377,289	1,084,789	(28,932)	1,055,857
2027-2028	1.17	0.079	1,308,424	0	0	0
2028-2029	1.17	0.079	1,243,003	0	0	0
2029-2030	1.17	0.000	1,180,853	0	0	0
2030-2031	1.17	0.000	1,121,810	0	0	0
2031-2032	1.17	0.000	1,065,720	0	0	0
Totals			25,429,260	16,584,449	(1,087,277)	15,497,172

**Board Finding Number 10.**

*The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the Table. See also Attachment D, Table 4.*

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District’s Revenue Losses	Net Tax Savings
2015-2016	1.17	0.100	0	0	0	0
2016-2017	1.17	0.091	0	0	0	0
2017-2018	1.17	0.083	2,646,540	2,354,040	(692,209)	1,661,831
2018-2019	1.17	0.083	2,461,282	2,168,782	(61,686)	2,107,096
2019-2020	1.17	0.082	2,288,992	1,996,492	(56,432)	1,940,060
2020-2021	1.17	0.075	2,128,763	1,836,263	(51,589)	1,784,674
2021-2022	1.17	0.074	1,979,750	1,687,250	(47,071)	1,640,178
2022-2023	1.17	0.074	1,841,167	1,548,667	(42,901)	1,505,766
2023-2024	1.17	0.073	1,712,285	1,419,785	(39,006)	1,380,780
2024-2025	1.17	0.073	1,592,425	1,299,925	(35,407)	1,264,518
2025-2026	1.17	0.080	1,480,956	1,188,456	(32,043)	1,156,412
2026-2027	1.17	0.080	1,377,289	1,084,789	(28,932)	1,055,857
2027-2028	1.17	0.079	1,308,424	0	0	0
2028-2029	1.17	0.079	1,243,003	0	0	0
2029-2030	1.17	0.000	1,180,853	0	0	0
2030-2031	1.17	0.000	1,121,810	0	0	0
2031-2032	1.17	0.000	1,065,720	0	0	0
Totals			25,429,260	16,584,449	(1,087,277)	15,497,172

**Board Finding Number 11.**

*Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Evaluation, the Comptroller’s Certification, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when it was submitted.*

See Attachments A, C, D and E.

**Board Finding Number 12.**

*The Applicant (Taxpayer Id. 32057805403) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.*

See Attachments A, B and C.

**Board Finding Number 13.**

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

See Attachment A, Tabs 11 and 16.

**Board Finding Number 14.**

*The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, includes adequate and appropriate revenue protection provisions for the District.*

In support of this Finding and based on the information provided by Applicant in its Application, the District’s Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax years 2017-26. However, the negative consequences of granting the value limitation are offset through the revenue protection provision of the Agreement and other revenue protection provisions agreed to by the Applicant and the District. See Table II in Attachment E, and proposed Agreement, Articles IV, at Attachment H.

**Board Finding Number 15.**

*Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve Santa Rita Wind’s Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.*

**Board Finding Number 16.**

*The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016.*

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Reagan County Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

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

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

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Reagan County Independent School District, along with a copy of the these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

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

Dated this 9<sup>th</sup> day of May, 2016.

Reagan County Independent School District

By   
Signature  
Mack D. Nolano President  
Printed Name and Title

Attest:

By   
Signature  
Jed W. Anaska Secretary  
Printed Name and Title

## LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status
C	Comptroller's Certification Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2015 ISD Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's April 29, 2016 Agreement Review Letter
J	Job Waiver Request
K	Notice to Applicant and Resolution re Extension of 151 Day Deadline



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

P.O.Box 13528 • Austin, TX 78711-3528

October 26, 2015

Steve Long  
Superintendent  
Reagan County Independent School District  
1111 12th Street  
Big Lake, TX 76932

Dear Superintendent Long:

On Sep. 17, 2015, the Comptroller's office received from Reagan County Independent School District an application from Santa Rita Wind Energy LLC for a limitation on appraised value (App #1103).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on Oct. 26, 2015.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

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

Should you have any questions, please contact Annet Nalukwago with our office. She can be reached by email at [annet.nalukwago@cpa.texas.gov](mailto:annet.nalukwago@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 5-5656, or direct in Austin at 512-475-5656.

Sincerely,

Korry Castillo

A handwritten signature in black ink that reads "Korry Castillo".

Director

Data Analysis & Transparency Division

cc: Audie Sciumbato Underwood Law Firm, P.C.  
Bryan Schueler, Invenergy LLC  
Fred Stormer, Underwood Law Firm, PC



# **Application for Chapter 313 Appraised Value Limitation**

**by Santa Rita Wind Energy LLC to Reagan County ISD**



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #1**

Application

See attached.



# Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development  
and Analysis  
**Form 50-296-A**

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

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

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

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

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

August 27, 2015

Date Application Received by District

Steve

First Name

Long

Last Name

Principal/Superintendent

Title

Reagan ISD

School District Name

1111 12th Street

Street Address

Mailing Address

Big Lake

City

(325) 884-3021

Phone Number

TX

State

(325) 884-3021

Fax Number

steve.long@reagancountyisd.net

Email Address

76932

ZIP

Mobile Number (optional)

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

Yes  No

**SECTION 1: School District Information (continued)**

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

Fred \_\_\_\_\_ Stormer \_\_\_\_\_  
First Name Last Name  
Attorney \_\_\_\_\_  
Title \_\_\_\_\_  
Underwood Law Firm, P.C. \_\_\_\_\_  
Firm Name \_\_\_\_\_  
(806) 379-0306 \_\_\_\_\_  
Phone Number Fax Number  
Fred.Stormer@uwlaw.com \_\_\_\_\_  
Email Address

4. On what date did the district determine this application complete? ..... September 16, 2016  
5. Has the district determined that the electronic copy and hard copy are identical? .....  Yes  No

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

Bryan \_\_\_\_\_ Schueler \_\_\_\_\_  
First Name Last Name  
Senior Vice President, Development \_\_\_\_\_  
Title \_\_\_\_\_  
One South Wacker Drive, Suite 1900 \_\_\_\_\_  
Street Address Organization  
One South Wacker Drive, Suite 1900 \_\_\_\_\_  
Mailing Address  
Chicago \_\_\_\_\_ IL \_\_\_\_\_ 60606 \_\_\_\_\_  
City State ZIP  
(312) 582-1421 \_\_\_\_\_  
Phone Number Fax Number  
Bschueler@invenergyllc.com \_\_\_\_\_  
Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....  Yes  No  
2a. If yes, please fill out contact information for that person.

\_\_\_\_\_  
First Name Last Name  
\_\_\_\_\_  
Title Organization  
\_\_\_\_\_  
Street Address  
\_\_\_\_\_  
Mailing Address  
\_\_\_\_\_  
City State ZIP  
\_\_\_\_\_  
Phone Number Fax Number  
\_\_\_\_\_  
Mobile Number (optional) Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....  Yes  No

# Application for Appraised Value Limitation on Qualified Property

## SECTION 2: Applicant Information (continued)

### 4. Authorized Company Consultant (If Applicable)

First Name <b>Evan</b>	Last Name <b>Horn</b>
Title <b>Agent</b>	
Firm Name <b>Ryan, LLC</b>	
Phone Number <b>(512) 476-0022</b>	Fax Number <b>(512) 476-0033</b>
Business Email Address <b>Evan.Horn@ryan.com</b>	

## SECTION 3: Fees and Payments

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

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

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

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?  Yes  No  N/A

## SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Santa Rita Wind Energy LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32057805403
3. List the NAICS code 221119
4. Is the applicant a party to any other pending or active Chapter 313 agreements?  Yes  No
- 4a. If yes, please list application number, name of school district and year of agreement

## SECTION 5: Applicant Business Structure

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

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

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

**SECTION 7: Project Description**

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

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

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

# Application for Appraised Value Limitation on Qualified Property

## SECTION 9: Projected Timeline

1. Application approval by school board ..... Dec 2015
  2. Commencement of construction ..... 1st Qtr 2016
  3. Beginning of qualifying time period ..... Dec 2015
  4. First year of limitation ..... 2017
  5. Begin hiring new employees ..... 2nd Qtr 2016
  6. Commencement of commercial operations ..... 4th Qtr 2016
  7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? .....  Yes  No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... 4th Qtr 2016

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Reagan County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Reagan County
3. Will this CAD be acting on behalf of another CAD to appraise this property? .....  Yes  No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 

County: <u>(Reagan County, .187366, 100%)</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>(Hospital District, .228123, 100%)</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>(Reagan Water Supply, .011124, 100%)</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>(FM &amp; LR, .023469, 100%)</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? .....  Yes  No
  - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? .....  Yes  No
  - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

## SECTION 11: Investment

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 20,000,000.00
  2. What is the amount of appraised value limitation for which you are applying? ..... 25,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? .....  Yes  No
  4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
    - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
    - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
    - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
  5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? .....  Yes  No

**SECTION 12: Qualified Property**

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
  - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
  - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
  - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? .....  Yes  No
  - 2a. If yes, attach complete documentation including:
    - a. legal description of the land (Tab 9);
    - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
    - c. owner (Tab 9);
    - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
    - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . .  Yes  No
  - 3a. If yes, attach the applicable supporting documentation:
    - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
    - b. legal description of reinvestment zone (Tab 16);
    - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
    - d. guidelines and criteria for creating the zone (Tab 16); and
    - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
  - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? ..... 11/09/2015

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

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
  - a. maps and/or detailed site plan;
  - b. surveys;
  - c. appraisal district values and parcel numbers;
  - d. inventory lists;
  - e. existing and proposed property lists;
  - f. model and serial numbers of existing property; or
  - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): ..... \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): ..... \$ 0.00

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

**SECTION 14: Wage and Employment Information**

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? ..... 0
2. What is the last complete calendar quarter before application review start date:  
 First Quarter     Second Quarter     Third Quarter     Fourth Quarter of 2015  
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? ..... 0  
**Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? ..... 8
5. What is the number of new non-qualifying jobs you are estimating you will create? ..... 1
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .....  Yes     No  
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).  
 a. Average weekly wage for all jobs (all industries) in the county is ..... 1,083.75  
 b. 110% of the average weekly wage for manufacturing jobs in the county is ..... N/A  
 c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 822.59
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? .....  §313.021(5)(A) or  §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? ..... 42,774.60
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 42,774.60
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes     No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes     No  
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes     No  
 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

**SECTION 15: Economic Impact**

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

**SECTION 16: Authorized Signatures and Applicant Certification**

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

**1. Authorized School District Representative Signature**

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

**print here** → Steve Long Superintendent  
 Print Name (Authorized School District Representative) Title

**sign here** → [Signature] 8-27-2015  
 Signature (Authorized School District Representative) Date

**2. Authorized Company Representative (Applicant) Signature and Notarization**

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

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

**print here** → Bryan Schueler Vice President  
 Print Name (Authorized Company Representative (Applicant)) Title

**sign here** → [Signature] August 26, 2015  
 Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

26<sup>th</sup> day of August, 2015  
Dina O. Wagner  
 Notary Public in and for the State of Texas Illinois  
 My Commission expires: May 10, 2017

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

Tab 2

**Proof of Payment of Application Fee**

Proof of payment attached.

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)*



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #3**

Combined Group Membership Documentation

The entity, Santa Rita Wind Energy LLC, was formed on 7/15/2015 after the latest combined group franchise tax filing was completed. Attached to this application is the aforementioned filing, of which Santa Rita Wind Energy LLC will be included in future years.

See Attached.



Texas Franchise Tax Extension Affiliate List



■ Tcode 13298  
■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

12006168525

2015

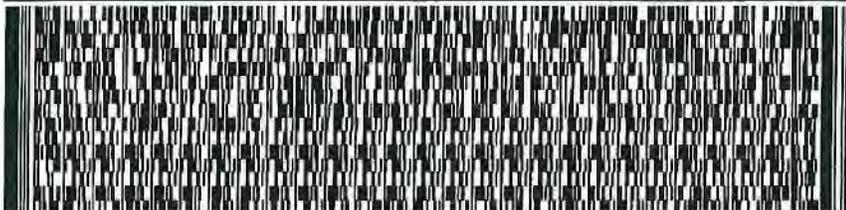
POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY LLC	13644627930	<input type="checkbox"/>
2. INVENERGY SERVICES LLC	32020649813	<input type="checkbox"/>
3. INVENERGY ENERGY MANAGEMENT LLC	32038203900	<input type="checkbox"/>
4. INVENERGY SERVICES GRAND RIDGE LLC	271168079	<input checked="" type="checkbox"/>
5. INVENERGY WIND NORTH AMERICA LLC	12082346938	<input type="checkbox"/>
6. DOUGHERTY WIND ENERGY LLC	32037772806	<input type="checkbox"/>
7. GUNSIGHT MOUNTAIN WIND ENERGY LLC	32033576318	<input type="checkbox"/>
8. INVENERGY MET LLC	32037132977	<input type="checkbox"/>
9. INVENERGY WIND DEVELOPMENT LLC	32034181217	<input type="checkbox"/>
10. PISTOL HILL WIND ENERGY LLC	32033576326	<input type="checkbox"/>
11. POLSKY ENERGY INVESTMENTS LLC	200616874	<input checked="" type="checkbox"/>
12. INVENERGY INVESTMENT COMPANY LLC	371456538	<input checked="" type="checkbox"/>
13. INVENERGY WIND HOLDINGS LLC	263467425	<input checked="" type="checkbox"/>
14. INVENERGY WIND INVESTMENT CORPORATION	300447600	<input checked="" type="checkbox"/>
15. INVENERGY WIND FINANCING LLC	202582576	<input checked="" type="checkbox"/>
16. INVENERGY WIND LLC	200783399	<input checked="" type="checkbox"/>
17. INVENERGY THERMAL LLC	203817973	<input checked="" type="checkbox"/>
18. INVENERGY SOLAR LLC	270748782	<input checked="" type="checkbox"/>
19. INVENERGY TN LLC	14215633919	<input checked="" type="checkbox"/>
20. INVENERGY ROC HOLDINGS LLC	263866744	<input checked="" type="checkbox"/>
21. INVENERGY WIND FINANCE ROC LLC	000000001	<input checked="" 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  FM



7003

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298  
 ■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

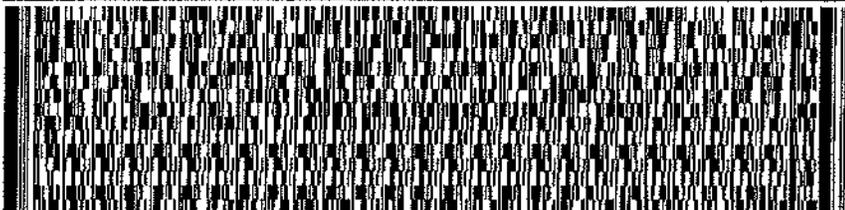
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY COASTAL HOLDINGS LLC	263756863	<input checked="" type="checkbox"/>
2. INVENERGY LOGAN HOLDING COMPANY LLC	208762182	<input checked="" type="checkbox"/>
3. INVENERGY LOGAN FINANCE COMPANY LLC	208763301	<input checked="" type="checkbox"/>
4. STANTON WIND HOLDINGS LLC	273173911	<input checked="" type="checkbox"/>
5. BEECH RIDGE ENERGY LLC	263207197	<input checked="" type="checkbox"/>
6. BIG OTTER WIND ENERGY LLC	000000002	<input checked="" type="checkbox"/>
7. BRUSH CREEK WIND ENERGY I LLC	000000003	<input checked="" type="checkbox"/>
8. BRUSH CREEK WIND ENERGY II LLC	000000004	<input checked="" type="checkbox"/>
9. CROW CREEK ENERGY LLC	000000005	<input checked="" type="checkbox"/>
10. DARKE WIND ENERGY LLC	270667704	<input checked="" type="checkbox"/>
11. GRAND RIDGE ENERGY IV LLC	263294276	<input checked="" type="checkbox"/>
12. GRAND RIDGE ENERGY V LLC	271369315	<input checked="" type="checkbox"/>
13. HARDIN WIND ENERGY LLC	273347162	<input checked="" type="checkbox"/>
14. HEARTLAND WIND ENERGY LLC	000000006	<input checked="" type="checkbox"/>
15. HIGHLAND WIND ENERGY LLC	273459353	<input checked="" type="checkbox"/>
16. HORN BUTTE WIND ENERGY LLC	000000007	<input checked="" type="checkbox"/>
17. HORSE LAKE WIND ENERGY LLC	352324869	<input checked="" type="checkbox"/>
18. HURRICANE LAKE WIND ENERGY I LLC	270942059	<input checked="" type="checkbox"/>
19. IDAHO WIND GENERATION COMPANY LLC	000000008	<input checked="" type="checkbox"/>
20. INVENERGY NY LLC	061680634	<input checked="" type="checkbox"/>
21. INVENERGY PARTS LLC	32039357473	<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"/>
-------	--------------------------	----	--------------------------



7003

Texas Franchise Tax Extension Affiliate List



■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

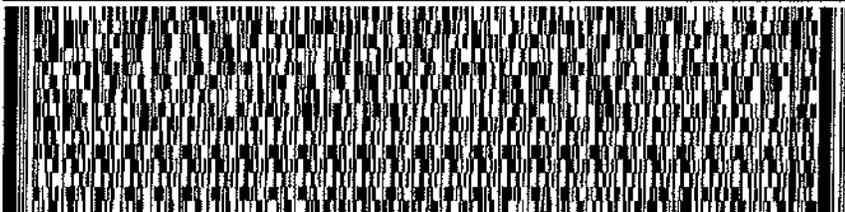
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

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. INVENERGY RENEWABLE LLC	■ 32039999035	■ <input type="checkbox"/>
2. INVENERGY WIND CALIFORNIA LLC	■ 611594266	■ <input checked="" type="checkbox"/>
3. INVENERGY TX TRADING I LLC	■ 000000009	■ <input checked="" type="checkbox"/>
4. INVENERGY TX TRADING II LLC	■ 000000010	■ <input checked="" type="checkbox"/>
5. INVENERGY WIND TURBINE II LLC	■ 204135995	■ <input checked="" type="checkbox"/>
6. INVENERGY WIND FINANCE NORTH AMERICA LLC	■ 208906923	■ <input checked="" type="checkbox"/>
7. INVENERGY WIND MONTANA LLC	■ 000000011	■ <input checked="" type="checkbox"/>
8. JUDITH GAP WIND ENERGY II LLC	■ 274083207	■ <input checked="" type="checkbox"/>
9. LA SIERRITA WIND LLC	■ 000000012	■ <input checked="" type="checkbox"/>
10. LASSEN WIND GENERATION LLC	■ 208805949	■ <input checked="" type="checkbox"/>
11. LEDGE WIND ENERGY LLC	■ 263477676	■ <input checked="" type="checkbox"/>
12. MORROW WIND ENERGY LLC	■ 270449139	■ <input checked="" type="checkbox"/>
13. OCEANA WIND LLC	■ 204540080	■ <input checked="" type="checkbox"/>
14. PINE RIDGE ENERGY LLC	■ 000000013	■ <input checked="" type="checkbox"/>
15. SEDGWICK WIND ENERGY LLC	■ 000000014	■ <input checked="" type="checkbox"/>
16. INVENERGY WIND MANAGEMENT LLC	■ 000000015	■ <input checked="" type="checkbox"/>
17. SUMMIT RIDGE ENERGY LLC	■ 260672486	■ <input checked="" type="checkbox"/>
18. TECATE DIVIDE WIND ENERGY LLC	■ 300475081	■ <input checked="" type="checkbox"/>
19. TEHACHAPI CONNECT LLC	■ 000000016	■ <input checked="" type="checkbox"/>
20. UNION WIND ENERGY LLC	■ 264527222	■ <input checked="" type="checkbox"/>
21. MORESVILLE ENERGY LLC	■ 261363691	■ <input checked="" 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"/>
--------------------------------	-----------------------------



7003

### Texas Franchise Tax Extension Affiliate List



■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

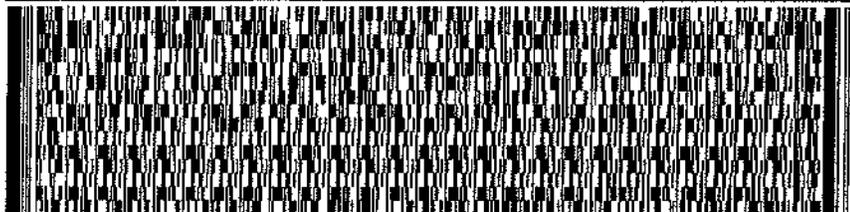
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

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. BISHOP HILL CLASS B HOLDINGS LLC	000000017	<input checked="" type="checkbox"/>
2. INVENERGY THERMAL FINANCING LLC	208687404	<input checked="" type="checkbox"/>
3. INVENERGY THERMAL HOLDINGS LLC	204577532	<input checked="" type="checkbox"/>
4. INVENERGY THERMAL HOLDINGS II LLC	205028278	<input checked="" type="checkbox"/>
5. INVENERGY TURBINE COMPANY II LLC	203960201	<input checked="" type="checkbox"/>
6. INVENERGY THERMAL DEVELOPMENT LLC	261563294	<input checked="" type="checkbox"/>
7. INVENERGY SOLAR DEVELOPMENT LLC	270748913	<input checked="" type="checkbox"/>
8. COTTONWOODS WIND ENERGY LLC	352486539	<input checked="" type="checkbox"/>
9. GRATIOT COUNTY WIND II LLC	000000018	<input checked="" type="checkbox"/>
10. HALES LAKE ENERGY LLC	800841363	<input checked="" type="checkbox"/>
11. INVENERGY ILLINOIS SOLAR II LLC	273411444	<input checked="" type="checkbox"/>
12. INVENERGY ILLINOIS SOLAR III LLC	273426043	<input checked="" type="checkbox"/>
13. INVENERGY ILLINOIS SOLAR IV LLC	273438626	<input checked="" type="checkbox"/>
14. INVENERGY ILLINOIS WIND HOLDINGS LLC	273965256	<input checked="" type="checkbox"/>
15. INVENERGY WIND DEVELOPMENT MICHIGAN LLC	452605836	<input checked="" type="checkbox"/>
16. INVENERGY WIND DEVELOPMENT MONTANA LLC	273554310	<input checked="" type="checkbox"/>
17. INVENERGY WIND TURBINE TRANSPORT I LLC	272933240	<input checked="" type="checkbox"/>
18. INVENERGY WIND TURBINE TRANSPORT II LLC	272933334	<input checked="" type="checkbox"/>
19. NELIGH WIND ENERGY LLC	000000019	<input checked="" type="checkbox"/>
20. OLD STATE ENERGY LLC	000000020	<input checked="" type="checkbox"/>
21. PLEASANT RIDGE ENERGY LLC	273416439	<input checked="" 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"/>
--------------------------------	-----------------------------



7003

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

12006168525

2015

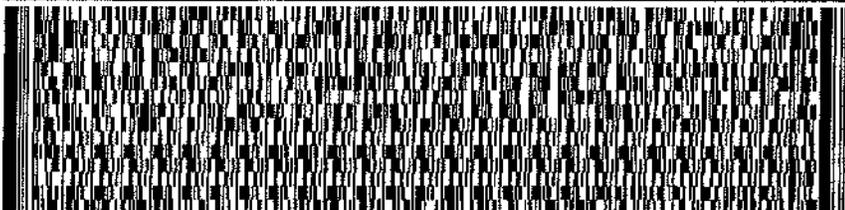
POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. TIDENATER SOLAR ENERGY LLC	274218080	<input checked="" type="checkbox"/>
2. TONOPAH ENERGY LLC	273411491	<input checked="" type="checkbox"/>
3. TRICOUNTY WIND ENERGY LLC	273635437	<input checked="" type="checkbox"/>
4. TYRRELL ENERGY LLC	000000021	<input checked="" type="checkbox"/>
5. VANTAGE CLASS B HOLDINGS LLC	272982377	<input checked="" type="checkbox"/>
6. WILKINSON ENERGY LLC	000000022	<input checked="" type="checkbox"/>
7. INVENERGY CLEAN POWER LLC	453417763	<input checked="" type="checkbox"/>
8. INVENERGY WIND DEVELOPMENT HOLDINGS LLC	300703095	<input checked="" type="checkbox"/>
9. INVENERGY WIND DEVELOPMENT NORTH AMERICA LLC	453693555	<input checked="" type="checkbox"/>
10. INVENERGY WIND POWER HOLDINGS LLC	000000023	<input checked="" type="checkbox"/>
11. INVENERGY WIND NORTH AMERICA HOLDINGS LLC	453698038	<input checked="" type="checkbox"/>
12. RED OAK ENERGY LLC	000000024	<input checked="" type="checkbox"/>
13. BUCKEYE WIND ENERGY LLC	371738119	<input checked="" type="checkbox"/>
14. GRATIOT COUNTY HOLDINGS LLC	452777576	<input checked="" type="checkbox"/>
15. HARDIN SOLAR ENERGY LLC	000000025	<input checked="" type="checkbox"/>
16. BECKETT SOLAR ENERGY LLC	300733789	<input checked="" type="checkbox"/>
17. QUINTON SOLAR ENERGY 1 LLC	364731443	<input checked="" type="checkbox"/>
18. JUDITH GAP WIND ENERGY III LLC	000000026	<input checked="" type="checkbox"/>
19. BIG OTTER WIND ENERGY II LLC	000000027	<input checked="" type="checkbox"/>
20. BEECH RIDGE ENERGY II LLC	300795442	<input checked="" type="checkbox"/>
21. BUZZARD CREEK ENERGY LLC	000000028	<input checked="" 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"/>
-------	--------------------------	----	--------------------------



7003

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

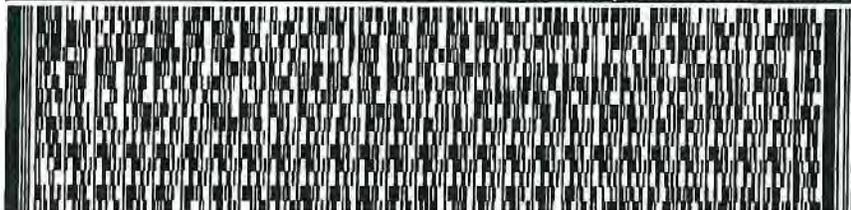
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. GRATIOT COUNTY WIND PHASE II LLC	000000029	<input checked="" type="checkbox"/>
2. BEECH RIDGE HOLDINGS LLC	000000030	<input checked="" type="checkbox"/>
3. GRAND RIDGE GREEN HOLDINGS LLC	800873258	<input checked="" type="checkbox"/>
4. FORWARD ENERGY HOLDINGS LLC	000000031	<input checked="" type="checkbox"/>
5. IWFC HOLDINGS LLC	000000032	<input checked="" type="checkbox"/>
6. CALIFORNIA RIDGE CLASS B HOLDINGS LLC	460909292	<input checked="" type="checkbox"/>
7. CALIFORNIA RIDGE WIND ENERGY II LLC	611713897	<input checked="" type="checkbox"/>
8. HALES LAKE ENERGY II LLC	320386990	<input checked="" type="checkbox"/>
9. HALES LAKE ENERGY III LLC	364740400	<input checked="" type="checkbox"/>
10. WRAY WIND ENERGY LLC	000000033	<input checked="" type="checkbox"/>
11. CLARKTON SOLAR ENERGY LLC	900886991	<input checked="" type="checkbox"/>
12. PANTEGO WIND ENERGY LLC	900859617	<input checked="" type="checkbox"/>
13. ACCOMACK WIND ENERGY LLC	000000034	<input checked="" type="checkbox"/>
14. HEPFNER WIND ENERGY LLC	000000035	<input checked="" type="checkbox"/>
15. INVENERGY ILLINOIS SOLAR I HOLDINGS LLC	460873725	<input checked="" type="checkbox"/>
16. BISHOP HILL ENERGY III LLC	320358450	<input checked="" type="checkbox"/>
17. PREBLE SOLAR ENERGY LLC	453249830	<input checked="" type="checkbox"/>
18. COLUMBUS SOLAR ENERGY LLC	611667460	<input checked="" type="checkbox"/>
19. INVENERGY US WIND HOLDINGS LLC	800872533	<input checked="" type="checkbox"/>
20. INVENERGY US WIND I LLC	000000036	<input checked="" type="checkbox"/>
21. INVENERGY WIND OPERATING I LLC	800873258	<input checked="" 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"/>
-------	--------------------------	----	--------------------------



7003

## Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

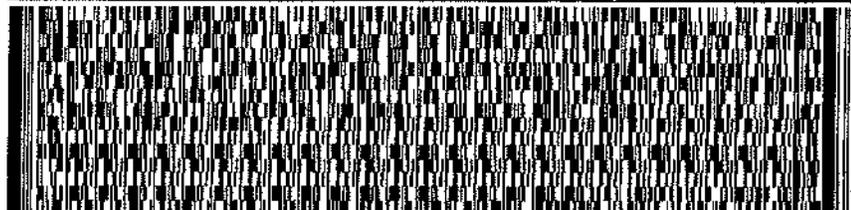
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY WIND GLOBAL LLC	900771171	<input checked="" type="checkbox"/>
2. INVENERGY WIND POWER LLC	371650259	<input checked="" type="checkbox"/>
3. INVENERGY WIND OPERATIONAL HOLDINGS LLC	611691741	<input checked="" type="checkbox"/>
4. POTTER WIND ENERGY LLC	270298236	<input checked="" type="checkbox"/>
5. FREEBORN WIND ENERGY LLC	000000037	<input checked="" type="checkbox"/>
6. HARDIN WIND ENERGY II LLC	273347162	<input checked="" type="checkbox"/>
7. INVENERGY WIND CANADA LLC	000000038	<input checked="" type="checkbox"/>
8. INVENERGY SOLAR OPERATIONAL HOLDINGS LLC	000000039	<input checked="" type="checkbox"/>
9. BEECH RIDGE ENERGY STORAGE LLC	820429469	<input checked="" type="checkbox"/>
10. BUCKEYE WIND ENERGY II LLC	352490923	<input checked="" type="checkbox"/>
11. BUCKEYE WIND ENERGY III LLC	320429329	<input checked="" type="checkbox"/>
12. BCTOR COUNTY ENERGY CENTER LLC	32051582107	<input type="checkbox"/>
13. GOLDTHWAITE CLASS B HOLDINGS LLC	800927691	<input checked="" type="checkbox"/>
14. GOLDTHWAITE INVESTCO LLC	900999710	<input checked="" type="checkbox"/>
15. GRAND RIDGE ENERGY STORAGE LLC	901034125	<input checked="" type="checkbox"/>
16. INVENERGY BLANCO CANYON WIND ENERGY LLC	32052480897	<input type="checkbox"/>
17. INVENERGY GOLDTHWAITE CONSTRUCTION LLC	32051304577	<input type="checkbox"/>
18. INVENERGY GOLDTHWAITE LLC	900998971	<input checked="" type="checkbox"/>
19. INVENERGY MIAMI WIND I HOLDINGS #2 LLC	000000040	<input checked="" type="checkbox"/>
20. INVENERGY MIAMI WIND I HOLDINGS LLC	383915089	<input checked="" type="checkbox"/>
21. INVENERGY NELSON HOLDINGS LLC	000000041	<input checked="" 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"/>
-------	--------------------------	----	--------------------------



7003

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298  
■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

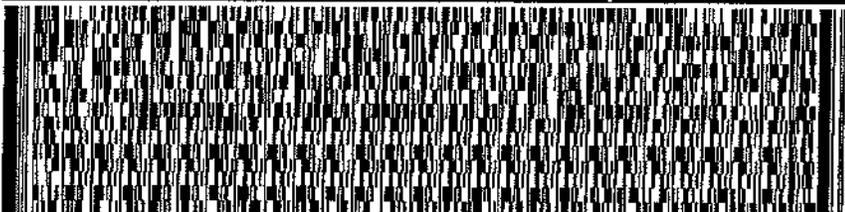
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY PRAIRIE BREEZE HOLDINGS LLC	000000042	<input checked="" type="checkbox"/>
2. INVENERGY STORAGE DEVELOPMENT LLC	364783074	<input checked="" type="checkbox"/>
3. INVENERGY STORAGE LLC	383927961	<input checked="" type="checkbox"/>
4. INVENERGY WIND DEVELOPMENT COLORADO LLC	000000043	<input checked="" type="checkbox"/>
5. INVENERGY WIND TURBINE MANAGEMENT LLC	383926606	<input checked="" type="checkbox"/>
6. MITCHELL SOLAR ENERGY LLC	352482187	<input checked="" type="checkbox"/>
7. IWPNA DEVELOPMENT HOLDINGS LLC	000000044	<input checked="" type="checkbox"/>
8. LAKELAND SOLAR ENERGY LLC	271740233	<input checked="" type="checkbox"/>
9. MIAMI WIND I HOLDINGS LLC	32054343044	<input type="checkbox"/>
10. MIAMI WIND I CLASS B HOLDINGS LLC	300797368	<input checked="" type="checkbox"/>
11. GRAYS HARBOR ENERGY II LLC	262139768	<input checked="" type="checkbox"/>
12. GRAND RIDGE HOLDINGS LLC	270399906	<input checked="" type="checkbox"/>
13. MIAMI WIND II LLC	32049494662	<input type="checkbox"/>
14. MIAMI WIND III LLC	32050987463	<input type="checkbox"/>
15. MORGANS CORNER SOLAR ENERGY LLC	901017551	<input checked="" type="checkbox"/>
16. ORANGEVILLE CLASS B HOLDINGS LLC	800927998	<input checked="" type="checkbox"/>
17. PRAIRIE BREEZE CLASS B HOLDINGS LLC	900987634	<input checked="" type="checkbox"/>
18. RED PLAINS WIND ENERGY LLC	000000045	<input checked="" type="checkbox"/>
19. WAKE WIND ENERGY II LLC	32052598599	<input type="checkbox"/>
20. WAKE WIND ENERGY III LLC	32052593228	<input type="checkbox"/>
21. WAKE WIND ENERGY LLC	32050567323	<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"/>
--------------------------------	-----------------------------



7003

Texas Franchise Tax Extension Affiliate List



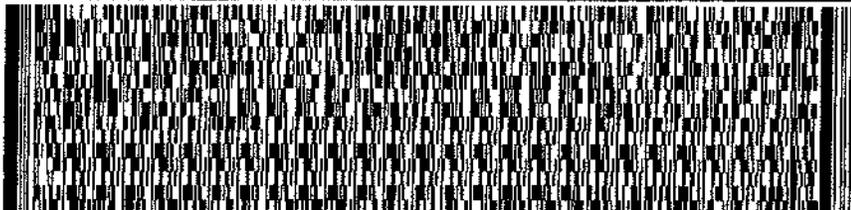
Tcode 13298  
 Reporting entity taxpayer number 12006168525  
 Report year 2015  
 Reporting entity taxpayer name POLSKY ENERGY HOLDINGS LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FE number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. LACKAWANNA ENERGY CENTER LLC	611729673	<input checked="" type="checkbox"/>
2. PLEASANT RIDGE ENERGY II LLC	320434437	<input checked="" type="checkbox"/>
3. LUNING ENERGY LLC	300811344	<input checked="" type="checkbox"/>
4. DESERT GREEN SOLAR FARM LLC	275171756	<input checked="" type="checkbox"/>
5. MARSH HILL CLASS B HOLDINGS LLC	371753633	<input checked="" type="checkbox"/>
6. MARSH HILL HOLDINGS LLC	364783084	<input checked="" type="checkbox"/>
7. SPRING CANYON EXPANSION CLASS B HOLDINGS LLC	371753636	<input checked="" type="checkbox"/>
8. SPRING CANYON EXPANSION HOLDINGS LLC	383928978	<input checked="" type="checkbox"/>
9. JOHNSON COUNTY WIND ENERGY LLC	364789962	<input checked="" type="checkbox"/>
10. PRAIRIE BREEZE WIND ENERGY II LLC	364785344	<input checked="" type="checkbox"/>
11. SPRING CANYON ENERGY IV LLC	383931285	<input checked="" type="checkbox"/>
12. PEAK VIEW WIND ENERGY LLC	320442859	<input checked="" type="checkbox"/>
13. RATTLESNAKE WIND I CLASS B HOLDINGS LLC	352510920	<input checked="" type="checkbox"/>
14. RATTLESNAKE WIND I HOLDINGS LLC	300835484	<input checked="" type="checkbox"/>
15. INVENERGY CANNON FALLS II LLC	000000046	<input checked="" type="checkbox"/>
16. INVENERGY DESERT GREEN HOLDINGS LLC	364798142	<input type="checkbox"/>
17. RATTLESNAKE WIND II LLC	000000047	<input checked="" type="checkbox"/>
18. HIGHLAND WIND ENERGY II LLC	000000048	<input checked="" type="checkbox"/>
19. INVENERGY THERMAL GLOBAL LLC	000000049	<input checked="" type="checkbox"/>
20. ECTOR COUNTY ENERGY CENTER HOLDINGS LLC	000000050	<input checked="" type="checkbox"/>
21. INVENERGY SOLAR GLOBAL LLC	000000051	<input checked="" 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  FM



7003

**Texas Franchise Tax Extension Affiliate List**



■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

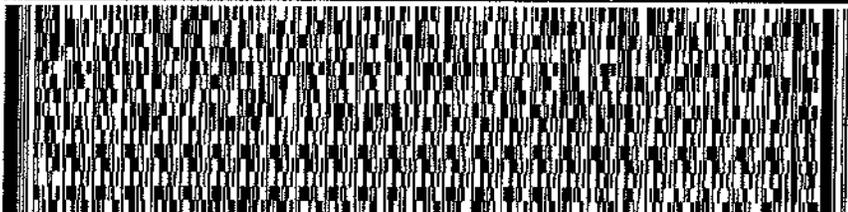
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. INVENERGY THERMAL OPERATING I LLC	000000052	<input checked="" type="checkbox"/>
2. INVENERGY THERMAL FINANCING II LLC	300846188	<input checked="" type="checkbox"/>
3. PRINEVILLE SOLAR ENERGY LLC	000000053	<input checked="" type="checkbox"/>
4. HARRY ALLEN SOLAR ENERGY LLC	000000054	<input checked="" type="checkbox"/>
5. INVENERGY DEVELOPMENT COMPANY LLC	202413286	<input checked="" type="checkbox"/>
6. RATTLESNAKE WIND I LLC (FKA CPV RATTLESNAKE D	261951206	<input checked="" type="checkbox"/>
7. BEECH RIDGE INVESTMENT CORPORATION	273173911	<input checked="" type="checkbox"/>
8. CANNON FALLS FINANCING LLC	205264896	<input checked="" type="checkbox"/>
9. INVENERGY CANNON FALLS LLC	205477569	<input checked="" type="checkbox"/>
10. SPINDLE HILL FINANCING LLC	205232084	<input checked="" type="checkbox"/>
11. SPINDLE HILL ENERGY LLC	205022554	<input checked="" type="checkbox"/>
12. HARDEE HOLDINGS LLC	200258136	<input checked="" type="checkbox"/>
13. HARDEE LP LLC	000000055	<input checked="" type="checkbox"/>
14. HARDEE GP LLC	000000056	<input checked="" type="checkbox"/>
15. HARDEE POWER PARTNERS LIMITED	000000057	<input checked="" type="checkbox"/>
16. INVENERGY GRAYS HARBOR LLC	208833115	<input checked="" type="checkbox"/>
17. GRAYS HARBOR ENERGY LLC	760659073	<input checked="" type="checkbox"/>
18. INVENERGY NELSON LLC	205640025	<input checked="" type="checkbox"/>
19. THERMAL INVESTMENT CORPORATION	364797443	<input checked="" type="checkbox"/>
20. SKYGEN SOLAR ENERGY LLC	262249384	<input checked="" type="checkbox"/>
21. INVENERGY ILLINOIS SOLAR INVESTMENT CORPORATI	460873725	<input checked="" 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"/>
-------	--------------------------	----	--------------------------



7003

### Texas Franchise Tax Extension Affiliate List



■ Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

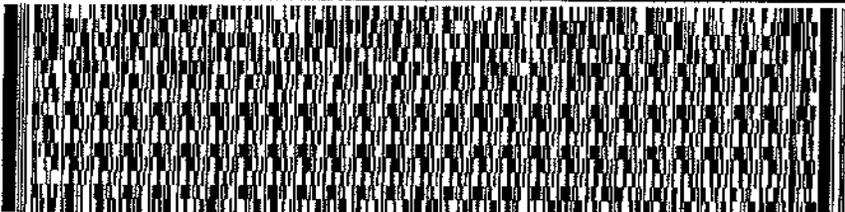
12006168525	2015	POLSKY ENERGY HOLDINGS LLC
-------------	------	----------------------------

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. MIAMI WIND I LLC	■ 32045958413	■ <input type="checkbox"/>
2. STERLING WIND ENERGY LLC	■ 32033691760	■ <input type="checkbox"/>
3. STERLING FARMS WIND ENERGY LLC	■ 000000058	■ <input checked="" 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"/>
-------	--------------------------	----	--------------------------



7003



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #4**

Detailed Description of Project

Santa Rita Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install a variation of GE 1.85 and 2.0 megawatt turbines on the property within the reinvestment zone in Reagan County, Texas. Santa Rita Wind Energy LLC estimates that 87 turbines are planned to be installed in Reagan County ISD.

The additional improvements for the Santa Rita Wind Project will include but are not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations, and any other tangible personal property located at the operations and maintenance building.



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #5**

**CONFIDENTIAL**

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Santa Rita has begun typical due course, early stage due diligence to explore feasibility of constructing a wind facility at this site. As such, certain contracts have been executed, including agreements to site and install meteorological monitoring equipment, lease and easement agreements with landowners, contracts with environmental contractors to explore environmental impacts of the proposed project, and an Interconnection Agreement with the transmission provider. None of these contracts obligate Santa Rita to construct the project.

Section 8, #7: Is the applicant evaluating other locations not in Texas for the proposed project?

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Santa Rita Wind Energy LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return.

Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEMS #6**

**CONFIDENTIAL**

Other School District Information

Santa Rita Wind estimates that 26 megawatts of the estimated 200 megawatts of the project will be located in Irion County ISD. Santa Rita Wind may file an application for a value limitation agreement with Irion County ISD.

Of the total project costs, Santa Wind estimates that that 87% of the project will be located and taxed within Reagan County ISD. The estimated 13% remaining will be taxed within Irion County ISD.



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #7**

Description of Qualified Investment

See checklist item #4.



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEMS #8**

Description of Qualified Property

See checklist item #4.



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #9**

Description of Land

**CONFIDENTIAL**

Santa Rita Wind Energy LLC will lease approximately 60,000 acres of land with local land owners in Reagan County, Texas.

Proposed Santa Rita Wind Project Area					
SURVEY	SUBSURVEY	ABSTRACT	BLOCK	SECTION	ACRES
T&P RR CO		1199	1	81	648.408325
T&P RR CO	WOOD, O L	1207	1	88	628.2776799
T&P RR CO		1200	1	107	619.861472
T&P RR CO	MILLER, J M	1195	1	114	623.3309225
T&P RR CO		1201	1	133	630.181404
T&P RR CO	CARSON, J	1209	1	140	309.5014756
T&P RR CO	CARSON, J	1211	1	140	341.2984705
T&P RR CO		1202	1	159	640.1335254
T&P RR CO	CASTLEBERRY, W C	1259	1	166	651.0226939
T&P RR CO	CASTLEBERRY, W C	1259	1	166	651.0226939
T&P RR CO		1203	1	185	636.6899741
T&P RR CO	CARSON, J	1210	1	192	614.5798766
T&P RR CO		1204	1	211	608.703491
T&P RR CO	COX, X B	1188	1	218	569.1675522
T&P RR CO		1205	1	237	612.7778256
T&P RR CO	WALKER, E W	679	1	72	638.5533519
T&P RR CO		507	1	73	641.8115554
T&P RR CO	WALKER, N	683	1	74	642.5770019
T&P RR CO		508	1	75	646.2731404
T&P RR CO	WATKINS, J P	698	1	76	646.1511907
T&P RR CO		509	1	77	657.2647709
T&P RR CO	WHATLEY, W N	702	1	78	635.5581252
T&P RR CO		510	1	79	653.6762467
T&P RR CO	WOOD, O L	719	1	80	660.811876
T&P RR CO		517	1	97	648.64866
T&P RR CO	RATLIFF, S B	391	1	96	639.5702333
T&P RR CO		516	1	95	628.0572777
T&P RR CO	WALKER, N	684	1	94	644.416543
T&P RR CO		515	1	93	645.1443441
T&P RR CO	JACKSON, S	236	1	92	648.8326701
T&P RR CO		514	1	91	636.3174631
T&P RR CO	WHATLEY, W N	701	1	90	649.5375887
T&P RR CO		513	1	89	651.0571931
T&P RR CO	RATLIFF, S B	389	1	98	637.8348615
T&P RR CO		518	1	99	644.3332126
T&P RR CO	RATLIFF, S B	392	1	100	644.116609
T&P RR CO		519	1	101	666.5771214
T&P RR CO	WATKINS, D H	697	1	102	664.7059802
T&P RR CO		520	1	103	663.2473226
T&P RR CO	JACKSON, J L	234	1	104	658.3076413
T&P RR CO		521	1	105	656.3889234
T&P RR CO	JACKSON, S	235	1	106	643.2162554
T&P RR CO		528	1	123	624.0909859
T&P RR CO	RATLIFF, S B	390	1	122	635.0848475
T&P RR CO		527	1	121	636.7921355

T&P RR CO	WATKINS, D H	695	1	120	664.2655658
T&P RR CO	WATKINS, D H	695	1	120	664.2655658
T&P RR CO		526	1	119	650.2189331
T&P RR CO	WATKINS, D H	696	1	118	644.451817
T&P RR CO		525	1	117	634.3008621
T&P RR CO	JACKSON, J L	232	1	116	638.5914993
T&P RR CO		524	1	115	652.8894384
T&P RR CO	WALKER, G S JR	685	1	124	633.8270488
T&P RR CO		529	1	125	644.8543523
T&P RR CO	WALKER, G S JR	688	1	126	640.5144213
T&P RR CO		530	1	127	650.4259762
T&P RR CO	CARSON, J M	875	1	128	643.8596578
T&P RR CO		531	1	129	639.3710482
T&P RR CO	STARKEY, T	899	1	130	644.8571131
T&P RR CO		532	1	131	637.3452757
T&P RR CO	WALKER, F	902	1	132	642.2195777
T&P RR CO		539	1	149	631.9676732
T&P RR CO	WALKER, G S JR	686	1	148	639.9844216
T&P RR CO		538	1	147	641.337545
T&P RR CO	STARKEY, T	898	1	146	645.9236568
T&P RR CO		537	1	145	653.4472674
T&P RR CO	CRANE, A N	880	1	144	646.5574105
T&P RR CO		536	1	143	654.9012112
T&P RR CO	WALKER, F	903	1	142	656.4178911
T&P RR CO		535	1	141	658.9987535
T&P RR CO	RATLIFF, S O	852	1	152	651.7283052
T&P RR CO	LONG, J E	891	1	156	183.1562798
HINES, M H	CASTLEBERRY, F	737		4	111.0855499
T&P RR CO	WALKER, G S JR	687	1	150	635.678817
T&P RR CO		540	1	151	650.4374133
T&P RR CO		541	1	153	656.9125774
T&P RR CO		550	1	175	612.6919488
T&P RR CO	JACKSON, J L	770	1	154	663.7044104
CARR, J O		990			76.52545289
T&P RR CO		542	1	155	648.37724
T&P RR CO	WARREN, L J	692	1	174	634.5073625
HE&WT RR CO		216		11	607.771555
T&P RR CO	CRANE, A N	881	1	156	318.8856828
HE&WT RR CO	SAMMONS, J W	793		12	571.9819054
T&P RR CO	ROSS, L	958	1	156	149.9518777
T&P RR CO		543	1	157	649.4373685
T&P RR CO		549	1	173	292.954835
T&P RR CO		549	1	173	345.7748913
T&P RR CO	CARSON, J M	877	1	158	634.8513993
T&P RR CO	CLARKE, C	879	1	172	641.6362337
T&P RR CO		548	1	171	642.4761083
T&P RR CO	DE FREEST, M J	885	1	170	647.0003902

T&P RR CO		547	1	169	654.5342492
T&P RR CO	HUGHES, V T	980	1	168	656.8767337
T&P RR CO		546	1	167	643.745206
T&P RR CO	MOODY, J	894	1	178	657.0228021
T&P RR CO		552	1	179	657.5483255
T&P RR CO		551	1	177	670.1165127
T&P RR CO	MOODY, J	893	1	180	657.0694723
T&P RR CO	MOODY, J	893	1	180	657.0694723
T&P RR CO	WARREN, L J	691	1	176	671.8062387
T&P RR CO		553	1	181	657.0467683
T&P RR CO	WALKER, F	905	1	182	659.6171231
T&P RR CO		554	1	183	657.8040501
T&P RR CO	WALLACE, M M	907	1	184	652.714654
T&P RR CO		561	1	201	624.169132
T&P RR CO	WARREN, L J	693	1	200	637.3397581
T&P RR CO		560	1	199	645.2024131
T&P RR CO	MOODY, J	892	1	198	642.2863443
T&P RR CO		559	1	197	646.7853126
T&P RR CO	DE FREEST, H	887	1	196	637.3079547
T&P RR CO		558	1	195	635.0006546
T&P RR CO	WALKER, F	906	1	194	642.7635873
T&P RR CO		557	1	193	650.0222032
T&P RR CO		562	1	203	660.0854849
T&P RR CO	SAMSONS, J W	409	1	204	526.9645471
T&P RR CO		563	1	205	642.6493473
T&P RR CO	TANKERSLEY, G W	434	1	206	655.8437551
T&P RR CO		564	1	207	647.8475786
T&P RR CO	TANKERSLEY, G W	437	1	208	643.4980568
T&P RR CO		565	1	209	910.9070515
T&P RR CO	CRANE, O A	883	1	210	644.4581961
T&P RR CO	HENDERSON, W B	199	1	226	497.4345758
T&P RR CO	TANKERSLEY, G W	435	1	224	639.4126668
T&P RR CO		570	1	223	656.9139717
T&P RR CO	TANKERSLEY, G W	436	1	222	639.0519278
T&P RR CO		569	1	221	628.7693565
T&P RR CO	CRANE, O A	882	1	220	617.0729246
T&P RR CO		568	1	219	618.2058131
WOLTERS, O H		986			656.5368742
GC&SF RR CO	TAYLOR, T H	809		4	572.0365171
T&P RR CO	TAYLOR, T H	811	1	228	648.8030802
T&P RR CO		573	1	229	598.6510009
T&P RR CO	BOARDMAN, H J	42	1	230	652.8981383
T&P RR CO		574	1	231	648.2924768
T&P RR CO	HENDERSON, W B	196	1	232	680.1262327
T&P RR CO		575	1	233	663.6808404
T&P RR CO	HENDERSON, W B	197	1	234	659.7299522
T&P RR CO		576	1	235	668.6715379

T&P RR CO	COX, X B	66	1	236	676.3411789
GC&SF RR CO		183		1	582.3342579
C&M RR CO	WILSON, J H	826		2	1145.214769
HE&WT RR CO		217		3	1221.937734
HE&WT RR CO	HENDERSON, W B	198		4	1137.750565
HE&WT RR CO		218		5	1064.352039
HE&WT RR CO	CRANE, O A	884		6	1083.942292
KOONC, M C	PITTMAN, J P	785		27	495.8574781
YOUNG, W		1006			57.13771895
C&M RR CO		90		1	599.704951
YOUNG, J W / WILSON, L		974		12	173.5522582
HERRIN, HRS M		200		2	172.5700549
GC&SF RR CO		170		1	644.7624378
BRIGANCE, A L		45		1	613.5068785
GC&SF RR CO	WILSON, J H	825		2	673.6347156
YOUNG, J W / WILSON, L		974		12	43.94351172



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #10**

Description of Property not Eligible to become Qualified Property

N/A



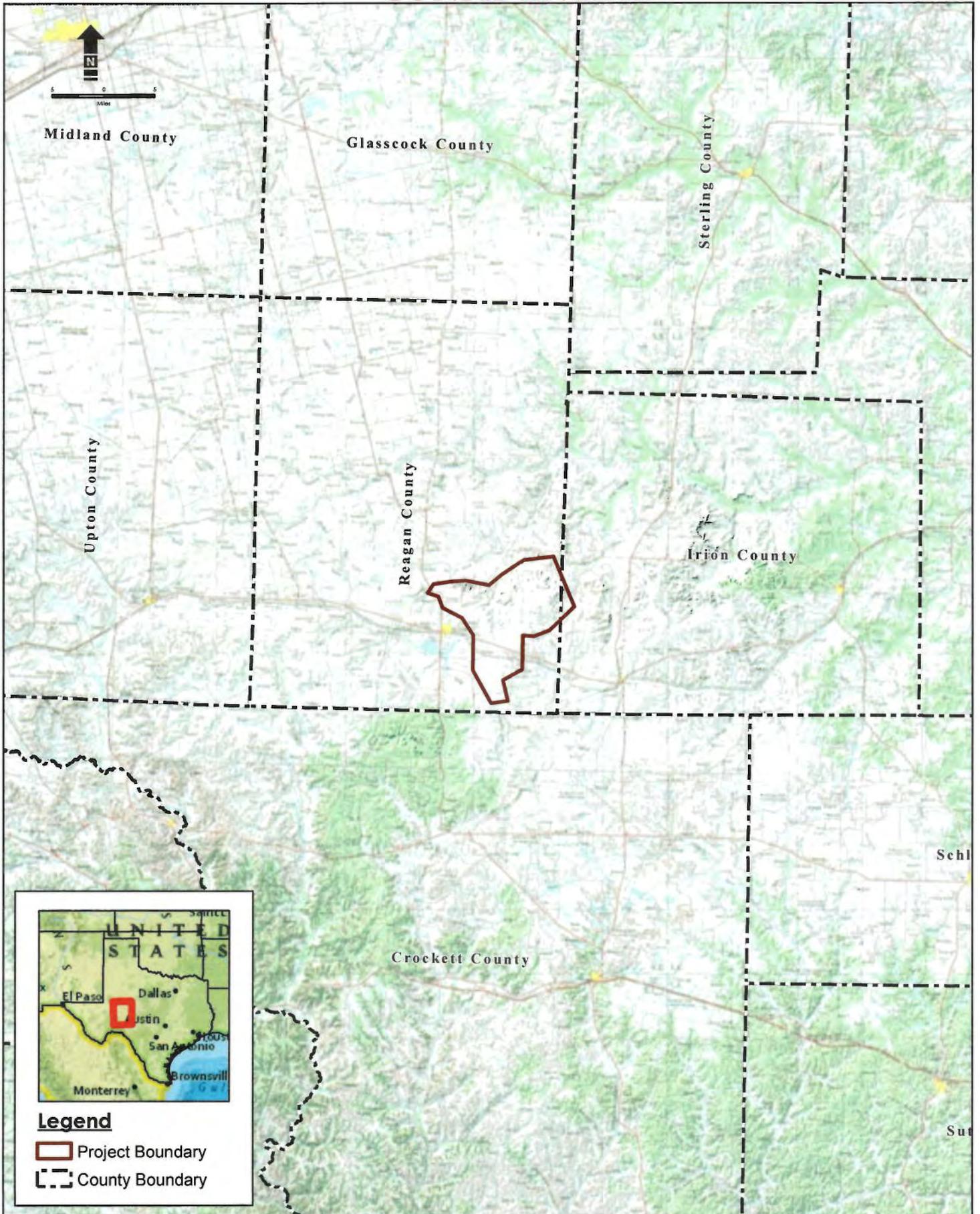
**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #11**

**CONFIDENTIAL**

Map of Project – SEE BELOW

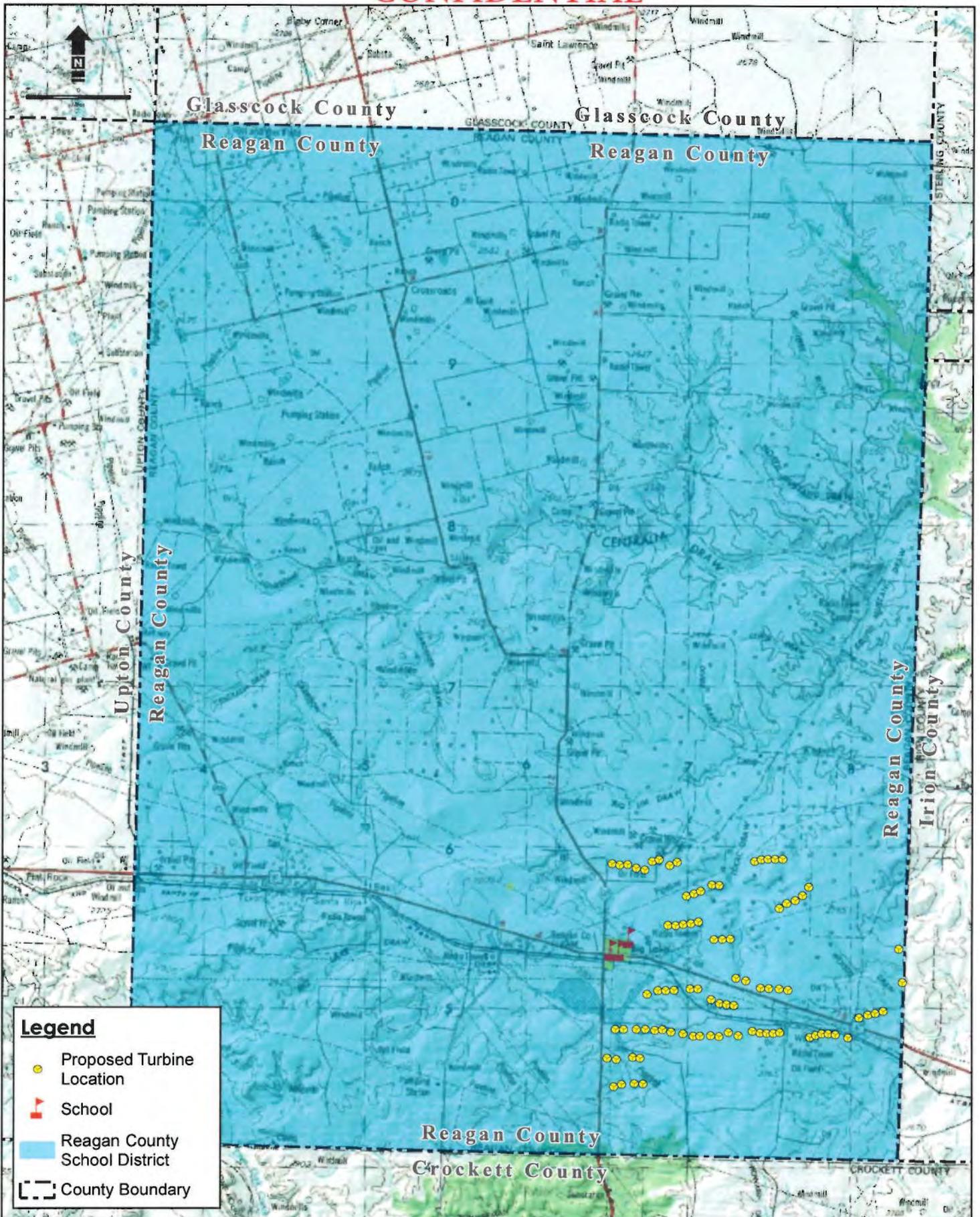


**Proposed Project Location Summary**

Santa Rita Wind Project, Reagan County, Texas

Rev 00  
August 26, 2015

**Invernergy**  
One Four Wincker Drive, Suite 100  
Chicago, Illinois 60604  
(312) 224-4400



**Reagan School District & Proposed Turbine Layout Map**

Santa Rita Wind Project, Reagan County, Texas

Rev. 00  
August 26, 2015

**Invenergy**  
One Town Center Drive, Suite 1900  
Chicago, Illinois 60601  
(815) 224-1400



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #12**

Request for Waiver of Job Creation Requirement

See attached.

# Invenergy

Santa Rita Wind Energy LLC  
One South Wacker Drive, Suite 2020  
Chicago, IL 60606

October 10, 2015

Re: Santa Rita Wind Employment Estimate

To Whom it May Concern,

Invenergy has developed 58 wind projects across the United States and in Canada and Europe, totaling over 5,800 MW. As one of the largest owner/operators of wind farms in the United States, Invenergy has significant experience staffing wind projects. Several factors determine the ultimate ratio of technicians to turbines; among these factors are site layout and turbine technology.

In Invenergy's experience, a ratio of 1 technician for every 10 – 15 turbines is typical for projects that are staffed by full-time employees. Invenergy's latest project under development, the Priddy Wind project will deploy GE 2.0 MW turbines. The GE 2.0 machine is the latest evolution of the GE fleet, of which Invenergy operates over 2,000 units.

We anticipate the technician to turbine ratio to be similar to that for the GE 1.X MW turbines. As a result, we anticipate requiring approximately 1 technician per 12 GE 2.0 MW machines.

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

Based on this ratio of 1 job per 11 turbines and the expectation of 87 turbines to be installed in Reagan County ISD, we request that you waive two jobs from the ten job requirement.

If you have any questions, please do not hesitate to contact me at (312) 582-1421.

Sincerely,



Bryan Schueler  
Vice President  
Santa Rita Wind Energy LLC  
Invenergy LLC

cc: Evan Horn



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

**CHECKLIST ITEM #13**

Calculation of three possible wage requirements with TWC documentation

**Reagan County All Industries Average Weekly Wages**

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Reagan County	Total All	0	0	10	Total, All Industries	\$ 1,006.00
2014	4th Qtr	Reagan County	Total All	0	0	10	Total, All Industries	\$ 1,170.00
2014	3rd Qtr	Reagan County	Total All	0	0	10	Total, All Industries	\$ 1,043.00
2014	2nd Qtr	Reagan County	Total All	0	0	10	Total, All Industries	\$ 1,116.00
							<b>4 Period Weekly Average</b>	<b>\$ 1,083.75</b>
							<b>110% of Average Weekly Wage</b>	<b>\$ 1,192.13</b>
							<b>110% of Annual Wages</b>	<b>\$ 61,990.50</b>

**Reagan County Average Manufacturing Weekly Wages**

-Wages unavailable

**COG Region Wage**

<b>Concho Valley Council of Governments</b>		
	Hourly	Annual
<i>2014 Average Manufacturing Wages</i>	\$18.70	\$ 38,886.00
<b>Avg Weekly Wage</b>		<b>\$ 747.81</b>
<b>110% of Region Weekly Wage</b>		<b>\$ 822.59</b>
<b>110% of Annual Wages</b>		<b>\$ 42,774.60</b>



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #14**

Schedules A-D

See attached.

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

Date 1/21/2016  
 Applicant Name Santa Rita Wind Energy LLC  
 ISD Name Reagan County ISD

Form 50-296A  
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS										
(Estimated Investment in each year. Do not put cumulative totals.)										
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A	Column B	Column C	Column D	Column E		
				New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)		
Investment made before filing complete application with district		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property				[The only other investment made before filing complete application with district that may become Qualified Property is land.]		
Investment made after filing complete application with district, but before final board approval of application	--									
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				226,200,000.00	.	.		226,200,000.00		
Complete tax years of qualifying time period	QTP1	2017-2018	2017		.	.				
					.	.				
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				226,200,000.00	.	.		226,200,000.00		
				Enter amounts from TOTAL row above in Schedule A2						
Total Qualified Investment (sum of green cells)				226,200,000.00						

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

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

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

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

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

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

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

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

Received by Reagan County Independent School District

By: Steve Long  
 Steve Long, Superintendent

Date: 1/21/2016

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

Date **8/26/2015**  
 Applicant Name **Santa Rita Wind Energy LLC**  
 ISD Name **Reagan County ISD**

Form 50-256A  
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	Pre-Year	2015-2016	2015	-	-	-	-	-
	1	2016-2017	2016	226,200,000.00	-	-	-	226,200,000.00
Value limitation period***	1	2017-2018	2017	-	-	-	-	-
	2	2018-2019	2018	-	-	-	-	-
	3	2019-2020	2019	-	-	-	-	-
	4	2020-2021	2020	-	-	-	-	-
	5	2021-2022	2021	-	-	-	-	-
	6	2022-2023	2022	-	-	-	-	-
	7	2023-2024	2023	-	-	-	-	-
	8	2024-2025	2024	-	-	-	-	-
	9	2025-2026	2025	-	-	-	-	-
	10	2026-2027	2026	-	-	-	-	-
Total Investment made through limitation				226,200,000.00	-	-	-	226,200,000.00
Continue to maintain viable presence	11	2027-2028	2027	-	-	-	-	-
	12	2028-2029	2028	-	-	-	-	-
	13	2029-2030	2029	-	-	-	-	-
	14	2030-2031	2030	-	-	-	-	-
	15	2031-2032	2031	-	-	-	-	-
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	-	-	-	-	-
	17	2033-2034	2033	-	-	-	-	-
	18	2034-2035	2034	-	-	-	-	-
	19	2035-2036	2035	-	-	-	-	-
	20	2036-2037	2036	-	-	-	-	-
	21	2037-2038	2037	-	-	-	-	-
	22	2038-2039	2038	-	-	-	-	-
	23	2039-2040	2039	-	-	-	-	-
	24	2040-2041	2040	-	-	-	-	-
	25	2041-2042	2041	-	-	-	-	-

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.  
 \*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.  
 \*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.  
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.  
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.  
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.  
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9 1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.  
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

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

Date  
Applicant Name  
ISD Name

**8/26/2015**  
**Santa Rita Wind Energy LLC**  
**Reagan County ISD**

**Form 50-296A**

*Revised May 2014*

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2015-2016	2015	-	-				
	1	2016-2017	2016	-	-				
Value Limitation Period	1	2017-2018	2017	-	-	226,200,000	226,200,000	226,200,000	25,000,000
	2	2018-2019	2018	-	-	210,366,000	210,366,000	210,366,000	25,000,000
	3	2019-2020	2019	-	-	195,640,380	195,640,380	195,640,380	25,000,000
	4	2020-2021	2020	-	-	181,945,553	181,945,553	181,945,553	25,000,000
	5	2021-2022	2021	-	-	169,209,365	169,209,365	169,209,365	25,000,000
	6	2022-2023	2022	-	-	157,364,709	157,364,709	157,364,709	25,000,000
	7	2023-2024	2023	-	-	146,349,179	146,349,179	146,349,179	25,000,000
	8	2024-2025	2024	-	-	136,104,737	136,104,737	136,104,737	25,000,000
	9	2025-2026	2025	-	-	126,577,405	126,577,405	126,577,405	25,000,000
Continue to maintain viable presence	10	2026-2027	2026	-	-	117,716,987	117,716,987	117,716,987	25,000,000
	11	2027-2028	2027	-	-	111,831,138	111,831,138	111,831,138	111,831,138
	12	2028-2029	2028	-	-	106,239,581	106,239,581	106,239,581	106,239,581
	13	2029-2030	2029	-	-	100,927,602	100,927,602	100,927,602	100,927,602
	14	2030-2031	2030	-	-	95,881,222	95,881,222	95,881,222	95,881,222
Additional years for 25 year economic impact as required by 313.026(c)(1)	15	2031-2032	2031	-	-	91,087,161	91,087,161	91,087,161	91,087,161
	16	2032-2033	2032	-	-	88,354,546	88,354,546	88,354,546	88,354,546
	17	2033-2034	2033	-	-	85,703,909	85,703,909	85,703,909	85,703,909
	18	2034-2035	2034	-	-	83,132,792	83,132,792	83,132,792	83,132,792
	19	2035-2036	2035	-	-	80,638,808	80,638,808	80,638,808	80,638,808
	20	2036-2037	2036	-	-	78,219,644	78,219,644	78,219,644	78,219,644
	21	2037-2039	2037	-	-	75,873,055	75,873,055	75,873,055	75,873,055
	22	2038-2039	2038	-	-	73,596,863	73,596,863	73,596,863	73,596,863
	23	2039-2040	2039	-	-	71,388,957	71,388,957	71,388,957	71,388,957
	24	2040-2041	2040	-	-	69,247,288	69,247,288	69,247,288	69,247,288
	25	2041-2042	2041	-	-	67,169,870	67,169,870	67,169,870	67,169,870

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.  
Only include market value for eligible property on this schedule.

**Schedule C: Employment Information**

Date **8/26/2015**  
 Applicant Name **Santa Rita Wind Energy LLC**  
 ISD Name **Reagan County ISD**

Form 50-296A  
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying 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 non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015					
	1	2016-2017	2016	300 FTEs	\$ 50,000	1	8	\$ 42,775
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2017-2018	2017			1	8	\$ 42,775
	2	2018-2019	2018			1	8	\$ 42,775
	3	2019-2020	2019			1	8	\$ 42,775
	4	2020-2021	2020			1	8	\$ 42,775
	5	2021-2022	2021			1	8	\$ 42,775
	6	2022-2023	2022			1	8	\$ 42,775
	7	2023-2024	2023			1	8	\$ 42,775
	8	2024-2025	2024			1	8	\$ 42,775
	9	2025-2026	2025			1	8	\$ 42,775
10	2026-2027	2026			1	8	\$ 42,775	
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2042			1	8	\$ 42,775

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

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25  Yes  No  
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  
 If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?  Yes  No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?  Yes  No

**Schedule D: Other Incentives (Estimated)**

Date 8/26/2015  
 Applicant Name Santa Rita Wind Energy LLC  
 ISD Name Reagan County ISD

Form 50-296A  
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County					
	City					
	Other					
Tax Code Chapter 312	County: Reagan	2017	10 Years	\$ 476,907	\$ 405,371	\$ 71,536
	City					
	Other: Hospital District	2017	10 Years	\$ 446,301	\$ 379,356	\$ 66,945
Local Government Code Chapters 380/381	County					
	City					
	Other					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
<b>TOTAL</b>				\$ 923,207	\$ 784,728	\$ 138,481

Additional information on incentives for this project:



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #15**

Economic Impact Analysis

TO BE PROVIDED BY COMPTROLLER'S OFFICE



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #16**

Map and Description of Reinvestment Zone

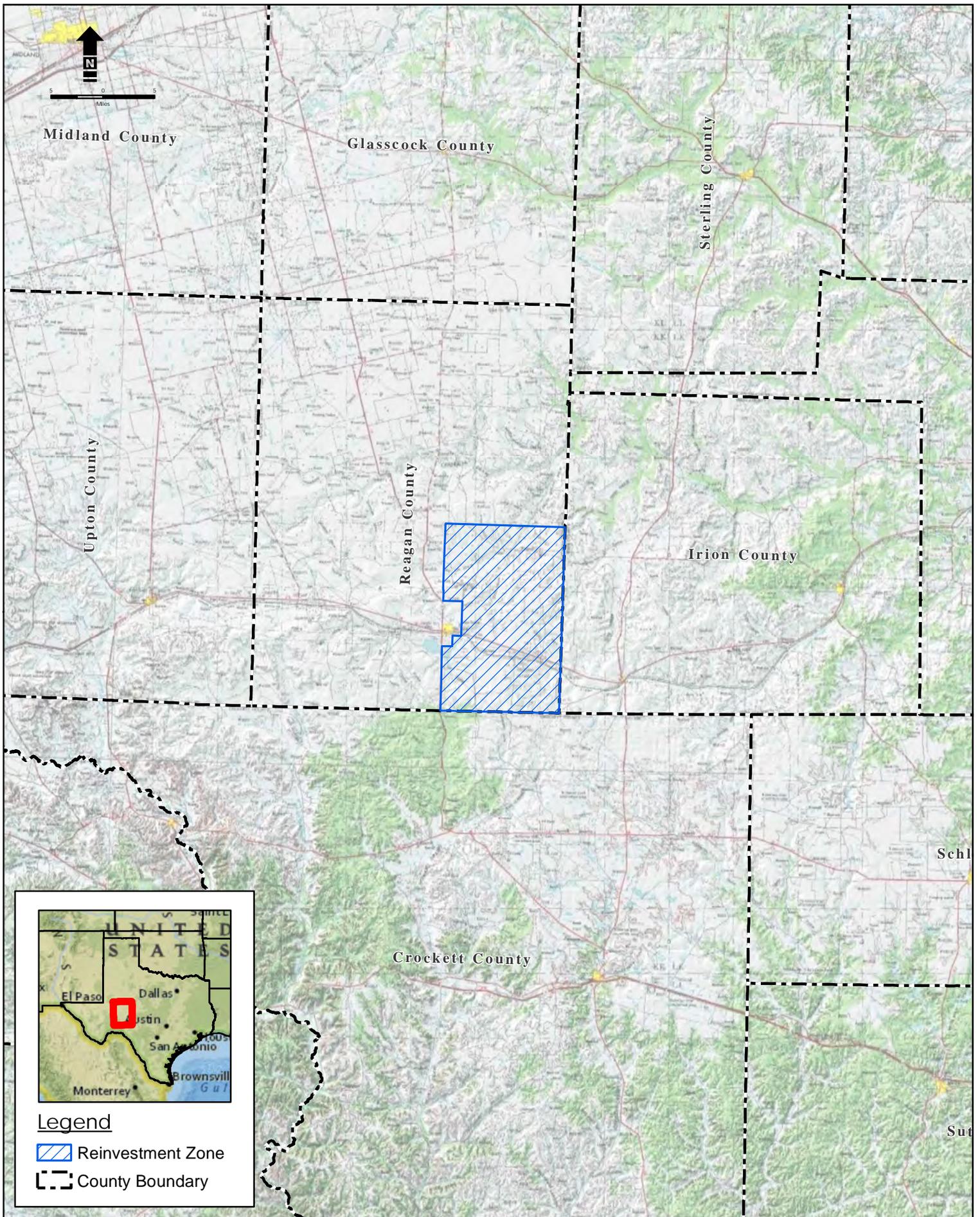
See Attached.

<b>Proposed Reagan County Reinvestment Zone</b>			
<b>SURVEY</b>	<b>ABSTRACT</b>	<b>BLOCK</b>	<b>SECTION</b>
T&P RR CO	1199	1	81
T&P RR CO	1207	1	88
T&P RR CO	1200	1	107
T&P RR CO	1195	1	114
T&P RR CO	1201	1	133
T&P RR CO	1209	1	140
T&P RR CO	1211	1	140
T&P RR CO	1202	1	159
T&P RR CO	1259	1	166
T&P RR CO	1259	1	166
T&P RR CO	1203	1	185
T&P RR CO	1210	1	192
T&P RR CO	1204	1	211
T&P RR CO	1188	1	218
T&P RR CO	1205	1	237
T&P RR CO	679	1	72
T&P RR CO	507	1	73
T&P RR CO	683	1	74
T&P RR CO	508	1	75
T&P RR CO	698	1	76
T&P RR CO	509	1	77
T&P RR CO	702	1	78
T&P RR CO	510	1	79
T&P RR CO	719	1	80
T&P RR CO	517	1	97
T&P RR CO	391	1	96
T&P RR CO	516	1	95
T&P RR CO	684	1	94
T&P RR CO	515	1	93
T&P RR CO	236	1	92
T&P RR CO	514	1	91
T&P RR CO	701	1	90
T&P RR CO	513	1	89
T&P RR CO	389	1	98
T&P RR CO	518	1	99
T&P RR CO	392	1	100
T&P RR CO	519	1	101
T&P RR CO	697	1	102
T&P RR CO	520	1	103
T&P RR CO	234	1	104
T&P RR CO	521	1	105
T&P RR CO	235	1	106
T&P RR CO	528	1	123
T&P RR CO	390	1	122
T&P RR CO	527	1	121

T&P RR CO	695	1	120
T&P RR CO	695	1	120
T&P RR CO	526	1	119
T&P RR CO	696	1	118
T&P RR CO	525	1	117
T&P RR CO	232	1	116
T&P RR CO	524	1	115
T&P RR CO	685	1	124
T&P RR CO	529	1	125
T&P RR CO	688	1	126
T&P RR CO	530	1	127
T&P RR CO	875	1	128
T&P RR CO	531	1	129
T&P RR CO	899	1	130
T&P RR CO	532	1	131
T&P RR CO	902	1	132
T&P RR CO	539	1	149
T&P RR CO	686	1	148
T&P RR CO	538	1	147
T&P RR CO	898	1	146
T&P RR CO	537	1	145
T&P RR CO	880	1	144
T&P RR CO	536	1	143
T&P RR CO	903	1	142
T&P RR CO	535	1	141
T&P RR CO	852	1	152
T&P RR CO	891	1	156
HINES, M H	737		4
T&P RR CO	687	1	150
T&P RR CO	540	1	151
T&P RR CO	541	1	153
T&P RR CO	550	1	175
T&P RR CO	770	1	154
CARR, J O	990		
T&P RR CO	542	1	155
T&P RR CO	692	1	174
HE&WT RR CO	216		11
T&P RR CO	881	1	156
HE&WT RR CO	793		12
T&P RR CO	958	1	156
T&P RR CO	543	1	157
T&P RR CO	549	1	173
T&P RR CO	549	1	173
T&P RR CO	877	1	158
T&P RR CO	879	1	172
T&P RR CO	548	1	171
T&P RR CO	885	1	170

T&P RR CO	547	1	169
T&P RR CO	980	1	168
T&P RR CO	546	1	167
T&P RR CO	894	1	178
T&P RR CO	552	1	179
T&P RR CO	551	1	177
T&P RR CO	893	1	180
T&P RR CO	893	1	180
T&P RR CO	691	1	176
T&P RR CO	553	1	181
T&P RR CO	905	1	182
T&P RR CO	554	1	183
T&P RR CO	907	1	184
T&P RR CO	561	1	201
T&P RR CO	693	1	200
T&P RR CO	560	1	199
T&P RR CO	892	1	198
T&P RR CO	559	1	197
T&P RR CO	887	1	196
T&P RR CO	558	1	195
T&P RR CO	906	1	194
T&P RR CO	557	1	193
T&P RR CO	562	1	203
T&P RR CO	409	1	204
T&P RR CO	563	1	205
T&P RR CO	434	1	206
T&P RR CO	564	1	207
T&P RR CO	437	1	208
T&P RR CO	565	1	209
T&P RR CO	883	1	210
T&P RR CO	199	1	226
T&P RR CO	435	1	224
T&P RR CO	570	1	223
T&P RR CO	436	1	222
T&P RR CO	569	1	221
T&P RR CO	882	1	220
T&P RR CO	568	1	219
WOLTERS, O H	986		
GC&SF RR CO	809		4
T&P RR CO	811	1	228
T&P RR CO	573	1	229
T&P RR CO	42	1	230
T&P RR CO	574	1	231
T&P RR CO	196	1	232
T&P RR CO	575	1	233
T&P RR CO	197	1	234
T&P RR CO	576	1	235

T&P RR CO	66	1	236
GC&SF RR CO	183		1
C&M RR CO	826		2
HE&WT RR CO	217		3
HE&WT RR CO	198		4
HE&WT RR CO	218		5
HE&WT RR CO	884		6
KOONC, M C	785		27
YOUNG, W	1006		
C&M RR CO	90		1
YOUNG, J W / WILSON, L	974		12
HERRIN, HRS M	200		2
GC&SF RR CO	170		1
BRIGANCE, A L	45		1
GC&SF RR CO	825		2
YOUNG, J W / WILSON, L	974		12



**Proposed Reinvestment Zone**

Santa Rita Wind Project, Reagan County, Texas

Rev. 00  
October 21, 2015

**Invenergy**

One South Wacker Drive Suite 1800  
Chicago, Illinois 60606  
(773) 224-1400

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Steve Long  
Print Name (Authorized School District Representative)

Superintendent  
Title

sign here

[Signature]  
Signature (Authorized School District Representative)

8-27-2015  
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Bryan Schueler  
Print Name (Authorized Company Representative (Applicant))

Vice President  
Title

sign here

[Signature]  
Signature (Authorized Company Representative (Applicant))

August 26, 2015  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

26<sup>th</sup> day of August, 2015

Dina O. Wagner  
Notary Public in and for the State of Texas Illinois

My Commission expires: May 10, 2017

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



## Franchise Tax Account Status

As of: 05/04/2016 07:05:22 PM

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

SANTA RITA WIND ENERGY LLC DBA REAGAN COUNTY WIND LLC	
Texas Taxpayer Number	32057805403
Mailing Address	3610-2 N JOSEY LN SUITE 223 CARROLLTON, TX 75007-
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	07/15/2015
Texas SOS File Number	0802253623
Registered Agent Name	CT CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN STREET, SUITE 900 DALLAS, TX 75201



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

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

January 22, 2016

Steve Long  
Superintendent  
Reagan County Independent School District  
1111 12th Street  
Big Lake, Texas 76932

Dear Superintendent Long:

On October 26, 2015, the Comptroller issued written notice that Santa Rita Wind Energy LLC (the applicant) submitted a completed application (Application #1103) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on August 27, 2015, to the Reagan County Independent School District (the school district) by the applicant.

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

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1103.

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

---

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c) (1)

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

Determination required by 313.026(c)(2)

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

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

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

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

Note that any building or improvement existing as of the application review start date of October 26, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency, by email at [korry.castillo@cpa.texas.gov](mailto:korry.castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Santa Rita Wind Energy, LLC (the project) applying to Reagan County Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d) (2).

**Table 1** is a summary of investment, employment and tax impact of Santa Rita Wind Energy, LLC

Applicant	Santa Rita Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Reagan County ISD
Estimated 2014-2015 Average Daily Attendance	804
County	Reagan
Proposed Total Investment in District	\$226,200,000
Proposed Qualified Investment	\$226,200,000
Limitation Amount	\$25,000,000
Number of new qualifying jobs committed to by applicant	8*
Number of new non-qualifying jobs estimated by applicant	1
Average weekly wage of qualifying jobs committed to by applicant	\$823
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)B	\$823
Minimum annual wage committed to by applicant for qualified jobs	\$42,775
Minimum weekly wage required for non-qualifying jobs	\$1,084
Minimum annual wage required for non-qualifying jobs	\$56,355
Investment per Qualifying Job	\$28,275,000
Estimated M&O levy without any limit (15 years)	\$23,907,851
Estimated M&O levy with Limitation (15 years)	\$8,315,634
Estimated gross M&O tax benefit (15 years)	\$15,592,217
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

**Table 2** is the estimated statewide economic impact of Santa Rita Wind Energy LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	309	325	634	\$15,398,555	\$27,142,245	\$42,540,800
2017	9	48	57	\$398,555	\$5,919,127	\$6,317,682
2018	9	34	43	\$398,555	\$4,717,397	\$5,115,952
2019	9	21	30	\$398,555	\$3,604,446	\$4,003,001
2020	9	14	23	\$398,555	\$2,849,706	\$3,248,261
2021	9	10	19	\$398,555	\$2,367,472	\$2,766,027
2022	9	8	17	\$398,555	\$2,084,824	\$2,483,379
2023	9	8	17	\$398,555	\$1,901,263	\$2,299,818
2024	9	8	17	\$398,555	\$1,808,549	\$2,207,104
2025	9	9	18	\$398,555	\$1,813,668	\$2,212,223
2026	9	9	18	\$398,555	\$1,857,598	\$2,256,153
2027	9	8	17	\$398,555	\$1,605,977	\$2,004,532
2028	9	7	16	\$398,555	\$1,524,168	\$1,922,723
2029	9	7	16	\$398,555	\$1,485,126	\$1,883,681
2030	9	7	16	\$398,555	\$1,476,362	\$1,874,917
2031	9	8	17	\$398,555	\$1,498,449	\$1,897,004

Source: CPA, REMI, Santa Rita Wind Energy LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Reagan County ISD I&S Tax Levy	Reagan County ISD M&O Tax Levy	Reagan County ISD M&O and I&S Tax Levies	Reagan County Tax Levy	Reagan County Hospital Tax Levy	Reagan County Water District Tax Levy	Estimated Total Property Taxes
			0.1000	1.1000	1.2000	0.2100	0.1984	0.1112		
2017	\$226,200,000	\$226,200,000		\$226,200	\$2,488,200	\$2,714,400	\$475,020	\$448,799	\$251,625	\$3,889,844
2018	\$210,366,000	\$210,366,000		\$210,366	\$2,314,026	\$2,524,392	\$441,769	\$417,383	\$234,011	\$3,617,555
2019	\$195,640,380	\$195,640,380		\$195,640	\$2,152,044	\$2,347,685	\$410,845	\$388,166	\$217,630	\$3,364,326
2020	\$181,945,553	\$181,945,553		\$181,946	\$2,001,401	\$2,183,347	\$382,086	\$360,995	\$202,396	\$3,128,823
2021	\$169,209,365	\$169,209,365		\$169,209	\$1,861,303	\$2,030,512	\$355,340	\$335,725	\$188,228	\$2,909,805
2022	\$157,364,709	\$157,364,709		\$157,365	\$1,731,012	\$1,888,377	\$330,466	\$312,224	\$175,053	\$2,706,119
2023	\$146,349,179	\$146,349,179		\$146,349	\$1,609,841	\$1,756,190	\$307,333	\$290,368	\$162,799	\$2,516,691
2024	\$136,104,737	\$136,104,737		\$136,105	\$1,497,152	\$1,633,257	\$285,820	\$270,043	\$151,403	\$2,340,522
2025	\$126,577,405	\$126,577,405		\$126,577	\$1,392,351	\$1,518,929	\$265,813	\$251,140	\$140,805	\$2,176,686
2026	\$117,716,987	\$117,716,987		\$117,717	\$1,294,887	\$1,412,604	\$247,206	\$233,560	\$130,948	\$2,024,318
2027	\$111,831,138	\$111,831,138		\$111,831	\$1,230,143	\$1,341,974	\$234,845	\$221,882	\$124,401	\$1,923,102
2028	\$106,239,581	\$106,239,581		\$106,240	\$1,168,635	\$1,274,875	\$223,103	\$210,788	\$118,181	\$1,826,947
2029	\$100,927,602	\$100,927,602		\$100,928	\$1,110,204	\$1,211,131	\$211,948	\$200,248	\$112,272	\$1,735,599
2030	\$95,881,222	\$95,881,222		\$95,881	\$1,054,693	\$1,150,575	\$201,351	\$190,236	\$106,658	\$1,648,820
2031	\$91,087,161	\$91,087,161		\$91,087	\$1,001,959	\$1,093,046	\$191,283	\$180,724	\$101,325	\$1,566,379
					<b>Total</b>	<b>\$26,081,292</b>	<b>\$4,564,226</b>	<b>\$4,312,281</b>	<b>\$2,417,736</b>	<b>\$37,375,535</b>

Source: CPA, Santa Rita Wind Energy LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Reagan County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with Reagan County and Reagan County Hospital District.

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Reagan County ISD I&S Tax Levy	Reagan County ISD M&O Tax Levy	Reagan County ISD M&O and I&S Tax Levies	Reagan County Tax Levy	Reagan County Hospital Tax Levy	Reagan County Water District Tax Levy	Estimated Total Property Taxes	
				0.1000	1.1000	1.2000	0.21	0.1984	0.11124		
2017	\$226,200,000	\$25,000,000		\$226,200	\$275,000	\$501,200	\$71,536	\$66,945	\$251,625	\$891,306	
2018	\$210,366,000	\$25,000,000		\$210,366	\$275,000	\$485,366	\$71,536	\$66,945	\$234,011	\$857,858	
2019	\$195,640,380	\$25,000,000		\$195,640	\$275,000	\$470,640	\$71,536	\$66,945	\$217,630	\$826,752	
2020	\$181,945,553	\$25,000,000		\$181,946	\$275,000	\$456,946	\$71,536	\$66,945	\$202,396	\$797,823	
2021	\$169,209,365	\$25,000,000		\$169,209	\$275,000	\$444,209	\$71,536	\$66,945	\$188,228	\$770,919	
2022	\$157,364,709	\$25,000,000		\$157,365	\$275,000	\$432,365	\$71,536	\$66,945	\$175,053	\$745,898	
2023	\$146,349,179	\$25,000,000		\$146,349	\$275,000	\$421,349	\$71,536	\$66,945	\$162,799	\$722,629	
2024	\$136,104,737	\$25,000,000		\$136,105	\$275,000	\$411,105	\$71,536	\$66,945	\$151,403	\$700,989	
2025	\$126,577,405	\$25,000,000		\$126,577	\$275,000	\$401,577	\$71,536	\$66,945	\$140,805	\$680,863	
2026	\$117,716,987	\$25,000,000		\$117,717	\$275,000	\$392,717	\$71,536	\$66,945	\$130,948	\$662,146	
2027	\$111,831,138	\$111,831,138		\$111,831	\$1,230,143	\$1,341,974	\$234,845	\$221,873	\$124,401	\$1,923,093	
2028	\$106,239,581	\$106,239,581		\$106,240	\$1,168,635	\$1,274,875	\$223,103	\$210,779	\$118,181	\$1,826,938	
2029	\$100,927,602	\$100,927,602		\$100,928	\$1,110,204	\$1,211,131	\$211,948	\$200,240	\$112,272	\$1,735,591	
2030	\$95,881,222	\$95,881,222		\$95,881	\$1,054,693	\$1,150,575	\$201,351	\$190,228	\$106,658	\$1,648,812	
2031	\$91,087,161	\$91,087,161		\$91,087	\$1,001,959	\$1,093,046	\$191,283	\$180,717	\$101,325	\$1,566,371	
						<b>Total</b>	<b>\$10,489,075</b>	<b>\$1,777,890</b>	<b>\$1,673,288</b>	<b>\$2,417,736</b>	<b>\$16,357,989</b>
						<b>Diff</b>	<b>\$15,592,217</b>	<b>\$2,786,336</b>	<b>\$2,638,993</b>	<b>\$0</b>	<b>\$21,017,546</b>

Source: CPA, Santa Rita Wind Energy LLC  
<sup>1</sup>Tax Rate per \$100 Valuation

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

## Attachment B – Tax Revenue over 25 Years

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2017	\$275,000	\$275,000	\$2,213,200	\$2,213,200
	2018	\$275,000	\$550,000	\$2,039,026	\$4,252,226
	2019	\$275,000	\$825,000	\$1,877,044	\$6,129,270
	2020	\$275,000	\$1,100,000	\$1,726,401	\$7,855,671
	2021	\$275,000	\$1,375,000	\$1,586,303	\$9,441,974
	2022	\$275,000	\$1,650,000	\$1,456,012	\$10,897,986
	2023	\$275,000	\$1,925,000	\$1,334,841	\$12,232,827
	2024	\$275,000	\$2,200,000	\$1,222,152	\$13,454,979
	2025	\$275,000	\$2,475,000	\$1,117,351	\$14,572,331
	2026	\$275,000	\$2,750,000	\$1,019,887	\$15,592,217
<b>Maintain Viable Presence (5 Years)</b>	2027	\$1,230,143	\$3,980,143	\$0	\$15,592,217
	2028	\$1,168,635	\$5,148,778	\$0	\$15,592,217
	2029	\$1,110,204	\$6,258,982	\$0	\$15,592,217
	2030	\$1,054,693	\$7,313,675	\$0	\$15,592,217
	2031	\$1,001,959	\$8,315,634	\$0	\$15,592,217
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$971,900	\$9,287,534	\$0	\$15,592,217
	2033	\$942,743	\$10,230,277	\$0	\$15,592,217
	2034	\$914,461	\$11,144,737	\$0	\$15,592,217
	2035	\$887,027	\$12,031,764	\$0	\$15,592,217
	2036	\$860,416	\$12,892,180	\$0	\$15,592,217
	2037	\$834,604	\$13,726,784	\$0	\$15,592,217
	2038	\$809,565	\$14,536,350	\$0	\$15,592,217
	2039	\$785,279	\$15,321,628	\$0	\$15,592,217
	2040	\$761,720	\$16,083,348	\$0	\$15,592,217
	2041	\$738,869	\$16,822,217	\$0	\$15,592,217
		<b>\$16,822,217</b>	is greater than	<b>\$15,592,217</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, Santa Rita Wind Energy, LLC

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

## Attachment C – Limitation as a Determining Factor

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

### Methodology

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

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

### Determination

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

- Per the applicant, its parent company Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma and Kansas, with similar wind resources and competitive regulatory environments.
- Per the applicant – Santa Rita Wind Energy, LLC is in the early stage of exploring the possibility of constructing a wind facility at this site.
- Per the applicant, the land upon which the proposed project may be constructed has no existing improvements.
- Per the applicant, the economic return of this project is constantly compared to returns from other locations within and outside Texas.
- Per the applicant, the project requires to receive a value limitation to be financially competitive and to allow it the best possibility of moving forward.
- On July 01, 2015 and July 29, 2015, articles in the *Big Lake Wildcat* reported that Santa Rita Wind, LLC project is in the early stages of development. Courtney Timmons, manager of business development told the Reagan County Commissioners Court that their project is currently scheduled to begin construction early 2016.
- On October 14, 2015, an article in the *Big Lake Wildcat* reported that the Reagan County Commissioners Court discussed accepting a tax abatement application from Santa Rita Wind Energy, LLC. According to the article, three of the county commissioners indicated they were not inclined to enter into an abatement agreement with the company.

### Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the applicant or located by the Comptroller

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

# **Supporting Information**

**Section 8 of the Application for  
a Limitation on Appraised Value**



# Application for Appraised Value Limitation on Qualified Property

## SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

## SECTION 7: Project Description

1. In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> Relocation within Texas

## SECTION 8: Limitation as Determining Factor

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

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

# **Supporting Information**

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



**Santa Rita Wind Energy LLC**  
Chapter 313 Application to Reagan County ISD

---

**CHECKLIST ITEM #5**

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Santa Rita has begun typical due course, early stage due diligence to explore feasibility of constructing a wind facility at this site. As such, certain contracts have been executed, including agreements to site and install meteorological monitoring equipment, lease and easement agreements with landowners, contracts with environmental contractors to explore environmental impacts of the proposed project, and an Interconnection Agreement with the transmission provider. None of these contracts obligate Santa Rita to construct the project.

Section 8, #7 & 10: Is the applicant evaluating other locations not in Texas for the proposed project?

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicants decision to invest capital and construct the project in Texas?

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Santa Rita Wind Energy LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return.

Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller



# The Big Lake Wildcat

BIG LAKE, TEXAS - BIRTHPLACE OF THE FABULOUS PERMIAN BASIN

HOME NEWS OBITUARIES PUBLIC NOTICES CONTACT VIEW/BUY PHOTOS PRINT SHOP LOGIN

HOME / NEWS / WIND FARM IN WORKS FOR REAGAN COUNTY

## WIND FARM IN WORKS FOR REAGAN COUNTY

Wed, 07/01/2015 - 18:10 Biglake1

The Reagan County skyline over the next several years could change drastically. In a place where towering rigs are a mainstay, residents could begin seeing large wind turbines with their synchronized red lights stretching between Reagan and Irion County.

"The Santa Rita Wind Project ("Santa Rita") is proposed for Reagan and Irion Counties," Courtney Timmons, business development with Invenergy said. "With an excellent wind resource and strong community support, the area is an optimal location for a successful power generation project."

Section: NEWS

[LOGIN OR SUBSCRIBE TO READ MORE](#)



## Custom Printing

Cards • Envelopes • Letterhead • Invoices • Work Tickets

884-2215 THE BIG LAKE WILDCAT

**View Our Weekly Flyer ONLINE**  
[CLICK HERE](#)

Search



# The Big Lake Wildcat

BIG LAKE, TEXAS - BIRTHPLACE OF THE FABULOUS PERMIAN BASIN

HOME NEWS OBITUARIES PUBLIC NOTICES CONTACT VIEW/BUY PHOTOS PRINT SHOP LOGIN

HOME / NEWS / SANTA RITA WIND FARM OUTLINED TO COUNTY



Invenergy's Santa Rita Wind Project will bring towering wind turbines to Big Lake's eastern doorstep. The project is currently slated for 100 to 150 windmills for a total value of between \$240 million and \$340 million. BIG LAKE WILDCAT MAP RENDERING



om Printing

opes • Letterhead • Invoices • Work Tickets

884-2215 THE BIG LAKE WILDCAT

## SANTA RITA WIND FARM OUTLINED TO COUNTY

Wed, 07/29/2015 - 17:24 Biglake1

### Project Promises to Bring Jobs, Diversify Tax Base

Big Lake's skyline is in for a major change in the coming year if Invenergy's Santa Rita Wind Project gets off the ground.

Courtney Timmons, manager of business development with Invenergy LLC, told Reagan County Commissioners Monday that their project is currently scheduled to

**View Our Weekly Flyer ONLINE**

**CLICK HERE**

begin construction in early 2016.

Section: NEWS

LOGIN OR SUBSCRIBE TO READ MORE

POPULAR CONTENT .....

TODAY'S .....

- **Victoria Murder Investigation 'Person of Interest' Killed in Reagan County Crash**

---

- **From the Superintendent**

---

- **County Not Interested in Windmill Project Tax Abatement**

---

- **Advertise**

---

- **DUTCHMAN TOURS AMERICA IN STYLE**

RELATED ARTICLES .....

**Wind Farm in Works for Reagan County**

**County Not Interested in Windmill Project Tax Abatement**

**H.F. Ritchie's "Santa Rita Number One" up for AWA's Album of the Year**

**Santa Rita FUNtier Days Set for Saturday**

**Cory Morrow to Headline Santa Rita Funtier Days**

**US 67 Passing Lane Project to Begin**

THE BIG LAKE WILDCAT

707 N. Florida St  
PO Box 946  
Big Lake, TX 76932  
PH: (325) 884-2215  
FAX: (325) 884-5771

NEWS LINKS

- Texas Tribune
- The Eldorado Success
- Fox News
- CNN

SUBSCRIBER LINKS

- e-Edition
- Advertise
- Forms & Submissions

Copyright 2015. Masked Rider Publishing, Inc.





# The Big Lake Wildcat

October 15, 2015

75¢  
Volume 91  
Issue 41

BIG LAKE, TEXAS - BIG LAKE NEWS AND OIL REVIEW ABSORBED BY PURCHASE MARCH 1, 1927

## Man Charged with Sexual Assault of a Child & Assault Family Violence



Omar Riquetty-Castillo

Omar Alejandro Riquetty-Castillo, 22, was arrested Sunday on an indictment for Sexual Assault of a Child and two warrants for Assault to Cause Bodily Injury - Family Violence.

According to the indictment, Riquetty-Castillo is accused of sexual assault of a child younger than 17 years old on or around February 14, 2014.

That indictment was handed down

in September of this year.

If convicted, the charge is a Second Degree Felony that carries a punishment of 2 to 20 years in prison and a fine not to exceed \$10,000.00.

According to two separate arrest warrant affidavits of probable cause, Riquetty-Castillo is also charged with Assault to Cause Bodily Injury - Family Violence for two incidents that happened in 2014.

The first, on July 27, 2014,

happened when a deputy was informed that Riquetty-Castillo allegedly assaulted his girlfriend after an argument.

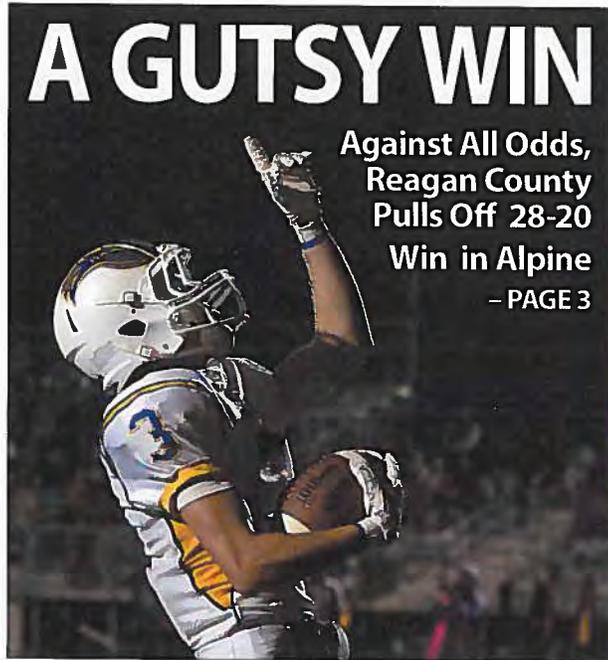
The report states Riquetty-Castillo struck her multiple times on the back, and that she had visible bruises.

The second, on August 3, 2014, happened when Riquetty-Castillo allegedly approached the victim on the street and began to argue with her.

The victim was bit on the cheek, and also physically dragged down the street causing pain. Riquetty-Castillo reportedly fled the scene on foot before deputies arrived.

Both charges are Class A Misdemeanors and if convicted carry a punishment of jail not to exceed one year and a fine not to exceed \$4,000.00.

OMAR RIQUETTY-CASTILLO, 5



## A GUTSY WIN

Against All Odds,  
Reagan County  
Pulls Off 28-20  
Win in Alpine  
- PAGE 3

Reagan County Senior Jake Myers praises God after catching a touchdown pass from L.J. DeLeon. The touchdown pushed the Owls ahead 20-13 with 6:53 left in the fourth quarter. The Owls overcame a lot of adversity in the game to pull off the 28-20 win. Myers accounted for three Reagan County touchdowns (the reception, a 90-yard kick return, and a rushing TD), one two-point conversion, and was forced into action at the quarterback position for the majority of the first half. The victory puts the Owls at 1-0 in district play. The team travels to San Angelo to take on TLCA at the old Lakeview Stadium Friday at 7:30 p.m.

J.L. MANIKIN | BIG LAKE WILDCAT



Reagan County Elementary is proud to announce its 2015-2016 RCES Student Council members. Each member had to give a speech to their class and then their classmates voted them in. Fifth grade officers are President Jaydyn Reyes, Vice President Isidro Rodriguez, Secretary Angel Ramirez, and Treasurer Raquel DeLeon. Fourth grade officers are Emily Salinas, Jayselyn Reyes, Ethan Andrews, and Makayla Smith. Third grade class representatives are Addison Hodge, Analisee Esquivel, Larissa Fraga, and Magaly Castillo. Back row left to right: Ethan Andrews, Makayla Smith, Isidro Rodriguez, Angel Ramirez, Raquel DeLeon, Jaydyn Reyes. Front row left to right: Addison Hodge, Jayselyn Reyes, Larissa Fraga, Magaly Castillo, Emily Salinas, and Analisee Esquivel.

COURTESY PHOTO

## County Not Interested in Windmill Project Tax Abatement

Representatives from Invenergy and Ryan, LLC were told Monday that Reagan County is not interested in granting Invenergy a tax abatement for the Santa Rita Wind Project.

The discussion began after Ryan's Evan Horn presented the group with a tax abatement application.

"I'm just one vote here," County Judge Larry Isom said. "What happens to this project if we don't approve the abatement?"

Horn said that there currently isn't one wind project in Texas operating without a tax abatement agreement with the local county.

"If it is up to me then this will be the first," Isom said. Commissioner Tommy Holt echoed Isom's sentiment.

"I'm not in favor of giving a tax abatement," Holt said. "Oil and gas companies have been operating here forever, footing 95 percent of the tax bill. They aren't here asking for tax abatements."

Horn said that it is true those companies don't ask for tax abatements, but it is mainly because it is not legal for a county to grant a tax abatement on mineral values.

Commissioner Tim Selman also said he is against the idea.

"I've never been in favor of incentives," Commissioner Selman said. "No one ever gave me one. I'm not going out looking for one either. I just don't see the need."

According to their abatement application, Invenergy is looking to create a 200MW project with 100 wind turbines between Big Lake and Irion County.

The project, named the Santa Rita Wind Project, will create 500 jobs during construction and 10 full-time jobs once complete.

The project has a value of \$192 million, and Invenergy is requesting a 100 percent abatement for 10 years from

SANTA RITA WIND PROJECT, 6

## Hospital District Takes Loan to Bridge Gap to Tax Money

Reagan Hospital District CEO Kyle Rockwell notified the board Monday night that the district had to take out a \$380,000 loan to make ends meet.

Rockwell said the loan, taken from the district's \$1.5 million line of credit at Security Bank, will be used to pay some large bills the district received at the beginning of October.

"We had large payments for two service organizations come due," Rockwell said. "We also had insurance come due along with other operating expenses."

The first service organization payment was for \$130,000.00. It is to a Concho Valley service organization the district previously used to pay physicians.

"We have ended our agreement with that group," Rockwell said. "The last payment was for \$500,000.00, but we negotiated that down to \$130,000.00. After that

payment we are completely done with that group."

The second service organization is for the Care Center. Rockwell said that their payment was for \$100,000.00, and the district should receive \$190,000.00 on the back end.

Rockwell said the rest of the \$380,000.00 loan (totaling \$150,000.00 after the two service organization payments) will be used to make insurance payments along with other operating expenses including payroll.

"We knew this was a possibility for some time," Board President Linda Rees said. "Interim CEO Kiehl Butler was telling us borrowing more money was a real possibility. He told us as early as June that it would be close. Every meeting he would tell us how we narrowly made it without another loan. It is no surprise especially with these large payments."

HOSPITAL DISTRICT, 5



## BURN BAN LIFTED

Call Dispatch at 884-2424 with time & location of planned burns. Burn Ban will be back in effect in a couple of weeks.

Chad Elkins - Attorney At Law  
**ELKINS LAW FIRM**  
300 N. Plaza, Big Lake, TX 76932 • Se Habla Espanol

**325-884-2247**

Not Board Certified by the Texas Board of Legal Specialization

7 Day at a glance...



BASIC ALL WEATHER	
July Total	81.16 in.
Aug Total	83.00 in.
Sept Total	2.80 in.
2015 YEAR TOTAL	148.2 in.
Record*	154.00 in.
*Source: National Weather Service, Big Lake	

Copyright 2015 Masland Rider Publishing, Inc. • U.S.P.S. # 055-808  
website: www.mybiglake.com • e-mail: editor@mybiglake.com



# Church Services

## DIRECTORY

Now faith is the substance of things hoped for, the evidence of things not seen.  
Hebrews 11:1

- APOSTOLIC ASSEMBLY CHURCH**  
2015 Main  
Jesus Sells, Pastor
- BETHEL BAPTIST CHURCH**  
12th & Ohio  
Ron Warren, Pastor
- BETHLEHEM BAPTIST CHURCH**  
501 S. California  
Rev. Gerry L. Henderson  
325-277-8832  
Sunday School @ 9:30 a.m.  
Morning Worship @ 11 a.m.  
Wed. Bible Study @ 7 p.m.
- CATHOLIC CHURCH**  
First & Main Street  
Rev. Fr. Thomas  
Saturday Mass 7:00 p.m.  
Sunday Mass 11:30 a.m.
- THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS**  
902 W. Main  
Services begin at 1:00 pm  
Branch President, Arnaldo V. Gomez
- CHURCH OF CHRIST**  
400 E. Main St.  
Charles Lindley
- COMMUNITY BAPTIST CHURCH**  
Just outside of Stiles  
John Sanders, Pastor  
(325) 397-2303
- FIRST BAPTIST CHURCH**  
Seventh & Maryland  
Gerald Bastin, Pastor
- CELEBRATION CHURCH**  
1016 E. 6th Street  
Service at 11 a.m.  
Nathan Bosworth, Pastor
- FIRST UNITED METHODIST CHURCH**  
301 California  
Larry Young, Pastor  
Worship Service: 10:50 a.m.
- HOPES IN CHRIST COWBOY CHURCH**  
1100 N. Utah - Family Life Bldg  
Leticia Davidson, Pastor
- TEMPLO ROCA ETERNA**  
302 First Street  
Rev. Olmedo Trone

# Santa Rita Wind Project

CONTINUED FROM PG. 5

the county  
"We aren't asking for you to decide anything today," Horn said. "We are just asking that you accept the application. That starts a 60 day clock for you to review the application, and negotiate new terms. We can do different things including a payment in lieu of taxes. That would allow the county to know exactly how much money is coming in each year without having to worry about values." Commissioner Jim O'Bryan said he is in favor of accepting the application

to see what else Invenery can come up with.  
"I think we can come to the table and see what you are willing to do," O'Bryan said. "I don't see a problem with taking this first step. We don't have to knock this thing in the head today." Invenery's Courtney Timmons said the benefit of the tax abatement to Invenery would lie in its ability to get contracts lined up with buyers of the electricity.  
"Anything we can get lined up now will benefit the project long term," Timmons said. "It is a very competitive market, and

tax abatements are an important part of keeping these kinds of projects in the mix."  
Timmons said the project currently has enough land under lease to place a 150MW project right now, and that the other land agreements should be finalized within the coming months.  
Currently, the project has 87 turbines in Reagan County with 17 being in Irion County.  
Reagan County ISD has accepted Invenery's application, and that application is currently in front of the State Comptroller's office for approval.



The Blotter is a summary of the previous week's activity by the Reagan County Sheriff's Dept. For practical reasons of time and space, The Blotter does not include every call made to the Sheriff's office, nor does it include routine security checks, minor traffic stops or routine patrols. Incidents of major impact may be reported separately. Subjects reported to have been arrested are presumed innocent until proven guilty in a court of law.

### ARRESTS - 3

- October 6** - Thomas Auden Clemens, 49 year old male. Charge - Warrant # CC-0608 - Assault bodily injury to a family member. Jailed in Upton County.
- October 9** - Charles Edwards Metcalf, 53 year old male. Charge - Warrant # M4150313 Midland County - Assault bodily injury family violence. Jailed in Upton County.
- October 11** - Omar Alejandro Riquetty Castillo, 22 year old male. Charge - Capias assault bodily injury family violence, sexual assault of a child, assault family violence. Jailed in Upton County.

### INCIDENTS

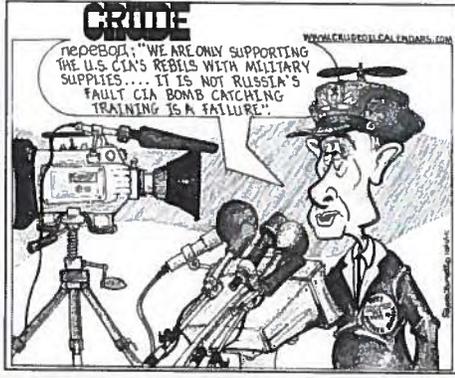
- October 6** - 6:31 a.m. - Caller advised that a truck with a pipe trailer had no lights. Officer advised.
- 7:03 a.m.** - Caller requested to speak to an officer in reference to making a statement regarding an incident that had occurred the night before. Officer advised.
- 2:50 p.m.** - Caller advised that they were missing property. Officer advised.
- 3:20 p.m.** - Caller reported a two vehicle accident on Hwy 1357. Emergency personnel responded.
- 5:08 p.m.** - Caller advised that 14 and 15 year old girls have black eyes. Officer advised.
- 6:12 p.m.** - Caller advised that a toddler was walking around in the street. Officer advised.
- 7:03 p.m.** - Caller advised that fire units were needed for mutual aid. BLVFD responded.
- 10:18 p.m.** - Caller requested a deputy call them in reference to a disturbance with an ex employee. Officer advised.
- October 7** - 5:21 a.m. - Caller advised of a one vehicle accident on Best Lane. EMS responded.
- 12:33 p.m.** - Caller advised that there was a mobile home blocking traffic. Officer advised.
- 2:02 p.m.** - Caller reported a residential fire alarm. BLVFD responded.

- 6:09 p.m.** - Caller advised that kids were riding on four-wheelers. Officer advised.
- 7:48 p.m.** - Caller advised that they would be burning brush piles.
- 7:49 p.m.** - Caller advised that 2 boys were harassing another boy and would not leave his residence. Officer advised.
- 8:02 p.m.** - Caller requested an officer to unlock a vehicle. Officer advised.
- 10:11 p.m.** - Caller advised that their neighbor was beating up their dog. Officer advised.
- 10:56 p.m.** - Caller requested an officer advised that a rattlesnake was trying to bite an employee by a dumpster. Officer advised.
- 11:44 p.m.** - Caller requested an officer for lift assistance. Officer advised.
- 11:55 p.m.** - Caller advised that a male had fallen from a compressor and hurt his right leg and arm. EMS responded.
- October 8** - 12:23 a.m. - Caller reported loud music. Officer advised.
- 7:28 a.m.** - Caller advised of a rollover on County Road 208. EMS responded.
- 7:33 a.m.** - Caller advised that they needed a civil standby. Officer advised.
- 1:05 p.m.** - Caller reported a tank battery fire. BLVFD responded.
- 6:30 p.m.** - Caller advised they needed help jumping a vehicle. Officer advised.
- 8:29 p.m.** - Caller inquired if she could shoot a skunk. Officer advised to call animal control.
- October 9** - 12:07 a.m. - Caller advised that her husband should have been home by 7:00 p.m. and had not made it home yet and requested to see if a deputy could locate him on Best Lane. Officer advised.
- 12:17 a.m.** - Caller advised that they thought they heard someone open the tailgate to their pickup and would like an officer to make sure that there was no one out there. Officer advised.
- 8:19 a.m.** - Caller advised that they had locked themselves out of their house and she was unsure if she left something on the stove cooking. Officer advised.
- 12:00 p.m.** - Caller advised that a customer needed help. Officer advised.
- 1:38 p.m.** - Caller requested a civil standby. Officer advised.
- October 7** - 5:21 a.m. - Caller advised of a one vehicle accident on Best Lane. EMS responded.
- 12:33 p.m.** - Caller advised that there was a mobile home blocking traffic. Officer advised.
- 2:02 p.m.** - Caller reported a residential fire alarm. BLVFD responded.

- October 10** - 12:22 a.m. - Caller advised that their neighbors were having a loud party. Officer advised.
- 5:38 a.m.** - Caller advised that there was a small white vehicle behind Josh Mitchell Park unknown if it was occupied but it looks like they had been there all night. Officer advised.
- 6:00 a.m.** - Caller advised of a two vehicle accident. Emergency personnel responded.
- 10:40 a.m.** - Caller advised that they would like to speak to an officer in reference to a lost/stolen wallet. Officer advised.
- 11:27 a.m.** - Caller requested to speak to an officer in reference to child custody.
- 2:08 p.m.** - Caller requested an officer to unlock a vehicle. Officer advised.
- 3:19 p.m.** - Caller advised of a possible drunk driver. Officer advised.
- 3:37 p.m.** - Caller advised that two guys were in a company truck and they were not supposed to be in it. Officer advised.
- 10:08 p.m.** - Caller advised of loud music. Officer advised.
- October 11** - 12:07 a.m. - Caller advised that two trucks were parked in the roadway and were flagged down by the driver. Officer advised.
- 12:20 a.m.** - Caller advised that her and her children were going home and their neighbor threw a beer can at her vehicle. Officer advised.
- 12:58 a.m.** - Caller advised that she had seen two males standing by her bedroom window advised that they had left to the alley. Officer advised.
- 9:35 a.m.** - Caller requested a welfare check on an 80 year old female. Officer advised.
- 8:12 p.m.** - Caller advised that her child's father was leaving town with their three year old daughter.
- October 12** - 8:02 a.m. - Caller requested an officer to unlock a vehicle. Officer advised.
- 10:16 a.m.** - Caller advised of a two vehicle accident. Emergency personnel responded.
- 5:53 p.m.** - Caller requested help moving farm equipment on Schwertner Blacktop.
- 6:21 p.m.** - Caller advised that their Yeti cooler had been stolen. Officer advised.
- 8:24 p.m.** - RMH requested road block for Air Med. EMS responded.
- 9:14 p.m.** - Caller advised that her boyfriend had locker her out of her house. Officer advised.
- 9:37 p.m.** - Caller advised of loud music. Officer advised.

# Wildcat Patch Report

Brought to you by LarDon Oil & Gas  
**OIL AND GAS PRICES (10/13/15)**  
Crude Oil (WTT) 46.77 USD/bbl. Natural Gas 2.50 USD/MMBtu



## Reagan County Drilling Permits

Permits for four new drilling operations have been issued in the last weeks 10/06/2015-10/13/2015 for Reagan County  
Parsley Energy Operations, LLC plans to drill a new horizontal well. The Lease, Brynlee 9-8, well number 4113H, will be located 22.8 miles Northwest of BigLake.  
The well will be in Section 9, Block D, of the L&S RR CO Survey, Abstract #330.  
The total depth will be 8900 feet in the Spraberry Field.  
Parsley Energy  
Operations LLC, plans to drill a new horizontal well. The Lease, Ringo '107, well number 4214H, will be located 22.6 miles Northwest of BigLake.  
The well will be in Section 10, Block D, of the L&S RR CO/ Ringo, R E Survey, Abstract #788.  
The total completion depth will be 8500 feet in the Spraberry Field.  
Parsley Energy Operations, LLC plans to drill a new horizontal well. The Lease, Kathryn 44-5, well number 4205H, will be located 20.4 miles Northeast of Rankin.  
The well will be in Section 44, Block C, L&S RR CO/ Boyd, W D Survey, Abstract #734.  
The total completion depth will be 8450 feet in the Spraberry Field.  
OXY USA WTP LP plans to drill a new horizontal well. The Lease, Merchant, well number 1601WD will be located 22.4 miles Southwest of Garden City.  
The well will be in Section 16, Block B, of the L&S RR CO/ Reynolds, CM Survey, Abstract #955.  
The total completion depth will be 9000 feet in the Spraberry Field.

Report provided by **RIGDATA**  
**DRILLING LOCATIONS**  
Reagan County, Glasscock Co., Upton Co., Irion Co.  
To obtain a complete report, call RigData at 1 800 627 9785

Count as of October 9, 2015		
<b>REAGAN COUNTY</b>	<b>GLASSCOCK COUNTY</b>	<b>IRION COUNTY</b>
16 total rigs - 9 new	14 total rigs - 4 new	1 total rig - 0 new
Devoe Energy - Omega F281 - Helmerick & Payne F247 - 9900' - Assigned	Brownback EAP LLC - Elley B 1087	<b>UPTON COUNTY</b>
Laredo Petra - Sapp E 197-195 (Allec-C) F251 - Sidevalley Drig #286 - 12000' - Drig Ahead	F79A - Helmerick & Payne #652 - 9700' - Moving On	1 total rig - 3 new
DEY USA WTP LP - Laredo 1401 DRU F281 - Strickland Drig #445 - 12500' - Drig Ahead	3M Gas Resources - Wingo-Hendrickson #7 - Patterson WTI #19 - 12000' - Drig Ahead	Parzley Energy - Hall # 3 #1 - Patterson Drig #6 - 11900' - Moving On
Laredo Petra - Sapp E 197-195 (Allec-B) F251 - Transceded Drig #2 - 12000' - Drig Ahead	SEZ Petroleum LLC - Calverley #4 - 231 - Sidevalley Drig #127 - 12000' - Drig Ahead	Surrex Petroleum LLC - Elkzabek A F266 - Propperty Services #267 - 11200' - Drig Ahead
American Energy Perm - Racker B 28-21 #476L - Vista Texas #408 - 7122' - Drig Ahead	Energex Inc - Angeline SH 343-28 04 #104H - Capstan Drig #111 - 9500' - Drig Ahead	Parzley Energy - Atkins 14-31 #4463H1 - Independence Drig #209 - 10000' - Drig Ahead

Brought to you by...  
**LarDon Oil & Gas**

**Summary of the District's Financial Impact  
of Chapter 313 Agreement  
with Santa Rita Wind Energy, LLC**

**January 28, 2016**

***McDowell & Brown, LLC***  
***School Finance Consulting***

**Summary of Reagan County ISD Financial Impact  
of the  
Limited Appraised Value Application  
from  
Santa Rita Wind Energy, LLC**

## **Introduction**

Santa Rita Wind Energy, LLC applied for a property value limitation from Reagan County Independent School District under Chapter 313 of the Tax Code. The application was submitted on August 27, 2015 and subsequently approved for consideration by the Reagan County ISD Board of Trustees. Santa Rita Wind Energy, LLC (“Santa Rita Wind”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act”, Tax Code Chapter 313, was created by House Bill 1200 of the 77<sup>th</sup> Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80<sup>th</sup> Texas Legislative Session in 2007.

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

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

## Years Prior to Start of Value Limitation Period:

The first two years of the agreement are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2015 and 2016 be considered the years that are Prior to the Start of Value Limitation Period.

## Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller’s Office. Reagan County ISD is considered a Rural category 1 District as categorized with total taxable value of industrial property of greater than \$200 million. Thus, Reagan County ISD has a minimum limitation amount of \$25 million. A qualifying entity’s taxable value would be reduced to \$25 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Reagan County ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2017 and continue through tax year 2026.

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

Tax years 2027 through 2031 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Taxable Value Projections from Application

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

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2015-2016	2015	0	0
	0	2016-2017	2016	0	0
Value Limitation Period	1	2017-2018	2017	\$226,200,000	\$25,000,000
	2	2018-2019	2018	\$210,366,000	\$25,000,000
	3	2019-2020	2019	\$195,640,380	\$25,000,000
	4	2020-2021	2020	\$181,945,553	\$25,000,000
	5	2021-2022	2021	\$169,209,365	\$25,000,000
	6	2022-2023	2022	\$157,364,709	\$25,000,000
	7	2023-2024	2023	\$146,349,179	\$25,000,000
	8	2024-2025	2024	\$136,104,737	\$25,000,000
	9	2025-2026	2025	\$126,577,405	\$25,000,000
Continue to Maintain Viable Presence	10	2026-2027	2026	\$117,716,987	\$25,000,000
	11	2027-2028	2027	\$111,831,138	\$111,831,138
	12	2028-2029	2028	\$106,239,581	\$106,239,581
	13	2029-2030	2029	\$100,927,602	\$100,927,602
	14	2030-2031	2030	\$95,881,222	\$95,881,222
Additional Years for 25 Year Economic Impact Study	15	2031-2032	2031	\$91,087,161	\$91,087,161
	16	2032-2033	2032	\$88,354,546	\$88,354,546
	17	2033-2034	2033	\$85,703,909	\$85,703,909
	18	2034-2035	2034	\$83,132,792	\$83,132,792
	19	2035-2036	2035	\$80,638,808	\$80,638,808
	20	2036-2037	2036	\$78,219,644	\$78,219,644
	21	2037-2038	2037	\$75,873,055	\$75,873,055
	22	2038-2039	2038	\$73,596,863	\$73,596,863
	23	2039-2040	2039	\$71,388,957	\$71,388,957
	24	2040-2041	2040	\$69,247,288	\$69,247,288
25	2041-2042	2041	\$67,169,870	\$67,169,870	

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Taxable Value Impact from LAVA

The “Additional Value from Santa Rita Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2017 through 2026, the company’s taxable value will be limited to the \$25,000,000 minimum qualified investment of Reagan County ISD.

**TABLE I- Calculation of Taxable Value:**

Tax Year	Additional Value From Santa Rita Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2015	0	n/a	0	0
Jan. 1, 2016	0	n/a	0	0
Jan. 1, 2017	226,200,000	(25,000,000)	201,200,000	25,000,000
Jan. 1, 2018	210,366,000	(25,000,000)	185,366,000	25,000,000
Jan. 1, 2019	195,640,380	(25,000,000)	170,640,380	25,000,000
Jan. 1, 2020	181,945,553	(25,000,000)	156,945,553	25,000,000
Jan. 1, 2021	169,209,365	(25,000,000)	144,209,365	25,000,000
Jan. 1, 2022	157,364,709	(25,000,000)	132,364,709	25,000,000
Jan. 1, 2023	146,349,179	(25,000,000)	121,349,179	25,000,000
Jan. 1, 2024	136,104,737	(25,000,000)	111,104,737	25,000,000
Jan. 1, 2025	126,577,405	(25,000,000)	101,577,405	25,000,000
Jan. 1, 2026	117,716,987	(25,000,000)	92,716,987	25,000,000
Jan. 1, 2027	111,831,138	n/a	0	111,831,138
Jan. 1, 2028	106,239,581	n/a	0	106,239,581
Jan. 1, 2029	100,927,602	n/a	0	100,927,602
Jan. 1, 2030	95,881,222	n/a	0	95,881,222
Jan. 1, 2031	91,087,161	n/a	0	91,087,161

# Reagan County ISD Financial Impact of Chapter 313 Agreement

## Santa Rita Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Santa Rita Wind is \$15.5 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Reagan County ISD's projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.17 for the life of this agreement.
- The district has outstanding bonds that are scheduled to payoff in 2029 and currently have a \$.10 I&S tax rate. This district's annual debt payments are just over \$2,300,000 per year through 2029 and the debt rates below are calculated rates using the projected taxable values with the addition of Santa Rita Wind estimated taxable values. The district could pursue a bond election and issue additional bonded debt during the life of this agreement.

**TABLE II- Computation of Net Tax Savings:**

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2015-2016	1.17	0.100	0	0	0	0
2016-2017	1.17	0.091	0	0	0	0
2017-2018	1.17	0.083	2,646,540	2,354,040	(692,209)	1,661,831
2018-2019	1.17	0.083	2,461,282	2,168,782	(61,686)	2,107,096
2019-2020	1.17	0.082	2,288,992	1,996,492	(56,432)	1,940,060
2020-2021	1.17	0.075	2,128,763	1,836,263	(51,589)	1,784,674
2021-2022	1.17	0.074	1,979,750	1,687,250	(47,071)	1,640,178
2022-2023	1.17	0.074	1,841,167	1,548,667	(42,901)	1,505,766
2023-2024	1.17	0.073	1,712,285	1,419,785	(39,006)	1,380,780
2024-2025	1.17	0.073	1,592,425	1,299,925	(35,407)	1,264,518
2025-2026	1.17	0.080	1,480,956	1,188,456	(32,043)	1,156,412
2026-2027	1.17	0.080	1,377,289	1,084,789	(28,932)	1,055,857
2027-2028	1.17	0.079	1,308,424	0	0	0
2028-2029	1.17	0.079	1,243,003	0	0	0
2029-2030	1.17	0.000	1,180,853	0	0	0
2030-2031	1.17	0.000	1,121,810	0	0	0
2031-2032	1.17	0.000	1,065,720	0	0	0
Totals			25,429,260	16,584,449	(1,087,277)	15,497,172

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Reagan County ISD. First, a fifteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a fifteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a fifteen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2015-2016 fiscal year) were used for state aid and recapture calculation purposes
  - Level 2 of Tier II yield - \$77.53 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2015.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to increase slightly; therefore, the projected ADA and WADA for school year 2015-2016 was increased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

# Reagan County ISD Financial Impact of Chapter 313 Agreement

## Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of Santa Rita Wind (Table III), the addition of Santa Rita Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Santa Rita Wind's taxable values with a Chapter 313 Agreement (Table V).

**TABLE III – District Revenues *without* Santa Rita Wind Energy, LLC:**

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2015-2016	2,566,637,742	25,195,785	2,278,542	21,660,751	5,813,576	4,283,283	10,096,859
2016-2017	2,592,304,119	25,447,315	1,218,123	20,785,172	5,880,267	4,326,044	10,206,310
2017-2018	2,618,227,161	25,701,361	293,806	21,048,633	4,946,534	4,369,231	9,315,766
2018-2019	2,644,409,432	25,957,947	292,151	21,314,868	4,935,231	4,412,851	9,348,082
2019-2020	2,670,853,527	26,217,100	295,549	21,583,903	4,928,745	4,456,907	9,385,652
2020-2021	2,697,562,062	26,478,843	293,807	21,855,768	4,916,883	4,501,403	9,418,286
2021-2022	2,724,537,682	26,743,204	297,116	22,130,490	4,909,831	4,546,345	9,456,175
2022-2023	2,751,783,059	27,010,209	280,666	22,408,099	4,882,777	4,591,736	9,474,512
2023-2024	2,779,300,890	27,279,884	298,786	22,688,623	4,890,047	4,637,580	9,527,627
2024-2025	2,807,093,899	27,552,255	296,868	22,972,094	4,877,030	4,683,883	9,560,913
2025-2026	2,835,164,838	27,827,350	300,001	23,258,539	4,868,812	4,730,650	9,599,461
2026-2027	2,863,516,486	28,105,197	297,993	23,547,990	4,855,199	4,777,883	9,633,082
2027-2028	2,892,151,651	28,385,821	301,036	23,840,477	4,846,380	4,825,590	9,671,970
2028-2029	2,921,073,167	28,669,252	298,939	24,136,030	4,832,161	4,873,773	9,705,934
2029-2030	2,950,283,899	28,955,517	283,073	24,434,681	4,803,909	4,922,438	9,726,347
2030-2031	2,979,786,738	29,244,645	299,705	24,736,461	4,807,889	4,971,590	9,779,479
2031-2032	3,009,584,606	29,536,664	302,850	25,041,402	4,798,112	5,021,233	9,819,345

# Reagan County ISD Financial Impact of Chapter 313 Agreement

**TABLE IV- District Revenues with Santa Rita Wind Energy without Chapter 313 Agreement:**

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
<b>2015-2016</b>	2,566,637,742	25,195,785	2,278,542	21,660,751	5,813,576	4,283,283	10,096,859
<b>2016-2017</b>	2,592,304,119	25,447,315	1,218,123	20,785,172	5,880,267	4,326,044	10,206,310
<b>2017-2018</b>	2,844,427,161	27,918,121	293,875	22,864,092	5,347,904	4,746,081	10,093,984
<b>2018-2019</b>	2,854,775,432	28,019,534	292,161	23,651,365	4,660,330	4,763,321	9,423,650
<b>2019-2020</b>	2,866,493,907	28,134,375	295,541	23,756,786	4,673,130	4,782,844	9,455,974
<b>2020-2021</b>	2,879,507,615	28,261,910	293,811	23,876,474	4,679,247	4,804,525	9,483,772
<b>2021-2022</b>	2,893,747,047	28,401,456	297,107	24,009,661	4,688,902	4,828,248	9,517,150
<b>2022-2023</b>	2,909,147,768	28,552,383	280,668	24,155,633	4,677,418	4,853,905	9,531,323
<b>2023-2024</b>	2,925,650,069	28,714,106	298,777	24,313,731	4,699,152	4,881,398	9,580,550
<b>2024-2025</b>	2,943,198,636	28,886,082	296,870	24,483,341	4,699,611	4,910,634	9,610,245
<b>2025-2026</b>	2,961,742,243	29,067,809	299,992	24,663,894	4,703,907	4,941,528	9,645,434
<b>2026-2027</b>	2,981,233,473	29,258,823	297,994	24,854,866	4,701,952	4,974,000	9,675,952
<b>2027-2028</b>	3,003,982,789	29,481,766	301,031	25,075,391	4,707,406	5,011,900	9,719,307
<b>2028-2029</b>	3,027,312,748	29,710,400	298,940	25,309,106	4,700,234	5,050,768	9,751,002
<b>2029-2030</b>	3,051,211,501	29,944,608	283,068	25,549,012	4,678,664	5,090,583	9,769,247
<b>2030-2031</b>	3,075,667,960	30,184,281	299,707	25,794,988	4,689,000	5,131,328	9,820,328
<b>2031-2032</b>	3,100,671,766	30,429,318	302,846	26,046,918	4,685,246	5,172,984	9,858,230

**TABLE V – District Revenues with Santa Rita Wind Energy with Chapter 313 Agreement:**

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
<b>2015-2016</b>	2,566,637,742	25,195,785	2,278,542	21,660,751	5,813,576	4,283,283	0	10,096,859
<b>2016-2017</b>	2,592,304,119	25,447,315	1,218,123	20,785,172	5,880,267	4,326,044	0	10,206,310
<b>2017-2018</b>	2,643,227,161	25,946,361	293,813	21,249,281	4,990,894	4,410,881	692,209	10,093,984
<b>2018-2019</b>	2,669,409,432	26,202,947	292,152	21,587,636	4,907,463	4,454,501	61,686	9,423,650
<b>2019-2020</b>	2,695,853,527	26,462,100	295,549	21,856,664	4,900,985	4,498,557	56,432	9,455,974
<b>2020-2021</b>	2,722,562,062	26,723,843	293,807	22,128,521	4,889,129	4,543,053	51,589	9,483,772
<b>2021-2022</b>	2,749,537,682	26,988,204	297,116	22,403,236	4,882,084	4,587,995	47,071	9,517,150
<b>2022-2023</b>	2,776,783,059	27,255,209	280,666	22,680,838	4,855,037	4,633,386	42,901	9,531,323
<b>2023-2024</b>	2,804,300,890	27,524,884	298,786	22,961,356	4,862,314	4,679,230	39,006	9,580,550
<b>2024-2025</b>	2,832,093,899	27,797,255	296,868	23,244,820	4,849,304	4,725,533	35,407	9,610,245
<b>2025-2026</b>	2,860,164,838	28,072,350	300,000	23,531,259	4,841,092	4,772,300	32,043	9,645,434
<b>2026-2027</b>	2,888,516,486	28,350,197	297,992	23,820,703	4,827,486	4,819,533	28,932	9,675,952
<b>2027-2028</b>	3,003,982,789	29,481,766	301,099	24,829,858	4,953,007	5,011,900	0	9,964,908
<b>2028-2029</b>	3,027,312,748	29,710,400	298,940	25,309,106	4,700,234	5,050,768	0	9,751,002
<b>2029-2030</b>	3,051,211,501	29,944,608	283,068	25,549,012	4,678,664	5,090,583	0	9,769,247
<b>2030-2031</b>	3,075,667,960	30,184,281	299,707	25,794,988	4,689,000	5,131,328	0	9,820,328
<b>2031-2032</b>	3,100,671,766	30,429,318	302,846	26,046,918	4,685,246	5,172,984	0	9,858,230

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79<sup>th</sup> Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses (during the first year that the "limited appraised value" was used as the actual taxable value) offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82<sup>nd</sup> Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Payments in Lieu of Taxes

Assuming that the District and Santa Rita Wind Energy, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Reagan County ISD by Santa Rita Wind, the projected amount of these payments over the life of the agreement is \$1,125,260 of the \$15.5 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

**TABLE VI - Calculation of the Payment in Lieu of Taxes:**

Fiscal Year	Net Tax Savings	Reagan County ISD \$100/ADA	Santa Rita Wind's Share
<b>2015-2016</b>	0	0	0
<b>2016-2017</b>	0	80,376	(80,376)
<b>2017-2018</b>	1,661,831	80,376	1,581,455
<b>2018-2019</b>	2,107,096	80,376	2,026,721
<b>2019-2020</b>	1,940,060	80,376	1,859,685
<b>2020-2021</b>	1,784,674	80,376	1,704,298
<b>2021-2022</b>	1,640,178	80,376	1,559,802
<b>2022-2023</b>	1,505,766	80,376	1,425,391
<b>2023-2024</b>	1,380,780	80,376	1,300,404
<b>2024-2025</b>	1,264,518	80,376	1,184,142
<b>2025-2026</b>	1,156,412	80,376	1,076,037
<b>2026-2027</b>	1,055,857	80,376	975,481
<b>2027-2028</b>	0	80,376	(80,376)
<b>2028-2029</b>	0	80,376	(80,376)
<b>2029-2030</b>	0	80,376	(80,376)
<b>2030-2031</b>	0	0	0
<b>2031-2032</b>	0	0	0
<b>Totals</b>	<b>15,497,172</b>	<b>1,125,260</b>	<b>14,371,913</b>

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Impact of Projected Student Growth On District Facilities

**TABLE VII – Campus Capacity and Available Growth**

<b>Campus Name</b>	<b># of Regular Classrooms</b>	<b>Building Capacity</b>	<b>Current Enrollment</b>	<b>Enrollment Growth Available</b>
<b>EE thru 5</b>	40	800	441	359
<b>6-8</b>	18	324	208	116
<b>9-12</b>	30	540	232	308
<b>Total</b>	<b>88</b>	<b>1,664</b>	<b>881</b>	<b>783</b>

The building capacities are based on 20 students per classroom for elementary and 18 students per grade level at secondary schools. Reagan County ISD is a early-education through 12<sup>th</sup> grade district.

Santa Rita Wind Energy, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that eight full-time employees are expected. It is not known whether these would be new employees to the Reagan County ISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new eight positions equates to 4 new students.

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

# Reagan County ISD Financial Impact of Chapter 313 Agreement

---

## Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Santa Rita Wind Energy, LLC, would be beneficial to both Santa Rita Wind and Reagan County ISD under the current school finance system.

Santa Rita Wind Energy, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Santa Rita Wind is projected to benefit from an 85% tax savings during that ten year period of this Agreement. Santa Rita Wind also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Reagan County ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Santa Rita Wind to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.

October 28, 2015

Mark Noland, President  
Board of Trustees  
Reagan County Independent School District  
1111 East Twelfth Street  
Big Lake, TX 76932-3513

Dear Mr. Noland:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Santa Rita Wind Energy LLC project on the number and size of school facilities in Reagan County Independent School District (RCISD). Based on an examination of RCISD enrollment and the number of potential new jobs, the TEA has determined that the Santa Rita Wind Energy LLC project should not have a significant impact on the number or size of school facilities in RCISD.

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

Sincerely,



Al McKenzie, Manager  
Foundation School Program Support

AM/rk  
cc: Steve Long



## 2015 ISD Summary Worksheet

192/Reagan

192-901/Reagan County ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	56,838,482	N/A	56,838,482	56,838,482
B. Multi-Family Residences	429,644	N/A	429,644	429,644
C1. Vacant Lots	3,048,495	N/A	3,048,495	3,048,495
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	14,406,518	N/A	14,406,518	14,406,518
D2. Real Prop Farm & Ranch	2,185,754	N/A	2,185,754	2,185,754
E. Real Prop NonQual Acres	14,565,565	N/A	14,565,565	14,565,565
F1. Commercial Real	25,114,711	N/A	25,114,711	25,114,711
F2. Industrial Real	121,155,187	N/A	121,155,187	121,155,187
G. Oil, Gas, Minerals	1,795,578,780	N/A	1,795,578,780	1,795,578,780
J. Utilities	291,368,280	N/A	291,368,280	291,368,280
L1. Commercial Personal	36,859,758	N/A	36,859,758	36,859,758
L2. Industrial Personal	237,899,490	N/A	237,899,490	237,899,490
M. Other Personal	5,067,555	N/A	5,067,555	5,067,555
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	58,080	N/A	58,080	58,080
S. Special Inventory	0	N/A	0	0
Subtotal	2,604,576,299		2,604,576,299	2,604,576,299
Less Total Deductions	33,422,013		33,422,013	33,422,013
Total Taxable Value	2,571,154,286		2,571,154,286	2,571,154,286 T2

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

### Value Taxable For M&O Purposes

T1	T2	T3	T4
2,576,557,802	2,571,154,286	2,572,820,495	2,567,416,979
	Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption
5,403,516		3,737,307	

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

### Value Taxable For I&S Purposes

T7	T8	T9	T10
2,576,557,802	2,571,154,286	2,572,820,495	2,567,416,979

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

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

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

x

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

---

by and between

**REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT**

and

**SANTA RITA WIND ENERGY LLC**

*(Texas Taxpayer ID #32057805403)*

Comptroller Application #1103

---

Dated

May 9, 2016

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

*STATE OF TEXAS* §

*COUNTY OF REAGAN* §

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 **REAGAN 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 **SANTA RITA WIND ENERGY LLC**, Texas Taxpayer Identification Number 32057805403 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.”

**RECITALS**

**WHEREAS**, on August 27, 2015, the Superintendent of Schools of the Reagan County Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

**WHEREAS**, on August 27, 2015, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (LOCAL), and agreed to consider the Application;

**WHEREAS**, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, the District and the Texas Comptroller’s Office have determined that the Application is complete and October 26, 2015 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

**WHEREAS**, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Reagan County Appraisal District established in Reagan County, Texas (the “Reagan County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

**WHEREAS**, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on January 22, 2016, issued a certificate for limitation on

appraised value of the property described in the Application and provided the certificate to the District;

**[WHEREAS**, the District's Board of Trustees, by resolution dated March 1, 2016, extended the statutory deadline by which the District must consider the Application until June 22, 2016, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);]

**WHEREAS**, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

**WHEREAS**, on May 9, 2016, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

**WHEREAS**, on May 9, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

**WHEREAS**, on May 9, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.021(3) the TEXAS TAX CODE;

**WHEREAS**, on April 29, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

**WHEREAS**, on May 9, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized [*Insert Name*] to execute and deliver such Agreement to the Applicant; and

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

## **ARTICLE I** **DEFINITIONS**

**Section 1.1 DEFINITIONS.** Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means SANTA RITA WIND ENERGY LLC, (Texas Taxpayer ID # 32057805403), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on August 27, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Reagan County Appraisal District.

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

“Commercial Operation” means the date on which the Project becomes commercially operational and placed into service, such that all of the following events have occurred and remain simultaneously true and accurate:

A. The Project has been constructed, tested, and is fully capable of operating for the purpose of generating electricity for sale on one or more commercial markets;

B. The Project has received written authorization from the grid operator for interconnection, integration, and synchronization of the plant with the grid; and,

C. The Project has obtained all permits, required approvals, and has met all requirements necessary for safely and reliably generating electricity and delivering electricity onto the grid.

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

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

“County” means Reagan County, Texas.

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

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within thirty (30) days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance

of jobs and wages as required by the Act and as set forth in its Application.

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

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

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

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

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

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

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

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

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

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

“Consultant” shall have the same meaning as assigned to such term in Section 4.5 of the Agreement.

“Deferred Payments” shall have the same meaning as assigned to such term in Section 6.4 of the Agreement.

“M&O Amount” shall have the meaning assigned to such term in Section 4.2 of the Agreement.

“Maintenance and Operations Revenue” or “M&O Revenue” means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

“Net Tax Savings” shall have the same meaning as assigned to such term in Section 6.3 of the Agreement.

“*New M&O Revenue*” shall have the same meaning as assigned to such term in Section 4.2.A.ii of the Agreement.

“*Original M&O Revenue*” shall have the same meaning as assigned to such term in Section 4.2.A.i of the Agreement.

## **ARTICLE II**

### **AUTHORITY, PURPOSE AND LIMITATION AMOUNTS**

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

**Section 2.2. PURPOSE.** In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

**Section 2.3. TERM OF THE AGREEMENT.**

A. The Application Review Start Date for this Agreement is October 26, 2015, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is May 9, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on May 9, 2016, the Application Approval Date; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

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

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

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

Agreement.

**Section 2.4. TAX LIMITATION.** So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty-Five Million Dollars (\$25,000,000).

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

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

- A. have completed the Applicant's Qualified Investment in the amount of \$20,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,083.75 for all New Non-Qualifying Jobs created by the Applicant.

**Section 2.6. TAX LIMITATION OBLIGATIONS.** In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

### **ARTICLE III** **QUALIFIED PROPERTY**

**Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.** At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

**Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.** The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

**Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.** The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

**Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.** In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

**Section 3.5. QUALIFYING USE.** The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

**ARTICLE IV**  
**PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

**Section 4.1. INTENT OF THE PARTIES.** Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

**Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT.** Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in EXHIBIT 5), the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property had been subject to the full ad valorem maintenance & operations tax without any limitation on value. Calculations of Original M&O Revenue will be based on actual local taxable values for each applicable Tax Year as certified by the Appraisal District.
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school year.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under the

- Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
  - iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
  - iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
  - v. All calculations for the M&O Amount made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

**Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE.** Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 41 of the TEXAS EDUCATION CODE, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) days of receipt of written notice, up to the Revenue Protection Amount limit set forth in Section 7.1 that are necessary to offset any negative impact on District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

**Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES.** To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to the District on an annual basis all non-reimbursed costs arising from entering this Agreement, including but not limited to: (a) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (c) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is subject to the limitation provided in Section 2.4 herein.

**Section 4.5. THIRD PARTY CALCULATIONS.** All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties ("Consultant") selected by the District. Applicant will be solely responsible for the payment of Consultant's fees up to Seven Thousand Dollars, (\$7,000.00) for the first year of this Agreement. This amount may be increased

each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect “near final” or “actual” data for the applicable year as the data becomes available. The District agrees that the Consultant selected by the District shall be either McDowell & Brown, LLC or Moak Casey & Associates. If the District desires to select a Third Party other than McDowell & Brown, LLC or Moak Casey & Associates, such selection must receive the Applicant’s consent, which consent shall not be unreasonably withheld, delayed, or conditioned.

**Section 4.6. DATA FOR CALCULATIONS.** The initial calculations for any payments owing under this Agreement shall be based upon the valuations placed upon the Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District’s tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

**Section 4.7. DELIVERY OF CALCULATIONS.**

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant’s offices, personnel, books, and records pertaining to all calculations and fees.

B. In the event the District receives the Consultant’s invoice for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt.

**Section 4.8. PAYMENT BY APPLICANT.** On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 7.1, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any reasonable and necessary expenses actually paid (subject to documentation) by the District to its attorneys, auditors, or financial consultants for work resulting from the District’s participation in this Agreement. Provided that the District, upon request of Applicant, provides supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure

under the Texas Public Information Act (TEXAS GOVERNMENT CODE § 552.001, *et seq*).

**Section 4.9. CHALLENGING CALCULATION RESULTS.** The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant will issue a final determination of the calculations within fifteen (15) days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within fifteen (15) District business days of its receipt, pursuant to District Policy GF (LOCAL).

**Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT.** In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

## **ARTICLE V**

### **PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES**

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

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

**Section 5.2. PAYMENTS.** Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

## **ARTICLE VI**

### **SUPPLEMENTAL PAYMENTS**

**Section 6.1. SUPPLEMENTAL PAYMENTS.** Applicant shall make Supplemental Payments as set out in Section 6.2 annually, starting with the first year of the Agreement, and continuing through the third year following the end of the Tax Limitation Period.

**Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.** Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the

TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2014-15 Average Daily Attendance of 804, rounded to the whole number.

**Section 6.3. SUPPLEMENTAL PAYMENT CHANGES.** In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the foregoing limitation, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided however, the total supplemental payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for all years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year. This Section 6.3 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2 above; otherwise, Section 6.2 shall apply.

**Section 6.4. LIMITATION BASED ON NET TAX SAVINGS.**

A. Notwithstanding Section 6.1, for any Supplemental Payment occurring prior to the

start of the Tax Limitation Period, if the amount of the Supplemental Payments calculated in Section 6.2 exceeds Applicant's Net Tax Savings, the difference between the amount of the Supplemental Payments and Applicant's Net Tax Savings shall be carried forward from year-to-year (the "Deferred Payments"). Beginning in first year of the Tax Limitation Period, and in addition to the Supplemental Payment for that year, all Deferred Payments owed to the District shall be paid by Applicant to the extent all Supplemental Payments from Applicant to the District for that year do not exceed Applicant's Net Tax Savings. Any amount of Deferred Payments that remain unpaid shall be carried forward from year to year until paid in full.

B. Should Applicant fail to make the Minimum Qualified Investment during the Qualifying Time Period causing this Agreement to become null and void, Applicant's obligation to make any Deferred Payments that was carried over by operation of Section 6.4.A. shall be cancelled.

**Section 6.5. PAYMENT BY APPLICANT.** Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

## **ARTICLE VII**

### **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

**Section 7.1 ANNUAL LIMITATION.** Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

**Section 7.2. OPTION TO TERMINATE AGREEMENT.** In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in

which the reduction giving rise to the option occurred.

**Section 7.3. EFFECT OF OPTIONAL TERMINATION.** Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

## **ARTICLE VIII**

### **ADDITIONAL OBLIGATIONS OF APPLICANT**

**Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.** In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

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

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

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

employment obligations which may arise under this Agreement.

**Section 8.5. SITE VISITS AND RECORD REVIEW.** The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

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

**Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.** By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

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

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting,

monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

**Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.** The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

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

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

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

**ARTICLE IX**  
**MATERIAL BREACH OR EARLY TERMINATION**

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

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

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

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

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

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

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

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

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

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

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

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in

compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

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

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

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

#### **Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.**

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

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

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

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

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

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

### **Section 9.3. DISPUTE RESOLUTION.**

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Reagan County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Reagan County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payments in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the

payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

**Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.**

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

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

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

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

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

**Section 9.5. LIMITATION OF OTHER DAMAGES.** Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

**Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.** Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$20,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

**Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS**

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

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

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

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

Appraisal District's records for each tax year the Material Breach occurs.

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

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

**ARTICLE X.**  
**MISCELLANEOUS PROVISIONS**

**Section 10.1. INFORMATION AND NOTICES.**

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

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

**To the District:**

Reagan County Independent School District  
Attn: Steve Long, Superintendent  
(or the successor Superintendent)  
1111 E. Twelfth St.  
Big Lake, TX 76932  
Phone #: (325) 884-3705  
Fax #: (325) 884-3021  
Email: steve.long@rcisd.net

**With a copy to:**

Underwood Law Firm, P.C.  
Attn: Fred Stormer  
P.O. Box 9158  
Amarillo, TX 79105-9158  
Phone #: (806) 379-1306  
Fax #: (806) 379-0316  
Email: fred.stormer@uwlaw.com

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

**To Applicant:**

Santa Rita Wind Energy LLC  
Attn: Bryan Schueler  
One South Wacker Dr., Suite 1900  
Chicago, IL 60606  
Phone #: (312)582-1421  
Email: bschueler@invenergyllc.com

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

**With a copy to:**

Any lender for which the Applicant has provided the District notice information pursuant to Section 10.3.C below.

**Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.**

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
  - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
  - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
  - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

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

- i. require that all property added by amendment be eligible property as defined by

Section 313.024 of the TEXAS TAX CODE;

- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

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

### **Section 10.3. ASSIGNMENT.**

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

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

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

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

**Section 10.5. GOVERNING LAW.** This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Reagan County.

**Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.** Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

**Section 10.7. SEVERABILITY.** If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term “Law” shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

**Section 10.8. PAYMENT OF EXPENSES.** Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

**Section 10.9. INTERPRETATION.**

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase “, but not limited to,”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

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

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

**Section 10.10. EXECUTION OF COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

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

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

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

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

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

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

**Section 10.14. CONFLICTS OF INTEREST.**

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public

officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

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

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

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

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

**Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.**

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

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

*[signatures follow on next page]*

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 9th day of May, 2016.

**SANTA RITA WIND ENERGY LLC**

**REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

**ATTEST:**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

*DRAFT*

## EXHIBIT 1

### DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Reagan County Commissioners Court passed a Resolution designating Santa Rita Wind Project Reinvestment Zone January 25, 2016, which is more particularly described below:

BEGINNING at the SE corner of the Section 24, Block 43, Abstract U311, being the SE corner of the reinvestment zone and the point of the beginning,

THENCE, along the eastern portion of the reinvestment zone N 1- 11-41 E the distance of 94782.035 feet to the NE corner of the reinvestment zone,

THENCE, N 88-51-37 W the distance of 60947.935 feet to the NW corner of the reinvestment zone,

THENCE, S 1-25-36 W the distance of 33946.849 feet,

THENCE, N 88-44-12 E the distance of 355.663 feet,

THENCE, S 0-42-36 W the distance of 2008.078 feet,

THENCE, S 34-57-53 W the distance of 186.233 feet,

THENCE, S 0-51-42 W the distance of 3474.94 feet,

THENCE, S 89-41-20 E the distance of 9782.652 feet,

THENCE, S 1-24-44 W the distance of 17685.697 feet,

THENCE, N 86-51-15 W the distance of 4343.108 feet,

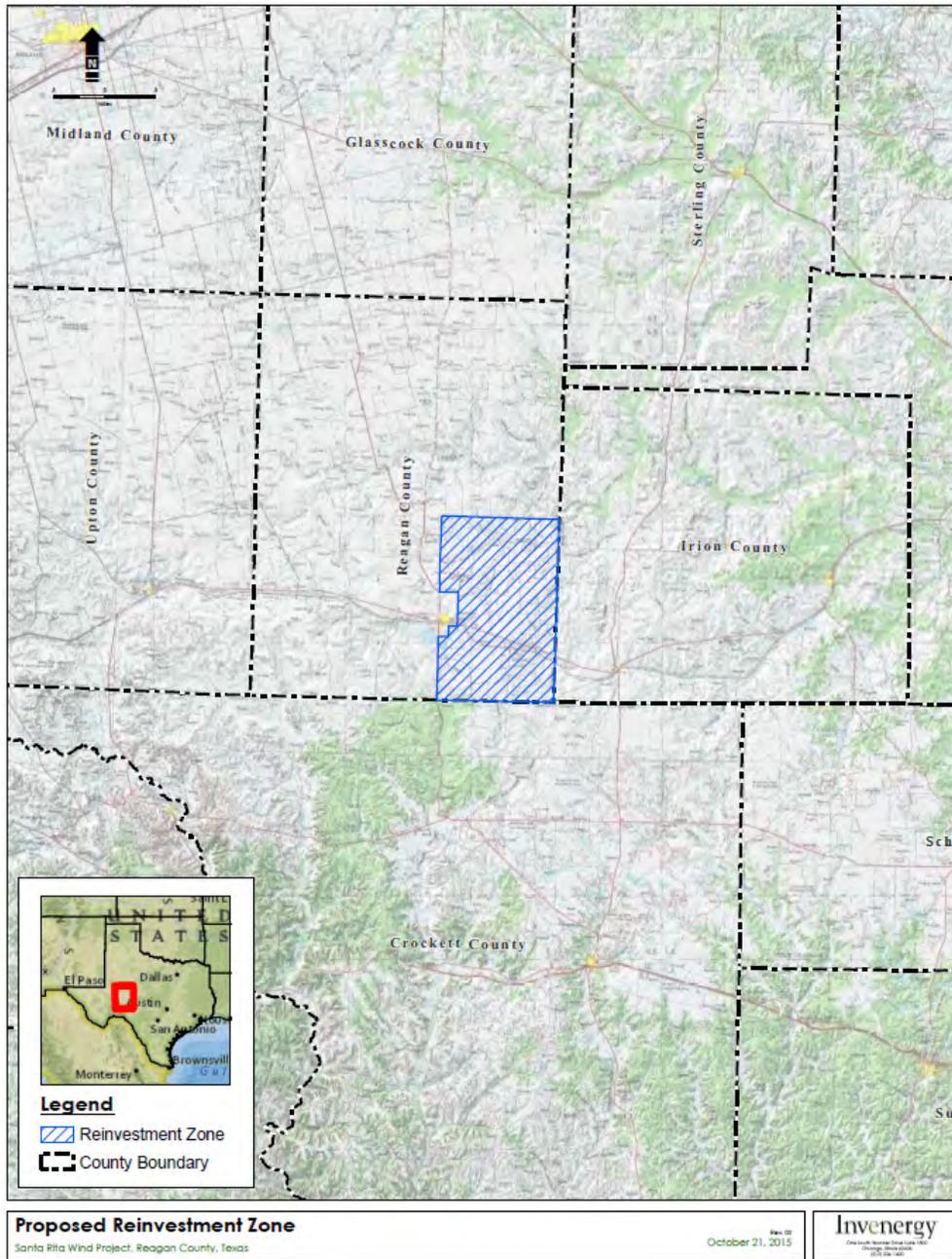
THENCE, S 2-12-53 W the distance of 5573.505 feet,

THENCE, N 88-44-59 W the distance of 5133.389 feet,

THENCE, S 0-51-12 W the distance of 32920.537 feet to the SW corner of the reinvestment zone,

THENCE, S 89-29-15 E the distance of 60463.191 feet to the SE corner of the reinvestment zone and the **POINT OF BEGINNING.**

## Map of Reagan County Reinvestment Zone



Agreement for Limitation on Appraised Value  
 Between Reagan County ISD and Santa Rita Wind Energy LLC  
 (App No. 1103), May 9, 2016  
 Exhibit 1

*Texas Economic Development Act Agreement  
 Comptroller Form 50-826 (Jan 2016)*

**EXHIBIT 2**

**DESCRIPTION OF LAND**

All Qualified Property owned by the Applicant is located within the boundaries of both the Reagan County Independent School District and Santa Rita Wind Reinvestment Zone, which is more particularly described in **EXHIBIT 1**.

Draft

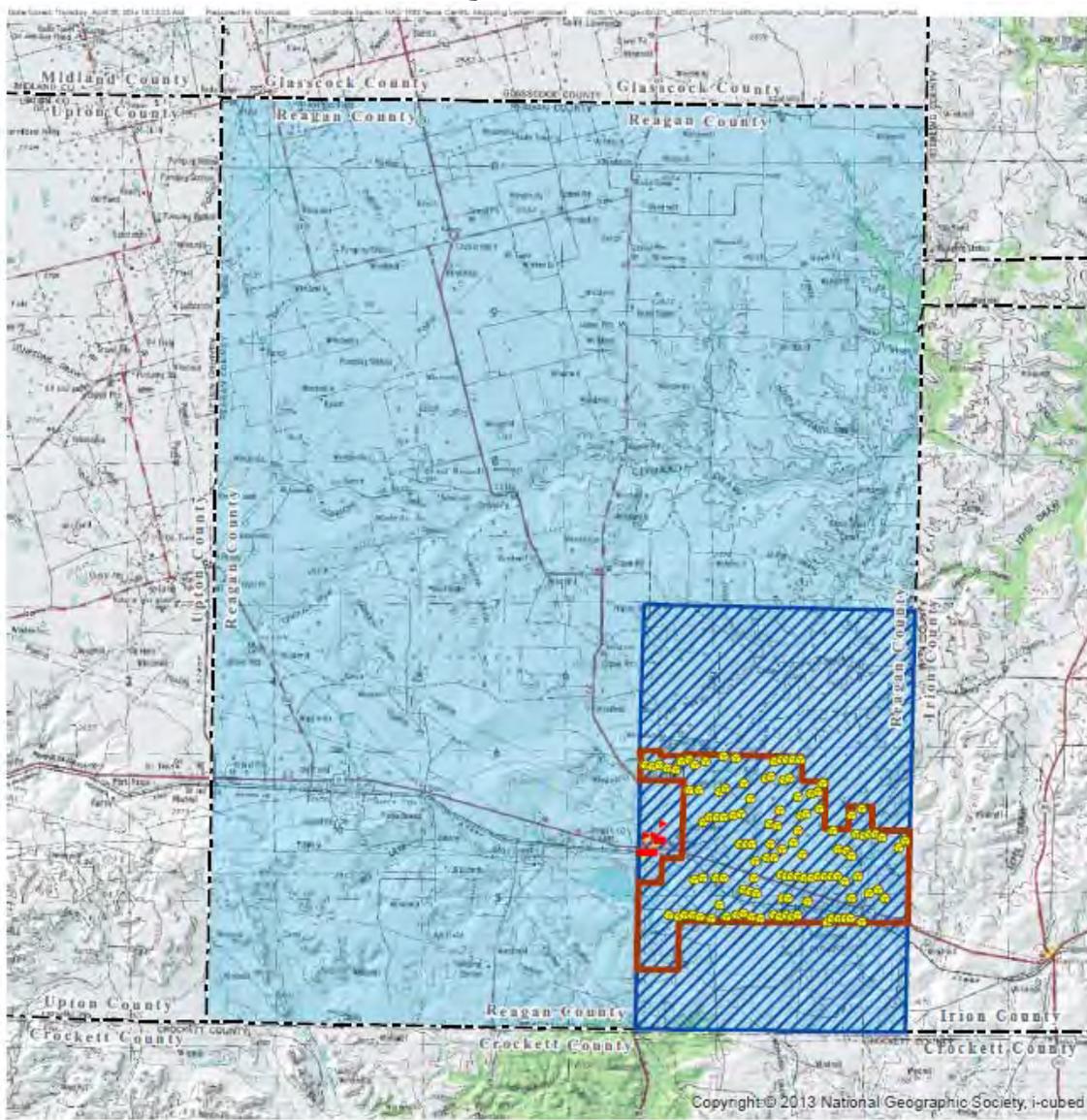
### **EXHIBIT 3**

#### **APPLICANT'S QUALIFIED INVESTMENT**

Santa Rita Wind Energy LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Presently our plans are to install a variation of GE 1.85 and 2.0 megawatt turbines on the property within the reinvestment zone in Reagan County, Texas. Santa Rita Wind Energy LLC estimates that 87 turbines are planned to be installed in Reagan County ISD.

The additional improvements for the Santa Rita Wind Project will include but are not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations, and any other tangible personal property located at the operations and maintenance building.

# MAP OF QUALIFIED INVESTMENT



## Legend

- Turbine Layout (L050)
- School
- Project Boundary
- Reinvestment Zone
- Reagan County School District
- County Boundary



**Reagan School District & Reinvestment Zone**  
 Santa Rita Wind Project, Reagan County, Texas

Rev. 00  
 April 28, 2016

Agreement for Limitation on Appraised Value  
 Between Reagan County ISD and Santa Rita Wind Energy LLC  
 (App No. 1103), May 9, 2016  
 Exhibit 3

Texas Economic Development Act Agreement  
 Comptroller Form 50-826 (Jan 2016)

**EXHIBIT 4**

**DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY**

See **EXHIBIT 3**.

Draft

**EXHIBIT 5**

**AGREEMENT SCHEDULE**

	<b><u>Year of Agreement</u></b>	<b><u>Date of Appraisal</u></b>	<b><u>School Year</u></b>	<b><u>Tax Year</u></b>	<b><u>Summary Description</u></b>
Limitation Pre-Year	1	January 1, 2016	2016-17	2016	Limitation Pre-Year
Limitation Period (10 Years)	2	January 1, 2017	2017-18	2017	\$25 million appraisal limitation
	3	January 1, 2018	2018-19	2018	\$25 million appraisal limitation
	4	January 1, 2019	2019-20	2019	\$25 million appraisal limitation
	5	January 1, 2020	2020-21	2020	\$25 million appraisal limitation
	6	January 1, 2021	2021-22	2021	\$25 million appraisal limitation
	7	January 1, 2022	2022-23	2022	\$25 million appraisal limitation
	8	January 1, 2023	2023-24	2023	\$25 million appraisal limitation
	9	January 1, 2024	2024-25	2024	\$25 million appraisal limitation
	10	January 1, 2025	2025-26	2025	\$25 million appraisal limitation
	11	January 1, 2026	2026-27	2026	\$25 million appraisal limitation
Maintain a Viable Presence (5 Years)	12	January 1, 2027	2027-28	2027	No appraisal limitation; must maintain a viable presence
	13	January 1, 2028	2028-29	2028	No appraisal limitation; must maintain a viable presence
	14	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	15	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	16	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence

**Agreement for Limitation on Appraised Value**  
 Between Reagan County ISD and Santa Rita Wind Energy LLC  
 (App No. 1103), May 9, 2016  
 Exhibit 5

*Texas Economic Development Act Agreement  
 Comptroller Form 50-826 (Jan 2016)*



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

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

April 29, 2016

Steve Long  
Superintendent  
Reagan County ISD  
1111 12th Street  
Big Lake, Texas 76932

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Reagan County Independent School District and Santa Rita Wind Energy, LLC

Dear Superintendent Long:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between Reagan County Independent School District and Santa Rita Wind Energy, LLC (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e) (1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact Annet Nalukwago, Economic Development & Local Government Section, at (512) 475-5656.

Sincerely,

A handwritten signature in black ink that reads "Korry Castillo". The signature is written in a cursive style with a large, stylized initial "K".

Korry Castillo  
Director  
Data Analysis & Transparency Division

cc: Audie Sciumbato, Underwood Law Firm, P.C  
Bryan Schueler, Invenergy LLC  
Fred Stormer, Underwood Law Firm, PC

# Invenergy

Santa Rita Wind Energy LLC  
One South Wacker Drive, Suite 2020  
Chicago, IL 60606

October 10, 2015

Re: Santa Rita Wind Employment Estimate

To Whom it May Concern,

Invenergy has developed 58 wind projects across the United States and in Canada and Europe, totaling over 5,800 MW. As one of the largest owner/operators of wind farms in the United States, Invenergy has significant experience staffing wind projects. Several factors determine the ultimate ratio of technicians to turbines; among these factors are site layout and turbine technology.

In Invenergy's experience, a ratio of 1 technician for every 10 – 15 turbines is typical for projects that are staffed by full-time employees. Invenergy's latest project under development, the Priddy Wind project will deploy GE 2.0 MW turbines. The GE 2.0 machine is the latest evolution of the GE fleet, of which Invenergy operates over 2,000 units.

We anticipate the technician to turbine ratio to be similar to that for the GE 1.X MW turbines. As a result, we anticipate requiring approximately 1 technician per 12 GE 2.0 MW machines.

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

Based on this ratio of 1 job per 11 turbines and the expectation of 87 turbines to be installed in Reagan County ISD, we request that you waive two jobs from the ten job requirement.

If you have any questions, please do not hesitate to contact me at (312) 582-1421.

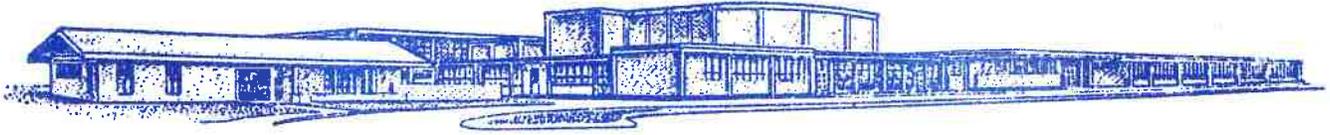
Sincerely,



Bryan Schueler  
Vice President  
Santa Rita Wind Energy LLC  
Invenergy LLC

cc: Evan Horn

# REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT



Steve Long  
Superintendent

1111 TWELFTH STREET  
BIG LAKE, TEXAS 76932-3599

Phone 325-884-3705  
Fax 325-884-3021

March 2, 2016

Evan Horn, Manager  
Ryan  
100 Congress Ave.  
Austin, TX 78701

*via email: [evan.horn@ryan.com](mailto:evan.horn@ryan.com)*

Re: Request for Extension on Application of Santa Rita Wind LLC  
For an Appraised Value Limitation Agreement

Dear Mr. Horn:

Please be advised that at a properly called meeting of the Reagan County Independent School District Board of Trustees on March 1, 2016, the Board took action on the request for an extension to consider the application of Santa Rita Wind LLC for an Appraised Value Limitation Agreement with Reagan County ISD. The District approved the request, and has granted the extension on the application up to an additional 90 day period (*i.e.*, June 22, 2016). See enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,

Steve Long, Superintendent

**RESOLUTION OF THE BOARD OF TRUSTEES  
OF  
REAGAN COUNTY INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Reagan County Independent School District (“the District”) does hereby make the following resolution regarding a pending application by Santa Rita Wind LLC (“Santa Rita”) for an appraised value limitation agreement under Texas Tax Code, Chapter 313:

WHEREAS, on or about August 27, 2015, Santa Rita submitted to the District an application under Texas Code, Chapter 313 (the “Application”) for an appraised value limitation agreement (“Agreement”); and

WHEREAS, on or about September 16, 2015, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about October 26, 2015, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code §313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the “Deadline”), unless the Comptroller’s economic impact evaluation has not been received or an extension is agreed to by the Board and the applicant; and,

WHEREAS, due to the Comptroller’s implementation of new Rules and a new form Agreement for Limitation on Appraised Value as of January 24, 2016, including an extended period of time for the Comptroller to approve the proposed Agreement for Limitation on Appraised Value once submitted for approval, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact and to approve and execute such an Agreement before the Deadline; and,

WHEREAS, on February 25, 2016, Santa Rita submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit “A.”

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District’s best interest to extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Santa Rita’s request, and extend the Deadline for an

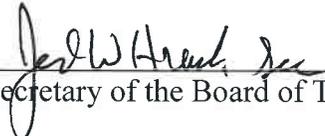
additional ninety (90) days in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent is directed to provide notice to Santa Rita of the Board's decision to grant its request, and extend the deadline until June 22, 2016.

Passed and approved by the Reagan County Independent School District Board of Trustees on this 1<sup>st</sup> day of March, 2016.

Reagan County Independent School District

  
\_\_\_\_\_  
By: President of the Board of Trustees

  
\_\_\_\_\_  
By: Secretary of the Board of Trustees

**EXHIBIT A**



February 25, 2016

Steve Long, Superintendent  
Reagan County ISD  
1111 E. Twelfth St.  
Big Lake, TX 76932

**Re: Request for Extension of 150 day Deadline  
to consider 313 Application #1103**

Dear Mr. Long,

It is our understanding that the District's March Board meeting will occur early in March. In light of this, and due to the Texas Comptroller's recent changes to the form of Agreement, we do not believe that the Agreement between Santa Rita Wind LLC and Reagan County Independent School District will be approved by the Comptroller in time for the parties to execute the Agreement by the 150 day deadline of March 24, 2016. Accordingly, we ask that Reagan County ISD extend that deadline by at least 90 days, or to June 22, 2016.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Evan Horn".

Evan Horn  
Manager  
Ryan  
100 Congress Building  
100 Congress Avenue  
Suite Austin, Texas 78701

512.476.0022