

FINDINGS
of the
***SILVERTON INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES***

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

**ON THE APPLICATION FOR A
LIMITED APPRAISED VALUE ON
QUALIFIED PROPERTY**

SUBMITTED BY

LONGHORN WIND ENERGY, LLC

Comptroller Application Number 292

RESOLUTION AND FINDINGS OF FACT
of the
SILVERTON INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR A
LIMITED APPRAISED VALUE ON QUALIFIED PROPERTY SUBMITTED
BY LONGHORN WIND PROJECT, LLC

STATE OF TEXAS §
 §
COUNTY OF BRISCOE §

PREAMBLE

On the 22nd day of October, 2013, a public meeting of the Board of Trustees of the Silverton Independent School District (the “Board”) was held to solicit input from interested parties on the application by LONGHORN WIND PROJECT, LLC (“Longhorn 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 Longhorn Wind for a Limited 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, the Board of Trustees of the Silverton Independent School District makes the following Findings regarding the Application:

On or about the 28th day of May, 2013, the Superintendent of Schools for the Silverton Independent School District, acting as agent for the Board, received an Application for an Appraised Value Limitation on Qualified Property from Longhorn 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 creation of a wind power electric generation facility. *See* Comptroller’s Recommendation Letter, dated September 17, 2013, attached hereto as Attachment C. The Board agreed to consider such Application, and the Superintendent formally acknowledged receipt of the completed and final Application for consideration on behalf of the District. The Texas Comptroller of Public Accounts received the completed Application on or about May 31, 2013, and issued its notice of completeness by letter dated June 19, 2013, the Application review start date. A copy of the Application and Comptroller letter of June 19, 2013 are attached as Attachment A.

The Texas Taxpayer Identification number for Longhorn Wind is 32050906182. See Attachments A and B. Longhorn 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* Attachment B.

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 Briscoe 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 pursuant to §313.026 of the Texas Tax Code. 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 recommendation on September 17, 2013 that the Application be approved. *See* Attachment C. The Board of Trustees has carefully considered such evaluation and recommendation. Copies of the Recommendation 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 Silverton Independent School District. A copy of a report prepared by Randy McDowell and Neal Brown is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property in the Silverton Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within a rural school district, Category III of §313.054 of the Texas Tax Code. *See* Comptroller's "2012 ISD Summary Worksheet," attached hereto as Attachment F, and Attachment C.

After receipt of the completed Application, the District entered into negotiations with Longhorn Wind regarding the specific language to be included in the Limitation on Appraised Value Agreement ("LAVA") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed LAVA is attached to these Findings as Attachment G, and the LAVA was submitted to and approved by the Comptroller as set out under 34 Texas Administrative Code §9.1015, *et seq.* *See* copy of October 14, 2013 Agreement approval letter from the Comptroller, attached to these Findings as Attachment H.

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

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic

development (the ED Plan) submitted by the Texas Strategic Economic Development Commission under § 481.033 of the Texas Government Code.

In support of Finding Number 1, the Economic Impact Evaluation states:

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

Board Finding Number 2.

Applicant's renewable energy generation facility will improve the economic condition of Briscoe County and the region.

In support of this Finding, the information provided by the Comptroller's Office analyzes several economic factors and conditions, including population, employment and taxes. The Comptroller's Economic Impact Evaluation indicates the population growth of Briscoe County lagged behind that for the state in recent years. The state population grew by 1.8 percent between 2009 and 2010, while the population of Briscoe County decreased 1.2 percent over the same period. Briscoe County was the 241st largest county in population in 2010, and the 238th fastest growing county from 2009 to 2010.

September 2011 employment for Briscoe County was down 5.9 percent from September 2010. The total employment in September 2011 was 637. The unemployment rate in Briscoe County was 6.9 percent in September 2011, which is an increase from 5.4 percent in September 2010. This was lower than the state average of 8.5 percent for September 2011.

Briscoe County has lower per-capita personal income than the state as a whole. The average per-capita income for Briscoe County residents for 2009 was \$34,048, which ranked 103rd among the 254 counties in Texas, but was up 6.0 percent from 2008. The Texas average was \$38,609 for the same period.

Taxable sales in Briscoe County through the fourth quarter of 2010 were \$3.7 million, up 0.2 percent from the same period in 2009. Taxable sales in the City of Silverton through the fourth quarter of 2010 were \$1.55 million, which was up 1.2 percent from the same period in 2009.

Given recent income levels and sales tax activity, Briscoe County will likely benefit from economic activity like that associated with the Longhorn Wind project. Major capital investments like this project are beneficial to the community on a number of fronts, including employment, expanded opportunities for existing businesses, and an increased local tax base.

Board Finding Number 3.

Based on the Application, the level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$56.3 million, based on two (2) qualifying positions to be allocated for that portion of the Longhorn Wind project located within Silverton ISD.

In support of Finding Number 3, the Economic Impact Evaluation states:

The project's total investment is 112.5 million, resulting in a relative level of investment per qualifying job of \$56.3 million.

The investment amount per job may vary, depending on the total number of turbines actually installed by Applicant.

Board Finding Number 4.

The average salary level of qualifying jobs is expected to be at least \$45,000 per year, which meets the qualification that the wage-level be 110% of the average county wage, and that each qualifying job will receive benefits such as a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act, 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. Longhorn Wind indicates that it will allocate two (2) new permanent jobs within the District, both of which will meet the criteria of a qualifying job.

In support of Finding Number 4, the Economic Impact Evaluation states:

After construction, the project will create two new jobs when fully operational. All two jobs will meet the criteria for qualifying jobs as specified in Tax Code §313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Briscoe County is located, was \$40,196 in 2012. The annual average manufacturing wage for 2012 for Briscoe County is unavailable. That same year, the [Briscoe] [C]ounty annual average wage for all industries was \$26312 [sic]. In addition to a salary of \$45,000, each qualifying position [to be created by Longhorn Wind] will receive the following benefits: At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-

only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

Board Finding Number 5.

The new 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, as Attachment 13 to its Application, submitted information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. Attachment 13 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. The industry standard requires approximately one (1) full time position for every 15 turbines, depending on the size and type of turbines selected, which is less than the requirements of §313.051(b). A copy of Attachment and check list item 13 submitted with the Application is attached hereto as Attachment I. Applicant reports in its Application that it will create at least two (2) new jobs, both of which are qualifying jobs, to service and support approximately 25 turbines, which will be fewer jobs than what is required under Texas Tax Code § 313.051(b), but in line with industry standards. The Applicant has subsequently reported that the total number of turbines allocated to the District could increase to 42 turbines, in which there would be a proportional increase in the number of qualifying jobs. Applicant reports that this Project will have approximately one hundred (100) turbines and seven (7) permanent qualifying jobs, an amount of jobs that exceeds the industry standard. See Schedule 2.3 of Attachment G, and Attachment I.

Board Finding Number 6.

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.

In support of Finding Number 6, the Economic Impact Evaluation states:

According to Longhorn Wind Project, LLC's application, "RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited ('RES Ltd.')., one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents." "RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries."

Board Finding Number 7.

Subsequent positive economic effects on the local and regional tax bases will be significant. The District will receive revenue gains due to the increase in its tax base. Likewise, the Board finds that the local and regional tax base will increase, and that the Applicant’s renewable energy project will improve the economic condition of the region and the state.

In support of Finding Number 7, the Economic Impact Evaluation states:

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Longhorn Wind Project, LLC.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	1	3	4	\$41,600	-\$41,600	\$0
2014	25	24	49	\$1,040,000	\$1,768,000	\$2,808,000
2015	2	4	6	\$90,000	\$398,000	\$488,000
2016	2	3	5	\$90,000	\$398,000	\$488,000
2017	2	7	9	\$90,000	\$642,000	\$732,000
2018	2	6	8	\$90,000	\$520,000	\$610,000
2019	2	6	8	\$90,000	\$398,000	\$488,000
2020	2	4	6	\$90,000	\$642,000	\$732,000
2021	2	4	6	\$90,000	\$642,000	\$732,000
2022	2	4	6	\$90,000	\$642,000	\$732,000
2023	2	6	8	\$90,000	\$520,000	\$610,000
2024	2	4	6	\$90,000	\$642,000	\$732,000
2025	2	6	8	\$90,000	\$520,000	\$610,000
2026	2	2	4	\$90,000	\$276,000	\$366,000
2027	2	4	6	\$90,000	\$398,000	\$488,000
2028	2	6	8	\$90,000	\$398,000	\$488,000

Source: CPA, REMI, Longhorn Wind Project, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Silverton ISD's ad valorem tax base in 2011 was \$63.2 million. The statewide average wealth per WADA was estimated at \$374,943 for fiscal 2011-2012. During that same year, Silverton ISD's estimated wealth per WADA was \$167,164. The impact on the facilities and finances of the district are presented in Attachment 2 [of the Comptroller's Economic Impact Evaluation].

See also the District's Financial Impact Report, attached hereto as Attachment E.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Briscoe County, with all property tax incentives sought being granted using estimated market value from Longhorn Wind Project, LLC's application. Longhorn Wind Project, LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county. Table 3 illustrates the estimated tax impact of the Longhorn Wind Project, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Silverton ISD I&S Levy	Silverton ISD M&O Levy	Silverton ISD M&O and I&S Tax Levies (Before Credit Credited)	Silverton ISD M&O and I&S Tax Levies (After Credit Credited)	Briscoe County	Estimated Total Property Taxes
				0.0000	1.0400			0.6300	
2014	\$2,812,500	\$2,812,500		\$0	\$29,250	\$29,250	\$29,250	\$0	\$29,250
2015	\$108,000,000	\$108,000,000		\$0	\$1,123,200	\$1,123,200	\$1,123,200	\$0	\$1,123,200
2016	\$99,360,000	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$0	\$104,000
2017	\$91,411,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2018	\$84,098,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2019	\$77,370,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2020	\$71,180,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2021	\$65,486,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2022	\$60,247,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2023	\$55,427,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2024	\$50,993,000	\$50,993,000		\$0	\$530,327	\$530,327	\$40,794	\$321,256	\$362,050
2025	\$46,914,000	\$46,914,000		\$0	\$487,906	\$487,906	\$400,638	\$295,558	\$696,197
2026	\$43,161,000	\$43,161,000		\$0	\$448,874	\$448,874	\$448,874	\$271,914	\$720,789
2027	\$39,708,000	\$39,708,000		\$0	\$412,963	\$412,963	\$412,963	\$250,160	\$663,124
2028	\$36,531,000	\$36,531,000		\$0	\$379,922	\$379,922	\$379,922	\$230,145	\$610,068
						Total	\$3,303,643	\$1,369,034	\$4,672,677

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

The Application indicates that Longhorn Wind project expects to two (2) new jobs in the District. It is not known whether these would be new employees to the District, or if current residents would fill these positions. But, it is assumed in the Financial Impact Report that these employees would be new residents to the District, and provide one (1) new student to the District. It is believed that Silverton ISD will easily be able to accommodate new students, if any, which may result from these new jobs. The District must plan to educate all students who reside within its boundaries, and the number of new students can vary widely depending on the number of construction jobs and workers present during the construction phase of Longhorn Wind' renewable energy project. Therefore, the District may need to hire additional temporary teachers and staff to educate the additional students that could enroll in the District. The proposed Limitation on Appraised Value Agreement pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, provides that Applicant shall reimburse the District for extraordinary educational related expenses paid by the District that are directly attributable to Applicant's project. See Table VII of Attachment E.

Board Finding Number 10.

During the past two (2) years, twelve (12) projects in the Panhandle Regional Planning Commissions Region applied for value limitation agreements under Tax Code Chapter 313.

Board Finding Number 11.

The Board finds that the projected market value of the qualified property of the Applicant, as determined by the Comptroller, is \$108,000,000.

Board Finding Number 12.

The proposed limitation on appraised value for the qualified property is \$10,000,000.

Board Finding Number 13.

The projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value with the projected depreciations of investment, is shown in Table II of Attachment E, and is based on the assumption that the projected total maintenance and operations and interest and sinking fund tax rates will be \$0.96 per \$100 in valuation in the second and eleventh year of the Agreement, and \$1.04 per \$100 in valuation for every other year of the Agreement. The Comptroller's estimated dollar amount of the taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value with the projected

depreciations of investment, is depicted in Table 3 of the Economic Impact Evaluation. See Finding No. 7, page 8, infra.

Board Finding Number 14.

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, and is based on the assumption that the projected total maintenance and operations and interest and sinking fund tax rates will be \$0.96 per \$100 in valuation in the second and eleventh year of the Agreement, and \$1.04 per \$100 in valuation for every other year of the Agreement. The Comptroller's estimated 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 depicted in Table 2 of the Economic Impact Evaluation. See Finding No. 7, page 7, infra.

Board Finding Number 15.

The projected effect on the Foundation School Program and impact on the District's finances resulting from payments to the District for each year of the Agreement is shown on Tables III, IV and V of Attachment E. The economic impact from Longhorn Wind's project on the State of Texas, local employment levels and personal income is shown, and in Tables 1, 2 and 3 of the Economic Impact Evaluation. See Finding No. 7, pages 6, 7 and 8, infra.

Board Finding Number 16.

The projected future tax credits for each year of the Agreement are shown in Table II of Attachment E.

Board Finding Number 17.

Assuming that Applicant would still construct is renewal energy project in the District, without a limitation on appraised value for the qualified property, the total amount of taxes to be lost over the life of the Agreement by subtracting the projected taxes stated in Finding Number 13 from the projected taxes stated in Finding Number 14 is shown in Table II of Attachment E.

Board Finding Number 18.

The Board of Trustees hired consultants to review and verify the information in the Application from Longhorn Wind. Based upon the consultants' review, the Comptroller's Economic Impact Evaluation, and the Comptroller's Recommendation letter, the Board has determined that the information provided by the Applicant in its Application was true and correct when it was submitted (see Attachments B, C and D).

Board Finding Number 19.

The Applicant (Taxpayer Id. 32050906182) 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 (Attachment B; see also Attachment D).

Board Finding Number 20.

The Limited Appraised Valuation Agreement on Qualified Property (LAVA), pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this Finding, the Financial Impact Report demonstrates that the District will incur a revenue loss during year 3 of the proposed LAVA. However, the negative consequences of granting the value limitation are offset through the "hold harmless" provision of the LAVA and other revenue protection provisions agreed to by the Applicant and the District. See Table II in Attachment E.

Board Finding Number 21.

The general nature of Applicant's qualified investment is renewable energy electricity generation (wind), which is eligible for the limitation on the appraised value of Applicant's Property.

Board Finding Number 22.

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 Longhorn Wind' Application and enter into the attached Limited Appraised Valuation Agreement of Property for School District Maintenance and Operations Taxes.

IT IS THEREFORE ORDERED, that all of the Findings herein, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Silverton 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 G is APPROVED and is hereby authorized to be executed and delivered by the Silverton Independent School District Board President on behalf of the Silverton 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 Silverton Independent School District Board of Trustees.

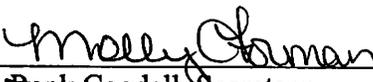
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Dated this 22nd day of October, 2013.

Silverton Independent School District

By 
Clint Hunt, President

Attest:

By 
MF ~~Rank Cogdell~~, Secretary
Molly Forman

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Longhorn Wind Application and Comptroller's Completeness Letter
B	Franchise Tax Certification of Account Status for Longhorn Wind
C	Comptroller's Recommendation Letter
D	Comptroller Economic Impact Evaluation
E	District's Financial Impact Report
F	Comptroller's 2012 ISD Summary Worksheet
G	Proposed Limited Assessed Valuation Agreement
H	October 14, 2013 Agreement approval letter from Comptroller
I	Longhorn Wind job waiver request

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



June 19, 2013

Bill Wood
Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, Texas 79257

Dear Superintendent Wood:

On May 31, 2013, the Comptroller's office received from Silverton Independent School District (Silverton ISD) an application from Longhorn Wind Project, LLC for a limitation on appraised value. The purpose of this letter is to inform you that the Comptroller's office has received all required documents for the application review and economic impact evaluation.

The Comptroller's office will move forward with our economic impact evaluation and recommendation to the school district. Tax Code §313.025(d) allows the Comptroller's office to complete the economic impact evaluation and recommendation on or before the 91 days from the date of this letter. The Comptroller's office will send a letter of recommendation to the ISD and the applicant.

Should you have any questions, please contact Jenny Hicks with our office. She can be reached by email at jenny.hicks@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-4794, or direct in Austin at 512-463-4794.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wood", is written over a horizontal line.

Robert Wood
Director
Economic Development & Analysis

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Shalini Ramanathan, RES America Development Inc.

LONGHORN WIND PROJECT, LLC

**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO SILVERTON ISD**

May 28, 2013



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

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

This notice must include:

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district May 28, 2013
First Name Bill	Last Name Wood	
Title Superintendent		
School District Name Silverton ISD		
Street Address 700 Loretta St.		
Mailing Address same		
City Silverton	State TX	ZIP 79257
Phone Number (806) 823-2476	Fax Number (806) 823-2276	
Mobile Number (optional)	E-mail Address Bill.Wood@region16.net	

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

Will consultant be primary contact? Yes No

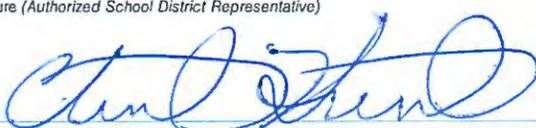


SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Audie		Last Name Sciumbato	
Title Attorney			
Firm Name Underwood Law Firm, P.C.			
Street Address 500 S. Taylor, Suite 1200			
Mailing Address PO Box 9158			
City Amarillo		State TX	ZIP 79105
Phone Number (806) 379-0326		Fax Number (806) 379-0316	
Mobile Number (Optional)		E-mail Address audie.scumbato@ulaw.com	

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

Signature (Authorized School District Representative) 	Date 05/28/2013
---	---------------------------

Has the district determined this application complete? Yes No

If yes, date determined complete. **05/28/2013**

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Shalini		Last Name Ramanathan	
Title Vice President			
Organization RES America Development Inc.			
Street Address 9050 Capital Of Texas Hwy North, Suite 390			
Mailing Address same			
City Austin		State TX	ZIP 78759
Phone Number (512) 708-1538		Fax Number (512) 708-1757	
Mobile Number (optional)		Business e-mail Address Shalini.Ramanathan@res-americas.com	

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

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

First Name Chad		Last Name Horton	
Title Director of Development			
Organization RES America Development Inc.			
Street Address 9050 Capital Of Texas Hwy North, Suite 390			
Mailing Address same			
City Austin		State TX	ZIP 78759
Phone Number (512) 338-8561		Fax Number (512) 708-1757	
Mobile Number (optional)		E-mail Address Chad.Horton@res-americas.com	

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

Will consultant be primary contact? Yes No



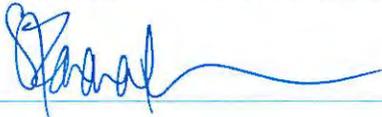
APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

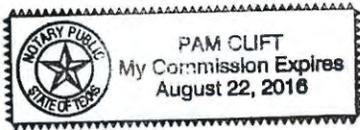
First Name Wes		Last Name Jackson	
Title Partner			
Firm Name Cummings Westlake LLC			
Street Address 12837 Louetta Road, Suite 201			
Mailing Address same			
City Cypress		State TX	ZIP 77429-5611
Phone Number 713-266-4456 X-2		Fax Number 713-266-2333	
Business email Address wjackson@cwlp.net			

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

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

Signature (Authorized Business Representative (Applicant)) 	Date May 23, 2013
---	-----------------------------

GIVEN under my hand and seal of office this 22nd day of May, 2013



(Notary Seal)

Pam Clift
Notary Public, State of Texas

My commission expires 8-22-16

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



FEES AND PAYMENTS

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

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

NAICS code

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

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

APPLICANT BUSINESS STRUCTURE

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

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

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

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

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

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project...
(4) an advanced clean energy project...
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center...
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

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

See attached project description - Attachment 4

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

See attached project description - Attachment 4A

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Q4 - 2013, Begin Hiring New Employees Q3 - 2014, Construction Complete Q4 - 2014, Fully Operational Q4 - 2014, Purchase Machinery & Equipment Q4 - 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Q4 - 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
none	
Total	

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

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

Applicant will apply for tax abatement and anticipates entering into local Chapter 312 tax abatement with Briscoe County. Abatement terms and negotiations have not started at the time of this filing.

THE PROPERTY

Identify county or counties in which the proposed project will be located Briscoe 25% & Floyd 75%

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

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

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

County: Briscoe (Name and percent of project) City: none (Name and percent of project)

Hospital District: none (Name and percent of project) Water District: none (Name and percent of project)

Other (describe): none (Name and percent of project) Other (describe): none (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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

Of the total Longhorn Wind Project, approximately 25%, being the Silverton ISD portion, will be located in Briscoe County; the remaining 75% will be located in Floyd County.

The Longhorn Wind Project is located in three separate ISDs, with approximately 43% located in Floydada ISD, 32% in Lockney ISD and the remaining 25% in Silverton ISD.

The entire Floyd County portion is also within the boundaries of the Caprock Hospital District.



INVESTMENT

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

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

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

What is your total estimated qualified investment? \$112,500,000

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

What is the anticipated date of application approval? October 15, 2013

What is the anticipated date of the beginning of the qualifying time period? October 15, 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$112,500,000

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

Attach the following items to this application:

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

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

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

- (1) in or on the new building or other new improvement for which you are applying? [X] Yes [] No
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [] No

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? August 1, 2013

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

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



QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

[x] First Quarter [] Second Quarter [] Third Quarter [] Fourth Quarter of 2013 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 0

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

7 total new permanent jobs will be created (3 in Floydada ISD, 2 in Lockney ISD and 2 Silverton ISD)

Total number of new jobs that will have been created when fully operational 2

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 2

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

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

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

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



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

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

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

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

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? _____

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

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

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

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

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

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

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

If yes, what percent? _____

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

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

ECONOMIC IMPACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

ATTACHMENT 1

See executed application attached.

ATTACHMENT 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$65,000 application fee to Silverton Independent School District.

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)*

ATTACHMENT 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7) is attached.

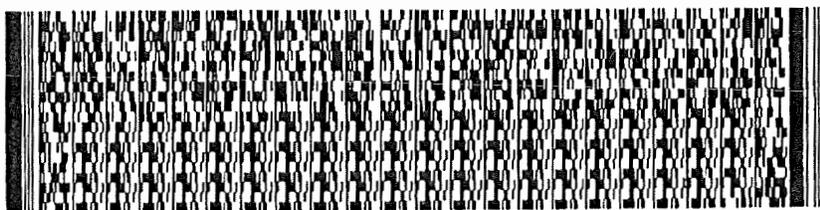
**TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST**

■ Reporting entity taxpayer number 19546837303	■ Report year 2012	Reporting entity taxpayer name RENEWABLE ENERGY SYSTEMS AMERICAS, INC.
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. RESA AMERICA CONSTRUCTION INC.	■ 32002899410	■ <input type="checkbox"/>
2. RES AMERICA DEVELOPMENTS INC.	■ 17429692852	■ <input type="checkbox"/>
3. RES WIND POWER (GP) INC.	■ 770535301	■ <input checked="" type="checkbox"/>
4. RES WIND POWER (LP) INC.	■ 742981517	■ <input checked="" type="checkbox"/>
5. RES AMERICA WIND OPERATIONS INC.	■ 12080244457	■ <input type="checkbox"/>
6. RES AMERICA INVESTMENTS INC.	■ 13202044551	■ <input type="checkbox"/>
7. RES AMERICA ENGINEERING INC.	■ 263643624	■ <input type="checkbox"/>
8. BLUE SKY WIND LLC	■ 753061040	■ <input checked="" type="checkbox"/>
9. CEDAR ELM WIND LLC	■ 13837599573	■ <input type="checkbox"/>
10. CENTRAL PLAINS POWER LLC	■ 753061023	■ <input checked="" type="checkbox"/>
11. WHEAT GROWERS WIND LLC	■ 260706273	■ <input checked="" type="checkbox"/>
12. COTTONWOOD WIND LLC	■ 13837599557	■ <input type="checkbox"/>
13. CROSS TIMBERS EDUCATION CENTER LLC	■ 12607085094	■ <input type="checkbox"/>
14. GRANITE WIND LLC	■ 320207528	■ <input checked="" type="checkbox"/>
15. RES EARTH AND CABLE LLC	■ 12721352719	■ <input type="checkbox"/>
16. HIGH PLAINS POWER LLC	■ 753061019	■ <input checked="" type="checkbox"/>
17. KEECHI WIND LLC	■ 12608650268	■ <input type="checkbox"/>
18. LITTLE GOOSE WIND LLC	■ 260706175	■ <input checked="" type="checkbox"/>
19. LOWER SNAKE WIND LLC	■ 260706216	■ <input checked="" type="checkbox"/>
20. TEXAS LAND PARTNERS LP	■ 14319729969	■ <input type="checkbox"/>
21. TEXAS LP HOLDINGS LLC	■ 542070767	■ <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.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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05-165
(9-09/2)
Tcode 13298

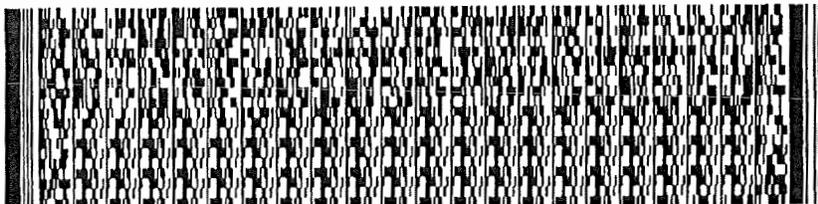
**TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST**

■ Reporting entity taxpayer number 19546837303	■ Report year 2012	Reporting entity taxpayer name RENEWABLE ENERGY SYSTEMS AMERICAS, INC.
---	-----------------------	---

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. RATTLESNAKE POWER LLC	12608649864	<input type="checkbox"/>
2. RES CONSTRUCTION (GP) LLC	17429931482	<input type="checkbox"/>
3. RES (CONSTRUCTION) LP	17429931466	<input type="checkbox"/>
4. RES (CONSTRUCTION) LP LLC	742993152	<input checked="" type="checkbox"/>
5. RES GP-1 LLC	17429815214	<input type="checkbox"/>
6. ROCK CREEK WIND POWER LLC	273331782	<input checked="" type="checkbox"/>
7. RES NORTH AMERICA LEASING LLC	753062064	<input checked="" type="checkbox"/>
8. RES PORTFOLIO HOLDINGS LLC	16115307866	<input type="checkbox"/>
9. ROADRUNNER WIND LLC	14122505754	<input type="checkbox"/>
10. TEXAS GP HOLDINGS LLC	17430599427	<input type="checkbox"/>
11. CEDAR POINT WIND LLC	371527352	<input checked="" type="checkbox"/>
12. OKLAHOMA LAND PARTNERS LLC	262159163	<input checked="" type="checkbox"/>
13. WESTERN OK WIND LEASING LLC	262159352	<input checked="" type="checkbox"/>
14. ANTELOPE HILLS WIND ENERGY LLC	262601245	<input checked="" type="checkbox"/>
15. CHEROKEE WIND ENERGY LLC	262601333	<input checked="" type="checkbox"/>
16. CROSSROADS WIND ENERGY LLC	262601430	<input checked="" type="checkbox"/>
17. GREAT WESTERN WIND ENERGY LLC	262601971	<input checked="" type="checkbox"/>
18. ORIGIN WIND ENERGY LLC	262602125	<input checked="" type="checkbox"/>
19. NORTH RIM WIND ENERGY LLC	262588593	<input checked="" type="checkbox"/>
20. ROLL DIVIDE WIND ENERGY LLC	262704471	<input checked="" type="checkbox"/>
21. BLUE STEM WIND ENERGY LLC	262704423	<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.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1062

**TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST**

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

19546837303

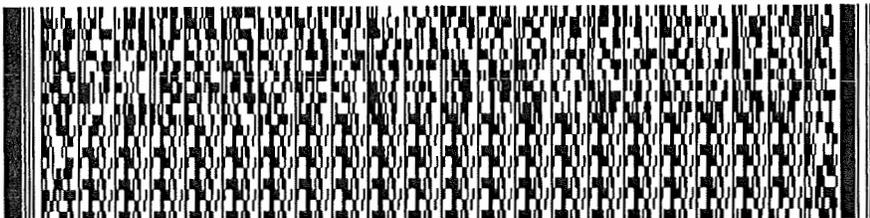
2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

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. QUAIL RUN SOLAR LLC	273477515	■ <input checked="" type="checkbox"/>
2. WEBBERVILLE SOLAR LLC	32038323450	■ <input type="checkbox"/>
3. SOUTHWEST LAND PARTNERS LLC	262601019	■ <input checked="" type="checkbox"/>
4. CHINA MOUNTAIN WIND LLC	830505066	■ <input checked="" type="checkbox"/>
5. IRON HORSE LAND PARTNERS LLC	010954762	■ <input checked="" type="checkbox"/>
6. RES MEXICO HOLDINGS I LLC	264743514	■ <input checked="" type="checkbox"/>
7. RES MEXICO HOLDINGS II LLC	264743525	■ <input checked="" type="checkbox"/>
8. BLACKHAWK WIND LLC	264261474	■ <input checked="" type="checkbox"/>
9. CORNHUSKER WIND LLC	264261586	■ <input checked="" type="checkbox"/>
10. PRITCHETT WIND LLC	264743479	■ <input checked="" type="checkbox"/>
11. BORDER WINDS ENERGY, LLC	454126872	■ <input checked="" type="checkbox"/>
12. PLEASANT VALLEY WIND LLC	270378724	■ <input checked="" type="checkbox"/>
13. GLACIER RIDGE WIND FARM LLC	270329971	■ <input checked="" type="checkbox"/>
14. MOAPA SOLAR LLC	271006934	■ <input checked="" type="checkbox"/>
15. USRA SOLUTIONS LLC	270728964	■ <input checked="" type="checkbox"/>
16. LITTLE LAKE NORTH WIND LLC	262603319	■ <input checked="" type="checkbox"/>
17. LITTLE LAKE SOUTH RENEWABLES LLC	263639813	■ <input checked="" type="checkbox"/>
18. IMPERIAL WIND LLC	263563119	■ <input checked="" type="checkbox"/>
19. PIONEER SOLAR LLC	263976977	■ <input checked="" type="checkbox"/>
20. SANTA FE LAND PARTNERS LLC	010954760	■ <input checked="" type="checkbox"/>
21. RES UNDERGROUND SERVICES, LLC	452435880	■ <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.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1062

TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

954683730

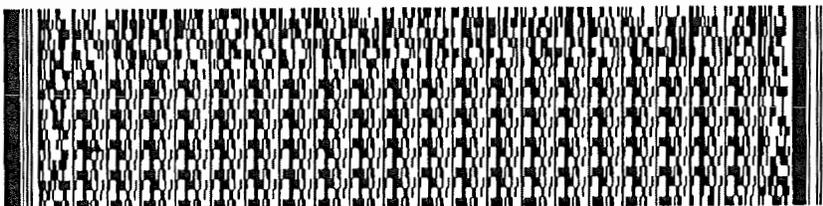
2012

RENEWABLE ENERGY SYSTEMS AMERICAS, INC.

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. KEECHI WIND PARTNER, LLC	32045097246	<input type="checkbox"/>
2. RES STORAGE, LLC	32044265901	<input type="checkbox"/>
3.		<input type="checkbox"/>
4.		<input type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>
9.		<input type="checkbox"/>
10.		<input type="checkbox"/>
11.		<input type="checkbox"/>
12.		<input type="checkbox"/>
13.		<input type="checkbox"/>
14.		<input type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-184 (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.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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1062

ATTACHMENT 4

Detailed Description of the Project

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

Longhorn Wind Project, LLC (Longhorn) is requesting an appraised value limitation from Silverton Independent School District (ISD) for the Longhorn Wind Project (the "Project"), a proposed wind powered electric generating facility in Briscoe and Floyd Counties. The proposed Silverton ISD portion of the Project (this application) will be constructed within a reinvestment zone to be established by Briscoe County. A map showing the location of the project is included as Attachment 7.

The proposed Project is anticipated to have a total capacity of 300 MW, with approximately 75 MW located in Silverton ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 3.0 MW Siemens turbines with an estimated 25 turbines located in Silverton ISD. The remaining turbines will be located in Floydada ISD and Lockney ISD. A separate Chapter 313 application is being submitted to those districts for their respective portion of the project. The Applicant request a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substations, transmission line and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the fourth quarter of 2013 with completion by December 31, 2014.

ATTACHMENT 4A

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

RES America Developments Inc. (RES-A) is the development subsidiary of Renewable Energy Systems Americas Inc. (RES Americas), which also has subsidiaries which oversee the construction, ownership, and operations of its renewable energy projects.

RES-A is headquartered at 11101 West 120th Avenue, Suite 400 Broomfield, Colorado 80021 with a regional office located at 9050 Capital of Texas Highway, Suite 390, Austin, TX 78759. RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited (RES Ltd.), one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents. Established in 1982, RES Ltd. is an affiliate of the Sir Robert McAlpine Group, the second largest commercial construction company in the United Kingdom. RES Americas and its subsidiaries are the entities through which North American activities are conducted.

RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries.

RES Americas has been constructing renewable energy projects in the U.S. since 1997 and is part of the much larger engineering and construction company, Sir Robert McAlpine. RES Americas has negotiated 2,574MW of Power Purchase Agreements, sold over \$4.5B of renewable generation assets and RES Americas finance team has placed over \$3B in project financing and tax equity. RES Americas also owns and operates two projects in Texas, the Whirlwind Energy Center and the Hackberry Wind Farm, totaling 226 MW of generation.

ATTACHMENT 5

List of districts and percentages where the project is located

The Silverton ISD portion of the project is wholly located in Briscoe County. The jurisdiction percentages of the total project are as follows:

Briscoe County	25%
Silverton Independent School District	25%
Floyd County	75%
Floydada Independent School District	43%
Lockney Independent School District	32%
Caprock Hospital District	75%

ATTACHMENT 6

Description of Qualified Investment

- 1) *a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021*
- 2) *a description of any new buildings, proposed improvement or personal property which you intend to include as part of your minimum qualified investment and*
- 3) *a map of the qualified investment showing location of new buildings or new improvements with vicinity map (Please see Attachment 7)*

Longhorn Wind Project, LLC plans to construct a 300 MW wind farm in Briscoe and Floyd Counties. Approximately twenty five (25) wind turbines will be located in Briscoe County, all of which will be located in Silverton ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application, the project anticipates using 3.0 MW turbines manufactured by Siemens, although final turbine selection may change. Longhorn is also constructing approximately 15 miles of generation transmission tie line in Silverton ISD that will connect to the Silverton Substation and is specifically included as qualified investment in this application.

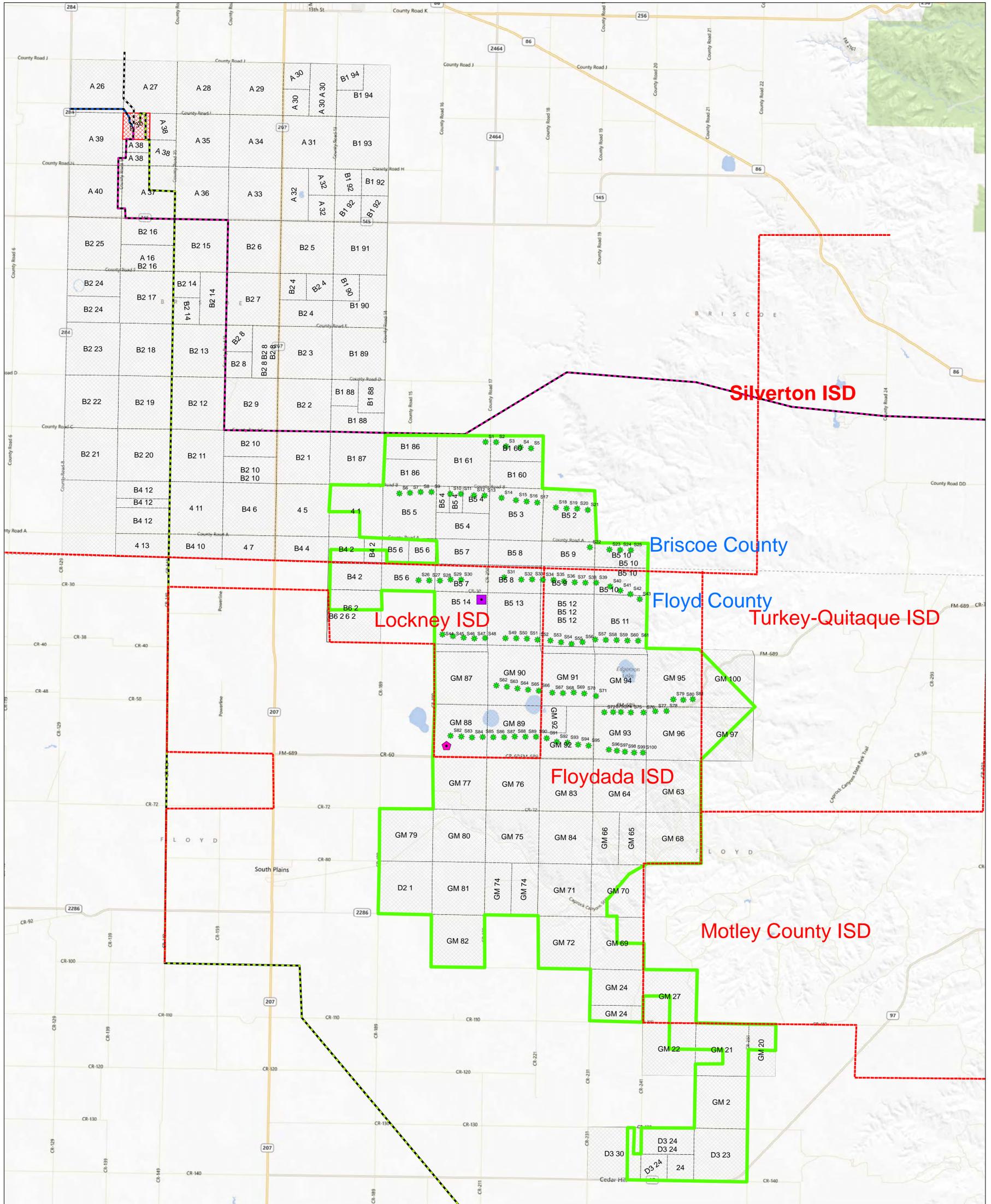
This application covers all qualified property within Silverton ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

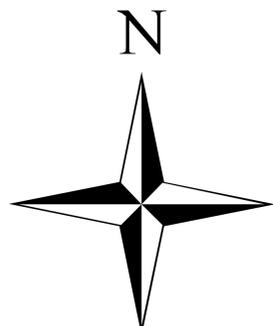
ATTACHMENT 7

Map of qualified investment showing location of improvements with vicinity map

Longhorn Wind Project Reinvestment Zone Briscoe and Floyd Counties Confidential, Preliminary and Subject to Change



- Legend**
- Longhorn Reinvestment Zone
 - Longhorn ISD Boundaries
 - Longhorn Wind Energy Project Area
 - Longhorn_200MW_Layout
 - Longhorn Operations Building
 - Longhorn Substation
 - Sharyland's_CREZ_sub
 - Sharylands Silverton to Nazareth
 - Sharylands Silverton to White Deer
 - Sharyland Silverton-Cottonwood
 - Cross Texas Silverton-Tesla



ATTACHMENT 8

Description of Qualified Property

- 1. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code 313.021*
- 2. a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and*
- 3. a map of the qualified property showing location of new buildings or new improvements – with vicinity map (Please see Attachment 7)*

Longhorn Wind Project, LLC plans to construct a 300 MW wind farm in Briscoe and Floyd Counties. Approximately twenty five (25) wind turbines will be located in Briscoe County, all of which will be located in Silverton ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application the project anticipates using 3.0 MW turbines manufactured by Siemens, although final turbine selection may change. Longhorn is also constructing an approximately 15 mile generation transmission tie line in Silverton ISD that will connect to the Silverton Substation and is specifically included as qualified property.

This application covers all qualified property within Silverton ISD necessary for the commercial operations of the wind farm. Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

The map in Attachment 7 shows the proposed project area with the proposed improvement locations. The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final location of turbines, transmission lines, and supporting structures will be determined before construction begins.

ATTACHMENT 9

See Attachment 7

The maps of the qualified property, showing location of improvements, and a separate vicinity map are in Attachment 7

ATTACHMENT 10

Legal Description of Land	Acreage	County	ISD
Section 13, Block B-2	117	Briscoe	Silverton
E 120 acres of N/2 of Section 1, Block B-2	120	Briscoe	Silverton
Section 30, Block A	160	Briscoe	Silverton
E/2 SW/4 of Section 28, Block A	80	Briscoe	Silverton
Section 29, Block A	640	Briscoe	Silverton
SW/4 of Section 30, Block A	157	Briscoe	Silverton
SE/4 of Section 30, Block A	160	Briscoe	Silverton
SW/4 and the E/2 of Section 94, Block B-1	238	Briscoe	Silverton
N/2 of Section 34, Block A	316	Briscoe	Silverton
Section 35, Block A	640	Briscoe	Silverton
NE/4 of Section 31, Block A	160	Briscoe	Silverton
S/3 of the N/2 of Section 93, Block B-1	67	Briscoe	Silverton
NE/4 of Section 32, Block A	160	Briscoe	Silverton
NE/4 of Section 92, Block B-1	160	Briscoe	Silverton
Section 92, Block B-1	160	Briscoe	Silverton
Section 36, Block B-1	320	Briscoe	Silverton
Section 33, Block A	160	Briscoe	Silverton
SE/4 of Section 32, Block A	159	Briscoe	Silverton
W/2 of Section 32, Block A	302	Briscoe	Silverton
E/2 of the SE/4 of Section 92, Block B-1	80	Briscoe	Silverton
Section 15, Block B-2	640	Briscoe	Silverton
Section 6, Block B-4	631	Briscoe	Silverton
Section 5, Block B-2	626	Briscoe	Silverton
Section 91, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	159	Briscoe	Silverton
Section 4, Block B-2	128	Briscoe	Silverton
Section 4, Block B-2	160	Briscoe	Silverton
Section 90, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	80	Briscoe	Silverton
Section 14, Block B-2	319	Briscoe	Silverton
Section 7, Block B-2	628	Briscoe	Silverton
S/2 of Section 90, Block B-1	320	Briscoe	Silverton

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO SILVERTON ISD*

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

W/2 of Section 8, Block B-2	320	Briscoe	Silverton
Section 3, Block B-2	320	Briscoe	Silverton
Section 89, Block B-1	636	Briscoe	Silverton
SE/4 Section 8, Block B2	134	Briscoe	Silverton
NW/4 of Section 88, Block B-1	160	Briscoe	Silverton
NE/4 of Section 88, Block B1	200	Briscoe	Silverton
Section 9, Block B2	380	Briscoe	Silverton
W/2 of NW/4 of Section 12, Block B-2	40	Briscoe	Silverton
S 120 acres of the SE/4 of Section 88, Block B-1	120	Briscoe	Silverton
Section 2, Block B-2	640	Briscoe	Silverton
Section 10, Block B-2	320	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-2	640	Briscoe	Silverton
Section 87, Block B-1	639	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-4	640	Briscoe	Silverton
Section 5, Block B-4	441	Briscoe	Silverton
Section 6, Block B-4	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	0	Briscoe	Silverton
Section 12, Block B4	320	Briscoe	Silverton
Section 26, Block A	640	Briscoe	Silverton
Section 27, BlockA	640	Briscoe	Silverton
Section 38, Block A	160	Briscoe	Silverton
N/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
N/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
Section 39, Block A	640	Briscoe	Silverton
S/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
SE/4 of Section 38, Block A	160	Briscoe	Silverton
E/2 of Section 40, Block A	320	Briscoe	Silverton
S/2 of Section 37, Block A	320	Briscoe	Silverton
SW/4 and W/2 of SE/4 of Section 92, Block B1	240	Briscoe	Silverton
N/2 of Section 16, Block B2	320	Briscoe	Silverton
W/2 of SE/4 of Secution 16, Block B2	80	Briscoe	Silverton
SW/4 of Section 16, Block B2 (50%interest)	160	Briscoe	Silverton
Section 17, Block B2	640	Briscoe	Silverton
S/2 of Section 4, Block B2	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	480	Briscoe	Silverton
N/2 and SW/4 of Section 18, Block B2	80	Briscoe	Silverton

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO SILVERTON ISD*

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

Survey 19, Block B2	640	Briscoe	Silverton
E/2 of Section 20, Block B2	320	Briscoe	Silverton
NE/4 of Section 12, Block B4	160	Briscoe	Silverton
NW/4 of Survey 12, Block B4	160	Briscoe	Silverton
Section 1, Block B4	640	Briscoe	Silverton
N/2 of Section 13, Block B4	270	Briscoe	Silverton
N/2 of Section 10, Block B4	276	Briscoe	Silverton
N/2 of Section 7, Block B4	270	Briscoe	Silverton
N/2 of Section 2, Block B4	68	Briscoe	Silverton
All of Survey 4, Block B4	270	Briscoe	Silverton
NE/4 Section 37, Block A	160	Briscoe	Silverton
NW/4 Section 37, Block A	160	Briscoe	Silverton
S/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
NE/4 of Section 8, Block B2	160	Briscoe	Silverton
W/2 of Section 20, Block B3	320	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 AB 1336 SEC 40 BLK A			
E/2 Section 40, Block A	320	Briscoe	Silverton
N2/ of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of Section 25, Block B2	320	Briscoe	Silverton
N/2 of Section 24, Block B2	320	Briscoe	Silverton
S/2 of Section 24, Block B2	320	Briscoe	Silverton
Section 23, Block B2	640	Briscoe	Silverton
Section 22, Block B2	640	Briscoe	Silverton
Section 21, Block B2	640	Briscoe	Silverton
Section 17, Block B4	640	Briscoe	Silverton
Section 16, Block B4	320	Briscoe	Silverton
Block B4 Section 6	270	Briscoe	Silverton
E/PT of Section 2, Block B4	90	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 N/2, W N EDWARDS	320	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 S/2, W N EDWARDS	320	Briscoe	Silverton
AB 1853 SEC 4: BLK B-3 SB Davis	160	Briscoe	Silverton
AB 1087 SEC 4: BLK B-5 E L Ayers	160	Briscoe	Silverton
AB 51 SEC 9, BLK B-5, BS&F	293	Briscoe	Silverton
AB 1938 OUT OF NW PT, SEC 10, BLK B5, A J ASKEY	161	Briscoe	Silverton
AB 989, SEC 10, BLK B5 OUT OF NE 3/4, J W COWART	154	Briscoe	Silverton

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO SILVERTON ISD*

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

AB 1789, SEC 4, BLK B-5, MRS L A MONTAGUE	80	Briscoe	Silverton
AB 1788, SEC 4, BLK B-5, VERNA MONTAGUE	80	Briscoe	Silverton
AB 49, SEC 5, BLK B-5 BS&F	160	Briscoe	Silverton
AB 85, SEC 61, BLK B-1, BS&F	319	Briscoe	Silverton
AB 1282 SEC 2, BLK B-4, I P VERNON	110	Briscoe	Silverton
AB 1791 SEC 2, BLK B-4, A L DEAVENPORT	65	Briscoe	Silverton
AB 49, SEC 5, BLK B-5, BS&F	481	Briscoe	Silverton
AB 1, SEC 1, BLK B-4, AB&M	481	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NE/4	160	Briscoe	Silverton
AB 50, SEC 7, BLK B-5 BW&F	288	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NW/4	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 48, SEC 3, BLK B-5, BS&F	640	Briscoe	Silverton
AB 1383 SEC 8, BLK B-5, SAM WHITELY	290	Briscoe	Silverton
AB 1088, SEC 2, BLK B-5, E L AYERS	260	Briscoe	Silverton

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY LONGHORN WIND PROJECT, LLC TO SILVERTON ISD*

ATTACHMENT 11

See Attachment 7

A detailed map showing location of the land and separate vicinity map are in Attachment 7

ATTACHMENT 12

Description of all existing (if any) improvements

There are no existing wind farm related improvements at this site.

ATTACHMENT 13

Request of waiver of job creation requirement

CUMMINGS WESTLAKE LLC

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

May 28, 2013

Mr. Bill Wood, Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, TX 79257

Re: Chapter 313 Job Waiver Request

Dear Mr. Wood,

Longhorn Wind Project, LLC requests that the Silverton Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Longhorn Wind Project, LLC requests that the Silverton Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Longhorn Wind Project, LLC has committed to create 7 total jobs for the project, of which 2 will be in Silverton ISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



J. Weston Jackson
Partner

ATTACHMENT 14

Calculation of three possible wage requirements with TWC documentation

- Briscoe County average weekly wage for all jobs (all industries)
- Briscoe County average weekly wage for all jobs (manufacturing) data is not available:
- See attached Council of Governments Regional Wage Calculation and Documentation

**LONGHORN WIND PROJECT, LLC
ATTACHMENT 14**

**SILVERTON ISD - BRISCOE COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2012	\$ 448	\$ 23,296
SECOND	2012	\$ 470	\$ 24,440
THIRD	2012	\$ 440	\$ 22,880
FOURTH	2012	\$ 667	\$ 34,684
AVERAGE		\$ 506	\$ 26,325
X		110%	110%
		\$ 557	\$ 28,958

**SILVERTON ISD - BRISCOE COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

NO MANUFACTURING DATA AVAILABLE

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Panhandle	2011	\$ 773.00	\$ 40,196
X		110%	110%
		\$ 850.30	\$ 44,216

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2012	1st Qtr	Briscoe County	Private	00	0	10	Total, All Industries	\$448
2012	2nd Qtr	Briscoe County	Private	00	0	10	Total, All Industries	\$470
2012	3rd Qtr	Briscoe County	Private	00	0	10	Total, All Industries	\$440
2012	4th Qtr	Briscoe County	Private	00	0	10	Total, All Industries	\$667

**2011 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$22.89	\$47,610
<u>1. Panhandle Regional Planning Commission</u>	\$19.32	\$40,196
<u>2. South Plains Association of Governments</u>	\$16.45	\$34,210
<u>3. NORTEX Regional Planning Commission</u>	\$18.14	\$37,733
<u>4. North Central Texas Council of Governments</u>	\$24.03	\$49,986
<u>5. Ark-Tex Council of Governments</u>	\$16.52	\$34,366
<u>6. East Texas Council of Governments</u>	\$18.27	\$37,995
<u>7. West Central Texas Council of Governments</u>	\$17.76	\$36,949
<u>8. Rio Grande Council of Governments</u>	\$15.69	\$32,635
<u>9. Permian Basin Regional Planning Commission</u>	\$21.32	\$44,349
<u>10. Concho Valley Council of Governments</u>	\$15.92	\$33,123
<u>11. Heart of Texas Council of Governments</u>	\$18.82	\$39,150
<u>12. Capital Area Council of Governments</u>	\$26.46	\$55,047
<u>13. Brazos Valley Council of Governments</u>	\$15.71	\$33,718
<u>14. Deep East Texas Council of Governments</u>	\$15.48	\$32,207
<u>15. South East Texas Regional Planning Commission</u>	\$28.23	\$58,724
<u>16. Houston-Galveston Area Council</u>	\$25.82	\$53,711
<u>17. Golden Crescent Regional Planning Commission</u>	\$20.38	\$42,391
<u>18. Alamo Area Council of Governments</u>	\$18.00	\$37,439
<u>19. South Texas Development Council</u>	\$13.85	\$28,806
<u>20. Coastal Bend Council of Governments</u>	\$22.35	\$46,489
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.08	\$31,365
<u>22. Texoma Council of Governments</u>	\$20.76	\$43,190
<u>23. Central Texas Council of Governments</u>	\$16.17	\$33,642
<u>24. Middle Rio Grande Development Council</u>	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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

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

Data intended for TAC 313 purposes only.

ATTACHMENT 15

Description of Benefits

At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training.

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 16

The Economic Impact Study will be performed by the Comptroller at a future date.

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENTS 17

See attached Schedule A

Schedule A (Rev. January 2013): Investment

Applicant Name LONGHORN WIND PROJECT, LLC
 ISD Name SILVERTON ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS

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

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)				0	0		0	0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2013-2014	2013	-	-		0	-
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)				5,625,000	-	-	0	5,625,000
Complete tax years of qualifying time period		1	2014-2015	2014	106,875,000	-		0	106,875,000
		2	2015-2016	2015	0	0		0	-
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2016-2017	2016	0	0		0	0
		4	2017-2018	2017	0	0		0	0
		5	2018-2019	2018	0	0		0	0
		6	2019-2020	2019	0	0		0	0
		7	2020-2021	2020	0	0		0	0
		8	2021-2022	2021	0	0		0	0
		9	2022-2023	2022	0	0		0	0
		10	2023-2024	2023	0	0		0	0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	0	0		0	0
		12	2025-2026	2025	0	0		0	0
		13	2026-2027	2026	0	0		0	0
Post- Settle-Up Period		14	2027-2028	2027	0	0		0	0
Post- Settle-Up Period		15	2028-2029	2028	0	0		0	0

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals. [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

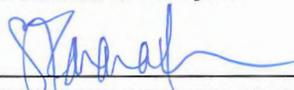
Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

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

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

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


 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 22, 2013
 DATE

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 18

See attached Schedule B

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

LONGHORN WIND PROJECT, LLC

Applicant Name

ISD Name

SILVERTON ISD

Form 50-296

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value		
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions	
		pre- year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Complete tax years of qualifying time period	1	2014-2015	2014	\$ -	\$ -	\$ 2,812,500	\$ -	\$ 2,812,500	\$ 2,812,500	
		2	2015-2016	2015	\$ -	\$ -	\$ 108,000,000	\$ -	\$ 108,000,000	\$ 108,000,000	
	Tax Credit Period (with 50% cap on credit)	3	2016-2017	2016	\$ -	\$ -	\$ 99,360,000	\$ -	\$ 99,360,000	\$ 10,000,000	
		4	2017-2018	2017	\$ -	\$ -	\$ 91,411,000	\$ -	\$ 91,411,000	\$ 10,000,000	
		5	2018-2019	2018	\$ -	\$ -	\$ 84,098,000	\$ -	\$ 84,098,000	\$ 10,000,000	
		6	2019-2020	2019	\$ -	\$ -	\$ 77,370,000	\$ -	\$ 77,370,000	\$ 10,000,000	
		7	2020-2021	2020	\$ -	\$ -	\$ 71,180,000	\$ -	\$ 71,180,000	\$ 10,000,000	
		8	2021-2022	2021	\$ -	\$ -	\$ 65,486,000	\$ -	\$ 65,486,000	\$ 10,000,000	
		9	2022-2023	2022	\$ -	\$ -	\$ 60,247,000	\$ -	\$ 60,247,000	\$ 10,000,000	
		10	2023-2004	2023	\$ -	\$ -	\$ 55,427,000	\$ -	\$ 55,427,000	\$ 10,000,000	
	Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024	\$ -	\$ -	\$ 50,993,000	\$ -	\$ 50,993,000	\$ 50,993,000
			12	2025-2026	2025	\$ -	\$ -	\$ 46,914,000	\$ -	\$ 46,914,000	\$ 46,914,000
			13	2026-2027	2026	\$ -	\$ -	\$ 43,161,000	\$ -	\$ 43,161,000	\$ 43,161,000
	Post- Settle-Up Period	14	2027-2028	2027	\$ -	\$ -	\$ 39,708,000	\$ -	\$ 39,708,000	\$ 39,708,000	
	Post- Settle-Up Period	15	2028-2029	2028	\$ -	\$ -	\$ 36,531,000	\$ -	\$ 36,531,000	\$ 36,531,000	

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

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



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 22, 2013

DATE

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 19

See attached Schedule C

Schedule C- Application: Employment Information

Applicant Name LONGHORN WIND PROJECT, LLC
ISD Name SILVERTON ISD

Form 50-296

					Construction		New Jobs		Qualifying Jobs	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre- year 1	2013-2014	2013	1 FTEs	\$41,600.00	0	\$40,000.00	0	\$45,000.00
	Complete tax years of qualifying time period	1	2014-2015	2014	25 FTEs	\$41,600.00	0	\$40,000.00	0	\$45,000.00
		2	2015-2016	2015			2	\$40,000.00	2	\$45,000.00
	Tax Credit Period (with 50% cap on credit)	3	2016-2017	2016			2	\$40,000.00	2	\$45,000.00
		4	2017-2018	2017			2	\$40,000.00	2	\$45,000.00
		5	2018-2019	2018			2	\$40,000.00	2	\$45,000.00
		6	2019-2020	2019			2	\$40,000.00	2	\$45,000.00
		7	2020-2021	2020			2	\$40,000.00	2	\$45,000.00
		8	2021-2022	2021			2	\$40,000.00	2	\$45,000.00
		9	2022-2023	2022			2	\$40,000.00	2	\$45,000.00
		10	2023-2004	2023			2	\$40,000.00	2	\$45,000.00
	Credit Settle-Up Period	11	2024-2025	2024			2	\$40,000.00	2	\$45,000.00
		12	2025-2026	2025			2	\$40,000.00	2	\$45,000.00
		13	2026-2027	2026			2	\$40,000.00	2	\$45,000.00
	Post- Settle-Up Period	14	2027-2028	2027			2	\$40,000.00	2	\$45,000.00
	Post- Settle-Up Period	15	2028-2029	2028			2	\$40,000.00	2	\$45,000.00

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

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



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 22, 2013
DATE

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 20

See attached Schedule D

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
LONGHORN WIND PROJECT, LLC								SILVERTON ISD Form 50-296			
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other
		Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)			2013-2014	2013	184,781	5,440,219		-	-	-	-
	Complete tax years of qualifying time period	1	2014-2015	2014	3,510,844	103,364,156	0	100%	n/a	n/a	n/a
		2	2015-2016	2015			0	100%	n/a	n/a	n/a
		3	2016-2017	2016			0	100%	n/a	n/a	n/a
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4	2017-2018	2017			0	100%	n/a	n/a	n/a
		5	2018-2019	2018			0	100%	n/a	n/a	n/a
		6	2019-2020	2019			64,000	100%	n/a	n/a	n/a
		7	2020-2021	2020			64,000	100%	n/a	n/a	n/a
		8	2021-2022	2021			64,000	100%	n/a	n/a	n/a
		9	2022-2023	2022			64,000	100%	n/a	n/a	n/a
		10	2023-2024	2023			64,000	100%	n/a	n/a	n/a
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2024-2025	2024			64,000	0%	-	0%	-
		12	2025-2026	2025			64,000	0%	-	0%	-
		13	2026-2027	2026			64,000	0%	-	0%	-
Post- Settle-Up Period		14	2027-2028	2027			64,000	0%	-	0%	-
Post- Settle-Up Period		15	2028-2029	2028			64,000	0%	-	0%	-

*For planning, construction and operation of the facility.



 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 22, 2013

 DATE

Longhorn Wind Project, LLC

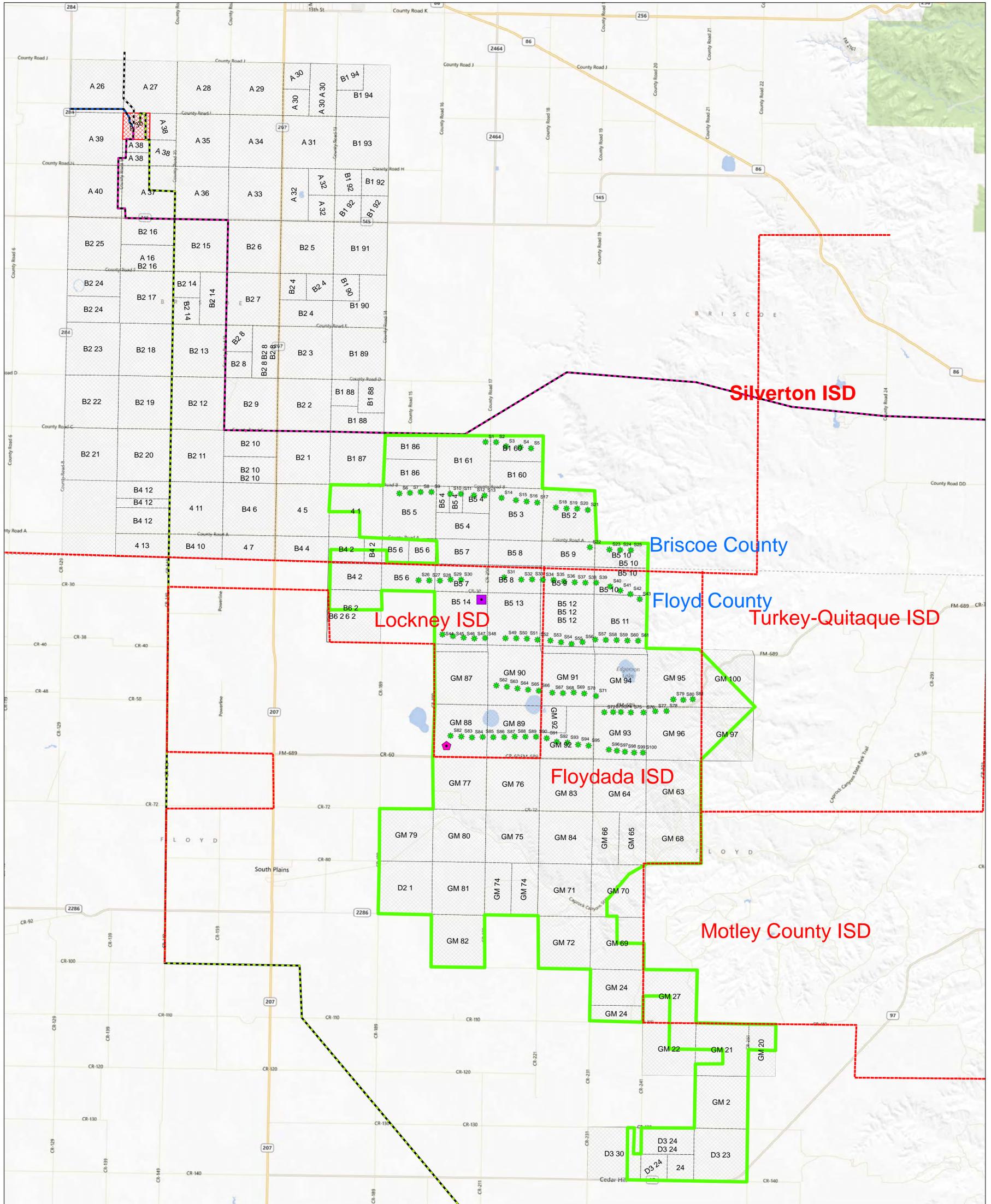
Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

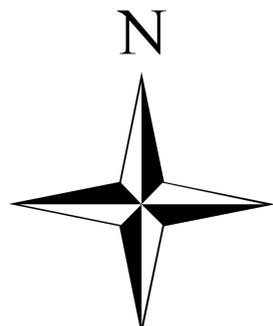
ATTACHMENT 21

See attached map of proposed reinvestment zone

Longhorn Wind Project Reinvestment Zone Briscoe and Floyd Counties Confidential, Preliminary and Subject to Change



- Legend**
- Longhorn Reinvestment Zone
 - Longhorn ISD Boundaries
 - Longhorn Wind Energy Project Area
 - * Longhorn_200MW_Layout
 - ⬠ Longhorn Operations Building
 - Longhorn Substation
 - Sharyland's_CREZ_sub
 - Sharylands Silverton to Nazareth
 - Sharylands Silverton to White Deer
 - Sharyland Silverton-Cottonwood
 - Cross Texas Silverton-Tesla



#13-004

FILED
Time 3:00 PM
JUL 08 2013

IN THE COMMISSIONERS COURT
OF
BRISCOE COUNTY, TEXAS

Bena Hester
County & District Clerk, Briscoe County, Texas

ORDER DESIGNATING CERTAIN PROPERTY IN
BRISCOE COUNTY, TEXAS, AS
THE "BRISCOE COUNTY REINVESTMENT ZONE NO. 1"

On July 8, 2013, the Commissioners Court of Briscoe County, Texas, met in regular session, having provided notice of said hearing in compliance with Chapter 551 of the Texas Government Code and Chapter 312, Texas Tax Code.

During this session, the Commissioners Court of Briscoe County, Texas, considered the designation of certain property located in Briscoe County, Texas, as a reinvestment zone.

The Commissioners Court of Briscoe County, Texas, finds that the Proposed Reinvestment Zone meets the criteria for reinvestment zones, in that the Proposed Reinvestment Zone is likely to contribute to the retention or expansion of primary employment or attract major investment to the Proposed Reinvestment Zone.

Accordingly, the Commissioners Court of Briscoe County, Texas, hereby designates the property described in Exhibit A & B, which is located in Briscoe County, Texas, as Reinvestment Zone No. 1.

PASSED AND APPROVED on the 8th day of July, 2013.

BRISCOE COUNTY, TEXAS



Wayne Nance, County Judge



Jimmy Burson, Commissioner Precinct #1

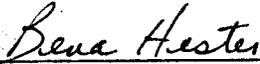


Wade Procter, Commissioner Precinct #2

Dewey Estes, Commissioner Precinct #3

John T. Burson, Commissioner Precinct #4

ATTEST:

By: 

County Clerk

EXHIBIT A

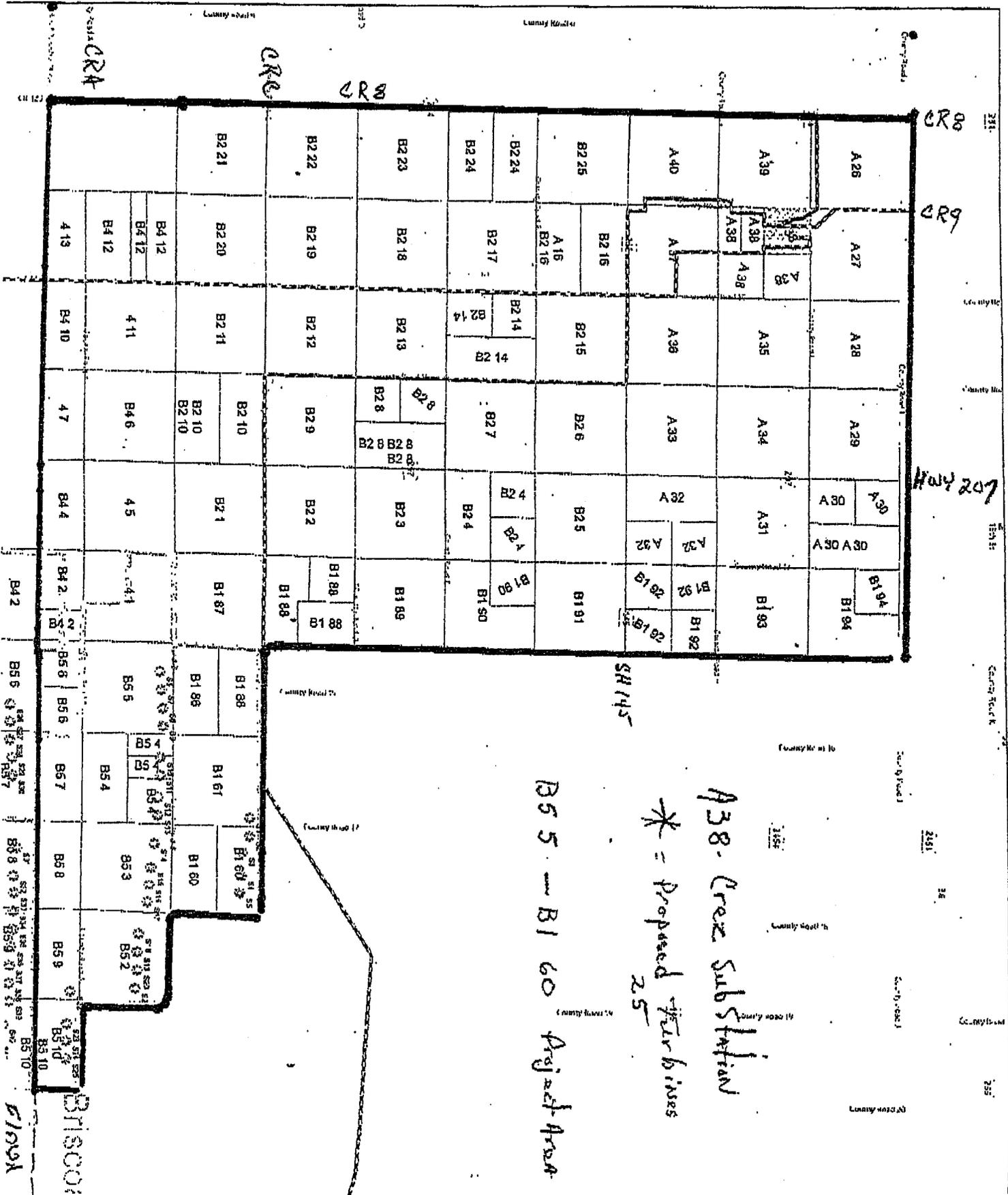


EXHIBIT B

LONGHORN WIND PROJECT, LLC

Exhibit -B- to Briscoe County Abatement Application

Legal Description	Acreage	County	ISD
Section 13, Block B-2	117	Briscoe	Silverton
E 120 acres of N/2 of Section 1, Block B-2	120	Briscoe	Silverton
Section 30, Block A	160	Briscoe	Silverton
E/2 SW/4 of Section 28, Block A	80	Briscoe	Silverton
Section 29, Block A	640	Briscoe	Silverton
SW/4 of Section 30, Block A	157	Briscoe	Silverton
SE/4 of Section 30, Block A	160	Briscoe	Silverton
SW/4 and the E/2 of Section 94, Block B-1	238	Briscoe	Silverton
N/2 of Section 34, Block A	316	Briscoe	Silverton
Section 35, Block A	640	Briscoe	Silverton
NE/4 of Section 31, Block A	160	Briscoe	Silverton
S/3 of the N/2 of Section 93, Block B-1	67	Briscoe	Silverton
NE/4 of Section 32, Block A	160	Briscoe	Silverton
NE/4 of Section 92, Block B-1	160	Briscoe	Silverton
Section 92, Block B-1	160	Briscoe	Silverton
Section 36, Block B-1	320	Briscoe	Silverton
Section 33, Block A	160	Briscoe	Silverton
SE/4 of Section 32, Block A	159	Briscoe	Silverton
W/2 of Section 32, Block A	302	Briscoe	Silverton
E/2 of the SE/4 of Section 92, Block B-1	80	Briscoe	Silverton
Section 15, Block B-2	640	Briscoe	Silverton
Section 6, Block B-4	631	Briscoe	Silverton
Section 5, Block B-2	626	Briscoe	Silverton
Section 91, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	159	Briscoe	Silverton
Section 4, Block B-2	128	Briscoe	Silverton
Section 4, Block B-2	160	Briscoe	Silverton
Section 90, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	80	Briscoe	Silverton
Section 14, Block B-2	319	Briscoe	Silverton
Section 7, Block B-2	628	Briscoe	Silverton
S/2 of Section 90, Block B-1	320	Briscoe	Silverton
W/2 of Section 8, Block B-2	320	Briscoe	Silverton
Section 3, Block B-2	320	Briscoe	Silverton
Section 89, Block B-1	636	Briscoe	Silverton
SE/4 Section 8, Block B2	134	Briscoe	Silverton
NW/4 of Section 88, Block B-1	160	Briscoe	Silverton
NE/4 of Section 88, Block B1	200	Briscoe	Silverton
Section 9, Block B2	380	Briscoe	Silverton

LONGHORN WIND PROJECT, LLC

Exhibit -B- to Briscoe County Abatement Application

Legal Description	Acreage	County	ISD
W/2 of NW/4 of Section 12, Block B-2	40	Briscoe	Silverton
S 120 acres of the SE/4 of Section 88, Block B-1	120	Briscoe	Silverton
Section 2, Block B-2	640	Briscoe	Silverton
Section 10, Block B-2	320	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-2	640	Briscoe	Silverton
Section 87, Block B-1	639	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-4	640	Briscoe	Silverton
Section 5, Block B-4	441	Briscoe	Silverton
Section 6, Block B-4	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	0	Briscoe	Silverton
Section 12, Block B4	320	Briscoe	Silverton
Section 26, Block A	640	Briscoe	Silverton
Section 27, Block A	640	Briscoe	Silverton
Section 38, Block A	160	Briscoe	Silverton
N/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
N/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
Section 39, Block A	640	Briscoe	Silverton
S/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
SE/4 of Section 38, Block A	160	Briscoe	Silverton
E/2 of Section 40, Block A	320	Briscoe	Silverton
S/2 of Section 37, Block A	320	Briscoe	Silverton
SW/4 and W/2 of SE/4 of Section 92, Block B1	240	Briscoe	Silverton
N/2 of Section 16, Block B2	320	Briscoe	Silverton
W/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
SW/4 of Section 16, Block B2 (50%interest)	160	Briscoe	Silverton
Section 17, Block B2	640	Briscoe	Silverton
S/2 of Section 4, Block B2	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	480	Briscoe	Silverton
N/2 and SW/4 of Section 18, Block B2	80	Briscoe	Silverton
Survey 19, Block B2	640	Briscoe	Silverton
E/2 of Section 20, Block B2	320	Briscoe	Silverton
NE/4 of Section 12, Block B4	160	Briscoe	Silverton
NW/4 of Survey 12, Block B4	160	Briscoe	Silverton
Section 1, Block B4	640	Briscoe	Silverton
N/2 of Section 13, Block B4	270	Briscoe	Silverton
N/2 of Section 10, Block B4	276	Briscoe	Silverton
N/2 of Section 7, Block B4	270	Briscoe	Silverton
N/2 of Section 2, Block B4	68	Briscoe	Silverton
All of Survey 4, Block B4	270	Briscoe	Silverton
NE/4 Section 37, Block A	160	Briscoe	Silverton
NW/4 Section 37, Block A	160	Briscoe	Silverton
S/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton

LONGHORN WIND PROJECT, LLC

Exhibit -B- to Briscoe County Abatement Application

Legal Description	Acreage	County	ISD
NE/4 of Section 8, Block B2	160	Briscoe	Silverton
W/2 of Section 20, Block B3	320	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 Section 40, Block A	320	Briscoe	Silverton
N2/ of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of Section 25, Block B2	320	Briscoe	Silverton
N/2 of Section 24, Block B2	320	Briscoe	Silverton
S/2 of Section 24, Block B2	320	Briscoe	Silverton
Section 23, Block B2	640	Briscoe	Silverton
Section 22, Block B2	640	Briscoe	Silverton
Section 21, Block B2	640	Briscoe	Silverton
Section 17, Block B4	640	Briscoe	Silverton
Section 16, Block B4	320	Briscoe	Silverton
Block B4 Section 6	270	Briscoe	Silverton
E/PT of Section 2, Block B4	90	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 N/2, W N EDWARDS	320	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 S/2, W N EDWARDS	320	Briscoe	Silverton
AB 1853 SEC 4: BLK B-3 SB Davis	160	Briscoe	Silverton
AB 1087 SEC 4: BLK B-5 E L Ayers	160	Briscoe	Silverton
AB 51 SEC 9, BLK B-5, BS&F	293	Briscoe	Silverton
AB 1938 OUT OF NW PT, SEC 10, BLK B5, A J ASKEY	161	Briscoe	Silverton
AB 989, SEC 10, BLK B5 OUT OF NE 3/4, J W COWART	154	Briscoe	Silverton
AB 1789, SEC 4, BLK B-5, MRS L A MONTAGUE	80	Briscoe	Silverton
AB 1788, SEC 4, BLK B-5, VERNA MONTAGUE	80	Briscoe	Silverton
AB 49, SEC 5, BLK B-5 BS&F	160	Briscoe	Silverton
AB 85, SEC 61, BLK B-1, BS&F	319	Briscoe	Silverton
AB 1282 SEC 2, BLK B-4, I P VERNON	110	Briscoe	Silverton
AB 1791 SEC 2, BLK B-4, A L DEAVENPORT	65	Briscoe	Silverton
AB 49, SEC 5, BLK B-5, BS&F	481	Briscoe	Silverton
AB 1, SEC 1, BLK B-4, AB&M	481	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NE/4	160	Briscoe	Silverton
AB 50, SEC 7, BLK B-5 BW&F	288	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NW/4	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 48, SEC 3, BLK B-5, BS&F	640	Briscoe	Silverton
AB 1383 SEC 8, BLK B-5, SAM WHITELY	290	Briscoe	Silverton
AB 1088, SEC 2, BLK B-5, E L AYERS	260	Briscoe	Silverton

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 23

See attached legal description of Reinvestment Zone

Legal Description of Land	Acreage	County	ISD
Section 13, Block B-2	117	Briscoe	Silverton
E 120 acres of N/2 of Section 1, Block B-2	120	Briscoe	Silverton
Section 30, Block A	160	Briscoe	Silverton
E/2 SW/4 of Section 28, Block A	80	Briscoe	Silverton
Section 29, Block A	640	Briscoe	Silverton
SW/4 of Section 30, Block A	157	Briscoe	Silverton
SE/4 of Section 30, Block A	160	Briscoe	Silverton
SW/4 and the E/2 of Section 94, Block B-1	238	Briscoe	Silverton
N/2 of Section 34, Block A	316	Briscoe	Silverton
Section 35, Block A	640	Briscoe	Silverton
NE/4 of Section 31, Block A	160	Briscoe	Silverton
S/3 of the N/2 of Section 93, Block B-1	67	Briscoe	Silverton
NE/4 of Section 32, Block A	160	Briscoe	Silverton
NE/4 of Section 92, Block B-1	160	Briscoe	Silverton
Section 92, Block B-1	160	Briscoe	Silverton
Section 36, Block B-1	320	Briscoe	Silverton
Section 33, Block A	160	Briscoe	Silverton
SE/4 of Section 32, Block A	159	Briscoe	Silverton
W/2 of Section 32, ,Block A	302	Briscoe	Silverton
E/2 of the SE/4 of Section 92, Block B-1	80	Briscoe	Silverton
Section 15, Block B-2	640	Briscoe	Silverton
Section 6, Block B-4	631	Briscoe	Silverton
Section 5, Block B-2	626	Briscoe	Silverton
Section 91, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	159	Briscoe	Silverton
Section 4, Block B-2	128	Briscoe	Silverton
Section 4, Block B-2	160	Briscoe	Silverton
Section 90, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	80	Briscoe	Silverton
Section 14, Blcok B-2	319	Briscoe	Silverton
Section 7, Block B-2	628	Briscoe	Silverton
S/2 of Section 90, Block B-1	320	Briscoe	Silverton
W/2 of Section 8, Block B-2	320	Briscoe	Silverton
Section 3, Block B-2	320	Briscoe	Silverton
Section 89, Block B-1	636	Briscoe	Silverton
SE/4 Section 8, Block B2	134	Briscoe	Silverton
NW/4 of Section 88, Block B-1	160	Briscoe	Silverton
NE/4 of Section 88, Block B1	200	Briscoe	Silverton
Section 9, Block B2	380	Briscoe	Silverton
W/2 of NW/4 of Section 12, Block B-2	40	Briscoe	Silverton
S 120 acres of the SE/4 of Section 88, Block B-1	120	Briscoe	Silverton
Section 2, Block B-2	640	Briscoe	Silverton

Legal Description of Land	Acreage	County	ISD
Section 10, Block B-2	320	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-2	640	Briscoe	Silverton
Section 87, Block B-1	639	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-4	640	Briscoe	Silverton
Section 5, Block B-4	441	Briscoe	Silverton
Section 6, Block B-4	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	0	Briscoe	Silverton
Section 12, Block B4	320	Briscoe	Silverton
Section 26, Block A	640	Briscoe	Silverton
Section 27, Block A	640	Briscoe	Silverton
Section 38, Block A	160	Briscoe	Silverton
N/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
N/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
Section 39, Block A	640	Briscoe	Silverton
S/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
SE/4 of Section 38, Block A	160	Briscoe	Silverton
E/2 of Section 40, Block A	320	Briscoe	Silverton
S/2 of Section 37, Block A	320	Briscoe	Silverton
SW/4 and W/2 of SE/4 of Section 92, Block B1	240	Briscoe	Silverton
N/2 of Section 16, Block B2	320	Briscoe	Silverton
W/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
SW/4 of Section 16, Block B2 (50%interest)	160	Briscoe	Silverton
Section 17, Block B2	640	Briscoe	Silverton
S/2 of Section 4, Block B2	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	480	Briscoe	Silverton
N/2 and SW/4 of Section 18, Block B2	80	Briscoe	Silverton
Survey 19, Block B2	640	Briscoe	Silverton
E/2 of Section 20, Block B2	320	Briscoe	Silverton
NE/4 of Section 12, Block B4	160	Briscoe	Silverton
NW/4 of Survey 12, Block B4	160	Briscoe	Silverton
Section 1, Block B4	640	Briscoe	Silverton
N/2 of Section 13, Block B4	270	Briscoe	Silverton
N/2 of Section 10, Block B4	276	Briscoe	Silverton
N/2 of Section 7, Block B4	270	Briscoe	Silverton
N/2 of Section 2, Block B4	68	Briscoe	Silverton
All of Survey 4, Block B4	270	Briscoe	Silverton
NE/4 Section 37, Block A	160	Briscoe	Silverton
NW/4 Section 37, Block A	160	Briscoe	Silverton
S/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
NE/4 of Section 8, Block B2	160	Briscoe	Silverton
W/2 of Section 20, Block B3	320	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 Section 40, Block A	320	Briscoe	Silverton
N2/ of N/2 of Section 25, Block B2	160	Briscoe	Silverton

Legal Description of Land	Acreage	County	ISD
S/2 of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of Section 25, Block B2	320	Briscoe	Silverton
N/2 of Section 24, Block B2	320	Briscoe	Silverton
S/2 of Section 24, Block B2	320	Briscoe	Silverton
Section 23, Block B2	640	Briscoe	Silverton
Section 22, Block B2	640	Briscoe	Silverton
Section 21, Block B2	640	Briscoe	Silverton
Section 17, Block B4	640	Briscoe	Silverton
Section 16, Block B4	320	Briscoe	Silverton
Block B4 Section 6	270	Briscoe	Silverton
E/PT of Section 2, Block B4	90	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 N/2, W N EDWARDS	320	Briscoe	Silverton
AB 1771, SEC 60, BLK B1 S/2, W N EDWARDS	320	Briscoe	Silverton
AB 1853 SEC 4: BLK B-3 SB Davis	160	Briscoe	Silverton
AB 1087 SEC 4: BLK B-5 E L Ayers	160	Briscoe	Silverton
AB 51 SEC 9, BLK B-5, BS&F	293	Briscoe	Silverton
AB 1938 OUT OF NW PT, SEC 10, BLK B5, A J ASKEY	161	Briscoe	Silverton
AB 989, SEC 10, BLK B5 OUT OF NE 3/4, J W COWART	154	Briscoe	Silverton
AB 1789, SEC 4, BLK B-5, MRS L A MONTAGUE	80	Briscoe	Silverton
AB 1788, SEC 4, BLK B-5, VERNA MONTAGUE	80	Briscoe	Silverton
AB 49, SEC 5, BLK B-5 BS&F	160	Briscoe	Silverton
AB 85, SEC 61, BLK B-1, BS&F	319	Briscoe	Silverton
AB 1282 SEC 2, BLK B-4, I P VERNON	110	Briscoe	Silverton
AB 1791 SEC 2, BLK B-4, A L DEAVENPORT	65	Briscoe	Silverton
AB 49, SEC 5, BLK B-5, BS&F	481	Briscoe	Silverton
AB 1, SEC 1, BLK B-4, AB&M	481	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NE/4	160	Briscoe	Silverton
AB 50, SEC 7, BLK B-5 BW&F	288	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NW/4	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 48, SEC 3, BLK B-5, BS&F	640	Briscoe	Silverton
AB 1383 SEC 8, BLK B-5, SAM WHITELY	290	Briscoe	Silverton
AB 1088, SEC 2, BLK B-5, E L AYERS	260	Briscoe	Silverton

Longhorn Wind Project, LLC

Chapter 313 Application to Silverton ISD

Cummings Westlake, LLC

ATTACHMENT 24

Briscoe County Commissioners Court is expected to adopt Guidelines and Criteria at their regular scheduled meeting on July 8, 2013. The order, resolution, or ordinance adopting the Guidelines and Criteria will be furnished at a later date.



Franchise Tax Account Status

As of: 09/22/2013 03:12:52 PM

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

LONGHORN WIND PROJECT, LLC	
Texas Taxpayer Number	32050906182
Mailing Address	350 N SAINT PAUL ST STE 2900 DALLAS, TX 75201-4234
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/06/2013
Texas SOS File Number	0801779500
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	350 NORTH ST. PAUL ST., STE. 2900 DALLAS, TX 75201

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



September 17, 2013

Bill Wood
Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, Texas 79257

Dear Superintendent Wood:

On June 19, 2013, the Comptroller received the completed application (Application # 292) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in May 2013 to the Silverton Independent School District (the school district) by Longhorn Wind Project, LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

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

The school district is currently classified as a rural school district in Category 3 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$112.5 million) is consistent with the proposed appraised value limitation sought (\$10 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

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

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

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

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

Note that any new building or other improvement existing as of the application review start date of June 19, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Economic Impact for Chapter 313 Project

Applicant	Longhorn Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Silverton ISD
2011-12 Enrollment in School District	180
County	Briscoe
Total Investment in District	\$112,500,000
Qualified Investment	\$112,500,000
Limitation Amount	\$10,000,000
Number of total jobs committed to by applicant	2*
Number of qualifying jobs committed to by applicant	2
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$865
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$850
Minimum Annual Wage committed to by applicant for qualified jobs	\$45,000
Investment per Qualifying Job	\$56,250,000
Estimated 15 year M&O levy without any limit or credit:	\$9,700,064
Estimated gross 15 year M&O tax benefit	\$6,396,422
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$6,308,022
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$940,800
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$3,392,043
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	65.0%
Percentage of tax benefit due to the limitation	85.3%
Percentage of tax benefit due to the credit	14.7%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

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

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

After construction, the project will create two new jobs when fully operational. All two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Panhandle Regional Planning Commission Region, where Briscoe County is located was \$40,196 in 2012. The annual average manufacturing wage for 2012 for Briscoe County is unavailable. That same year, the county annual average wage for all industries was \$26312. In addition to a salary of \$45,000, each qualifying position will receive the following benefits: At least 80% of employees of the operator of the Longhorn Wind Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Longhorn Wind Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive area wide competitive 401(k) Retirement Savings Plan, vacation time, sick leave and skills training. The project's total investment is \$112.5 million, resulting in a relative level of investment per qualifying job of \$56.3 million.

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

According to Longhorn Wind Project, LLC's application, "RES Americas is a wholly-owned indirect subsidiary of Renewable Energy Systems Limited (RES Ltd.), one of the most experienced wind development, construction and operations companies in the world. The organization is currently developing, constructing and operating wind and solar projects on six continents." "RES Americas is a developer and EPC/BOP contractor of utility-scale renewable energy projects, having built or currently constructing over 5,740 MW throughout North America to date. As such, RES has the ability to locate wind farms throughout the US and in foreign countries."

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

During the past two years, 12 projects in the Panhandle Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

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

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

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

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Longhorn Wind Project, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	1	3	4	\$41,600	-\$41,600	\$0
2014	25	24	49	\$1,040,000	\$1,768,000	\$2,808,000
2015	2	4	6	\$90,000	\$398,000	\$488,000
2016	2	3	5	\$90,000	\$398,000	\$488,000
2017	2	7	9	\$90,000	\$642,000	\$732,000
2018	2	6	8	\$90,000	\$520,000	\$610,000
2019	2	6	8	\$90,000	\$398,000	\$488,000
2020	2	4	6	\$90,000	\$642,000	\$732,000
2021	2	4	6	\$90,000	\$642,000	\$732,000
2022	2	4	6	\$90,000	\$642,000	\$732,000
2023	2	6	8	\$90,000	\$520,000	\$610,000
2024	2	4	6	\$90,000	\$642,000	\$732,000
2025	2	6	8	\$90,000	\$520,000	\$610,000
2026	2	2	4	\$90,000	\$276,000	\$366,000
2027	2	4	6	\$90,000	\$398,000	\$488,000
2028	2	6	8	\$90,000	\$398,000	\$488,000

Source: CPA, REMI, Longhorn Wind Project, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Silverton ISD's ad valorem tax base in 2011 was \$63.2 million. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Silverton ISD's estimated wealth per WADA was \$167,164. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Briscoe County, with all property tax incentives sought being granted using estimated market value from Longhorn Wind Project, LLC's application. Longhorn Wind Project, LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Longhorn Wind Project, LLC project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Silverton ISD I&S Levy	Silverton ISD M&O Levy	Silverton ISD M&O and I&S Tax Levies (Before Credit Credited)	Silverton ISD M&O and I&S Tax Levies (After Credit Credited)	Briscoe County	Estimated Total Property Taxes
				0.0000	1.0400			0.6300	
2014	\$2,812,500	\$2,812,500		\$0	\$29,250	\$29,250	\$29,250	\$0	\$29,250
2015	\$108,000,000	\$108,000,000		\$0	\$1,123,200	\$1,123,200	\$1,123,200	\$0	\$1,123,200
2016	\$99,360,000	\$10,000,000		\$0	\$104,000	\$104,000	\$104,000	\$0	\$104,000
2017	\$91,411,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2018	\$84,098,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2019	\$77,370,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2020	\$71,180,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2021	\$65,486,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2022	\$60,247,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2023	\$55,427,000	\$10,000,000		\$0	\$104,000	\$104,000	\$52,000	\$0	\$52,000
2024	\$50,993,000	\$50,993,000		\$0	\$530,327	\$530,327	\$40,794	\$321,256	\$362,050
2025	\$46,914,000	\$46,914,000		\$0	\$487,906	\$487,906	\$400,638	\$295,558	\$696,197
2026	\$43,161,000	\$43,161,000		\$0	\$448,874	\$448,874	\$448,874	\$271,914	\$720,789
2027	\$39,708,000	\$39,708,000		\$0	\$412,963	\$412,963	\$412,963	\$250,160	\$663,124
2028	\$36,531,000	\$36,531,000		\$0	\$379,922	\$379,922	\$379,922	\$230,145	\$610,068
						Total	\$3,303,643	\$1,369,034	\$4,672,677

Assumes School Value Limitation and Tax Abatement with the County.

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Silverton ISD I&S Levy	Silverton ISD M&O Levy	Silverton ISD M&O and I&S Tax Levies	Briscoe County	Estimated Total Property Taxes	
				0.0000	1.0400		0.6300		
2014	\$2,812,500	\$2,812,500		\$0	\$29,250	\$29,250	\$17,719	\$46,969	
2015	\$108,000,000	\$108,000,000		\$0	\$1,123,200	\$1,123,200	\$680,400	\$1,803,600	
2016	\$99,360,000	\$99,360,000		\$0	\$1,033,344	\$1,033,344	\$625,968	\$1,659,312	
2017	\$91,411,000	\$91,411,000		\$0	\$950,674	\$950,674	\$575,889	\$1,526,564	
2018	\$84,098,000	\$84,098,000		\$0	\$874,619	\$874,619	\$529,817	\$1,404,437	
2019	\$77,370,000	\$77,370,000		\$0	\$804,648	\$804,648	\$487,431	\$1,292,079	
2020	\$71,180,000	\$71,180,000		\$0	\$740,272	\$740,272	\$448,434	\$1,188,706	
2021	\$65,486,000	\$65,486,000		\$0	\$681,054	\$681,054	\$412,562	\$1,093,616	
2022	\$60,247,000	\$60,247,000		\$0	\$626,569	\$626,569	\$379,556	\$1,006,125	
2023	\$55,427,000	\$55,427,000		\$0	\$576,441	\$576,441	\$349,190	\$925,631	
2024	\$50,993,000	\$50,993,000		\$0	\$530,327	\$530,327	\$321,256	\$851,583	
2025	\$46,914,000	\$46,914,000		\$0	\$487,906	\$487,906	\$295,558	\$783,464	
2026	\$43,161,000	\$43,161,000		\$0	\$448,874	\$448,874	\$271,914	\$720,789	
2027	\$39,708,000	\$39,708,000		\$0	\$412,963	\$412,963	\$250,160	\$663,124	
2028	\$36,531,000	\$36,531,000		\$0	\$379,922	\$379,922	\$230,145	\$610,068	
						Total	\$9,700,064	\$5,876,001	\$15,576,065

Source: CPA, Longhorn Wind Project, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "TABLE II" in this attachment shows the estimated 13 year M&O tax levy without the value limitation agreement would be \$8,779,984. The estimated gross 13 year M&O tax benefit, or levy loss, is \$6,396,422.

Attachment 3 is an economic overview of Briscoe County.

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

Attachments

1. Schedules A, B, C, and D provided by applicant in application
2. School finance and tax benefit provided by district
3. County Economic Overview

Attachment 1

Schedule A (Rev. January 2013): Investment

Form 50-295

LONGHORN WIND PROJECT, LLC
SILVERTON, CO

PROPERTY INVESTMENT AMOUNTS

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

Applicant Name ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2013-2014	2013	1	5,625,000			0
				2	106,875,000			0
				3				0
				4				0
				5				0
				6				0
				7				0
				8				0
				9				0
				10				0
				11				0
				12				0
				13				0
				14				0
				15				0
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	2014-2015	2014	1	5,625,000			0
				2	106,875,000			0
				3				0
				4				0
				5				0
				6				0
				7				0
				8				0
				9				0
				10				0
				11				0
				12				0
				13				0
				14				0
				15				0
Credit Settle-Up Period	Value Limitation Period	2015-2016	2015	1				0
				2				0
				3				0
				4				0
				5				0
				6				0
				7				0
				8				0
				9				0
				10				0
				11				0
				12				0
				13				0
				14				0
				15				0
Post-Settle-Up Period	Continue to Maintain Viable Presence	2016-2017	2016	1				0
				2				0
				3				0
				4				0
				5				0
				6				0
				7				0
				8				0
				9				0
				10				0
				11				0
				12				0
				13				0
				14				0
				15				0
Post-Settle-Up Period	Post-Settle-Up Period	2017-2018	2017	1				0
				2				0
				3				0
				4				0
				5				0
				6				0
				7				0
				8				0
				9				0
				10				0
				11				0
				12				0
				13				0
				14				0
				15				0

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).

Column B: For the purposes of investment, please list amount invested each year, not cumulative totals.

Column C: For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property.

Column D: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

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

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

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

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

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

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

those amounts for future years.

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

May 22, 2013

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
 LONGHORN WIND PROJECT, LLC

Form 50-296

Applicant Name
 ISD Name
 SILVERTON, ISD

Year	School Year (YYYY-YYYY)	Tax Year (FY in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O—after all reductions
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
pre-year 1	2013-2014	2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1	2014-2015	2014	\$ -	\$ -	\$ 2,812,500	\$ -	\$ 2,812,500	\$ 2,812,500
2	2015-2016	2015	\$ -	\$ -	\$ 108,000,000	\$ -	\$ 108,000,000	\$ 108,000,000
3	2016-2017	2016	\$ -	\$ -	\$ 99,360,000	\$ -	\$ 99,360,000	\$ 10,000,000
4	2017-2018	2017	\$ -	\$ -	\$ 91,411,000	\$ -	\$ 91,411,000	\$ 10,000,000
5	2018-2019	2018	\$ -	\$ -	\$ 84,098,000	\$ -	\$ 84,098,000	\$ 10,000,000
6	2019-2020	2019	\$ -	\$ -	\$ 77,370,000	\$ -	\$ 77,370,000	\$ 10,000,000
7	2020-2021	2020	\$ -	\$ -	\$ 71,180,000	\$ -	\$ 71,180,000	\$ 10,000,000
8	2021-2022	2021	\$ -	\$ -	\$ 65,486,000	\$ -	\$ 65,486,000	\$ 10,000,000
9	2022-2023	2022	\$ -	\$ -	\$ 60,247,000	\$ -	\$ 60,247,000	\$ 10,000,000
10	2023-2024	2023	\$ -	\$ -	\$ 55,427,000	\$ -	\$ 55,427,000	\$ 10,000,000
11	2024-2025	2024	\$ -	\$ -	\$ 50,993,000	\$ -	\$ 50,993,000	\$ 50,993,000
12	2025-2026	2025	\$ -	\$ -	\$ 46,914,000	\$ -	\$ 46,914,000	\$ 46,914,000
13	2026-2027	2026	\$ -	\$ -	\$ 43,161,000	\$ -	\$ 43,161,000	\$ 43,161,000
14	2027-2028	2027	\$ -	\$ -	\$ 39,708,000	\$ -	\$ 39,708,000	\$ 39,708,000
15	2028-2029	2028	\$ -	\$ -	\$ 36,531,000	\$ -	\$ 36,531,000	\$ 36,531,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

May 25, 2013

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule C- Application: Employment Information

LONGHORN WIND PROJECT, LLC
SILVERTON ISD

Applicant Name
ISD Name

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	1 FTEs	\$41,600.00	0	\$40,000.00	0	\$45,000.00
	1	2014-2015	2014	25 FTEs	\$41,600.00	0	\$40,000.00	0	\$45,000.00
	2	2015-2016	2015			2	\$40,000.00	2	\$45,000.00
	3	2016-2017	2016			2	\$40,000.00	2	\$45,000.00
	4	2017-2018	2017			2	\$40,000.00	2	\$45,000.00
	5	2018-2019	2018			2	\$40,000.00	2	\$45,000.00
	6	2019-2020	2019			2	\$40,000.00	2	\$45,000.00
	7	2020-2021	2020			2	\$40,000.00	2	\$45,000.00
	8	2021-2022	2021			2	\$40,000.00	2	\$45,000.00
	9	2022-2023	2022			2	\$40,000.00	2	\$45,000.00
	10	2023-2024	2023			2	\$40,000.00	2	\$45,000.00
	11	2024-2025	2024			2	\$40,000.00	2	\$45,000.00
	12	2025-2026	2025			2	\$40,000.00	2	\$45,000.00
	13	2026-2027	2026			2	\$40,000.00	2	\$45,000.00
	14	2027-2028	2027			2	\$40,000.00	2	\$45,000.00
	15	2028-2029	2028			2	\$40,000.00	2	\$45,000.00
Tax Credit Period (with 50% cap on credit)				Value Limitation Period					
Credit Settle-Up Period				Continue to Maintain Viable Presence					
Post- Settle-Up Period									
Post- Settle-Up Period									

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

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

[Signature]
DATE
May 25, 2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name: LONGHORN WIND PROJECT, LLC
 ISD Name: SILVERTON ISD
 Form 50-296: Other Property Tax Abatements Sought

	Sales Tax Information			Franchise Tax				Other Property Tax Abatements Sought			
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	184,781	5,440,219						
Tax Credit Period (with 50% cap on credit)	1	2014-2015	2014	3,510,844	103,364,156	0	100%	n/a	n/a	n/a	
	2	2015-2016	2015			0	100%	n/a	n/a	n/a	
	3	2016-2017	2016			0	100%	n/a	n/a	n/a	
	4	2017-2018	2017			0	100%	n/a	n/a	n/a	
	5	2018-2019	2018			0	100%	n/a	n/a	n/a	
	6	2019-2020	2019			64,000	100%	n/a	n/a	n/a	
	7	2020-2021	2020			64,000	100%	n/a	n/a	n/a	
	8	2021-2022	2021			64,000	100%	n/a	n/a	n/a	
	9	2022-2023	2022			64,000	100%	n/a	n/a	n/a	
	10	2023-2024	2023			64,000	100%	n/a	n/a	n/a	
	11	2024-2025	2024			64,000	0%	-	0%	-	
	12	2025-2026	2025			64,000	0%	-	0%	-	
	13	2026-2027	2026			64,000	0%	-	0%	-	
	14	2027-2028	2027			64,000	0%	-	0%	-	
	15	2028-2029	2028			64,000	0%	-	0%	-	

*For planning, construction and operation of the facility.

[Signature]

MAY 22, 2013

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 2

September 5, 2013

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Longhorn Wind Project, LLC project for the Silverton Independent School District (SISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Randy McDowell and Neal Brown and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Longhorn Wind Project, LLC project on SISD are correct.

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

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

September 5, 2013

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Longhorn Wind Project, LLC project on the number and size of school facilities in Silverton Independent School District (SISD). Based on the analysis prepared by Randy McDowell and Neal Brown for the school district and a conversation with the SISD superintendent, Todd Southard, the TEA has found that the Longhorn Wind Project, LLC project would not have a significant impact on the number or size of school facilities in SISD.

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

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Longhorn Wind Project, LLC**

**Prepared by
Randy McDowell, RTSBA
&
Neal Brown
School Finance Consultants**

Silverton ISD Financial Impact of Chapter 313 Agreement

**Summary of Silverton ISD Financial Impact
of the
Limited Appraised Value Application
from
Longhorn Wind Project, LLC**

Introduction

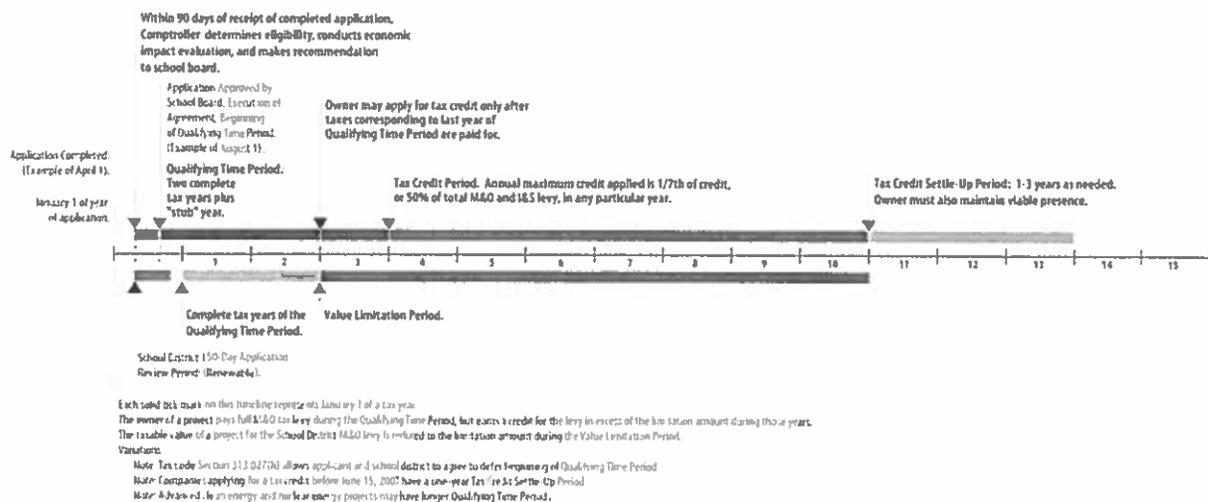
Longhorn Wind Project, LLC applied for a property value limitation from Silverton Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 28, 2013 and subsequently approved for consideration by the Silverton ISD Board of Trustees. Longhorn Wind Project, LLC (“Longhorn 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 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th 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.

Silverton ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



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. The first two years of the agreement are considered the qualifying time period and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, 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. Silverton ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Silverton ISD has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be

Silverton ISD Financial Impact of Chapter 313 Agreement

reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Silverton ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The “Additional Value from Longhorn Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company’s taxable value will be limited to the \$10,000,000 minimum qualified investment of Silverton ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Longhorn Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	2,812,500	n/a	0	2,812,500
Jan. 1, 2015	108,000,000	n/a	0	108,000,000
Jan. 1, 2016	99,360,000	(10,000,000)	89,360,000	10,000,000
Jan. 1, 2017	91,411,000	(10,000,000)	81,411,000	10,000,000
Jan. 1, 2018	84,098,000	(10,000,000)	74,098,000	10,000,000
Jan. 1, 2019	77,370,000	(10,000,000)	67,370,000	10,000,000
Jan. 1, 2020	71,180,000	(10,000,000)	61,180,000	10,000,000
Jan. 1, 2021	65,486,000	(10,000,000)	55,486,000	10,000,000
Jan. 1, 2022	60,247,000	(10,000,000)	50,247,000	10,000,000
Jan. 1, 2023	55,427,000	(10,000,000)	45,427,000	10,000,000
Jan. 1, 2024	50,993,000	n/a	0	50,993,000
Jan. 1, 2025	46,914,000	n/a	0	46,914,000
Jan. 1, 2026	43,161,000	n/a	0	43,161,000

Silverton ISD Financial Impact of Chapter 313 Agreement

Longhorn Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Longhorn Wind is \$6.3 million over the life of the Agreement. This net savings is after all tax credits have been applied 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. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rates for 2015-2016 & 2024-2025 are projected to drop to \$.96 due to the rollback tax rate calculations.
- The district currently has no outstanding bonds and no I&S tax rate is projected in the study. The district could however pursue a bond election and issue 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	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.040	0.00	29,250	0	n/a	0	0
2015-2016	0.960	0.00	1,036,800	0	n/a	0	0
2016-2017	1.040	0.00	1,033,344	929,344	n/a	(88,400)	840,944
2017-2018	1.040	0.00	950,674	846,674	52,000	0	898,674
2018-2019	1.040	0.00	874,619	770,619	52,000	0	822,619
2019-2020	1.040	0.00	804,648	700,648	52,000	0	752,648
2020-2021	1.040	0.00	740,272	636,272	52,000	0	688,272
2021-2022	1.040	0.00	681,054	577,054	52,000	0	629,054
2022-2023	1.040	0.00	626,569	522,569	52,000	0	574,569
2023-2024	1.040	0.00	576,441	472,441	52,000	0	524,441
2024-2025	0.960	0.00	489,533	0	489,533	0	489,533
2025-2026	1.040	0.00	487,906	0	87,267	0	87,267
2026-2027	1.040	0.00	448,874	0	0	0	0
Totals			8,779,984	5,455,622	940,800	(88,400)	6,308,022

Silverton 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 Silverton ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen 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 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$61.86 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 2012.
- 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 2012 taxable value was used as a baseline for all projections
- The district's enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased 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.

Silverton 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 Longhorn Wind (Table III), the addition of Longhorn Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Longhorn Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Longhorn Wind Project, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	113,159,063	1,026,013	724,608	0	1,750,621	224,250	1,974,871
2015-2016	114,290,653	1,036,273	709,817	0	1,746,090	224,531	1,970,621
2016-2017	115,433,560	1,046,636	694,925	0	1,741,561	223,951	1,965,512
2017-2018	116,587,896	1,057,102	679,927	0	1,737,029	223,373	1,960,402
2018-2019	117,753,774	1,067,673	669,463	825	1,736,311	223,621	1,959,933
2019-2020	118,931,312	1,078,350	654,265	1,910	1,730,705	224,132	1,954,837
2020-2021	120,120,625	1,089,134	638,947	3,004	1,725,076	224,652	1,949,729
2021-2022	121,321,832	1,100,025	623,531	4,106	1,719,451	225,182	1,944,633
2022-2023	122,535,050	1,111,025	608,005	5,215	1,713,815	225,722	1,939,537
2023-2024	123,760,400	1,122,136	592,369	6,333	1,708,171	226,272	1,934,443
2024-2025	124,998,004	1,133,357	576,626	7,460	1,702,523	226,832	1,929,355
2025-2026	126,247,984	1,144,690	560,771	8,595	1,696,867	227,402	1,924,269
2026-2027	127,510,464	1,156,137	544,807	9,738	1,691,207	227,982	1,919,188

Silverton ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Longhorn Wind Project *without* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes			Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue	Recapture Amount			
2014-2015	115,971,563	1,051,514	724,608	0	1,776,122	229,777	2,005,898
2015-2016	222,290,653	2,015,509	685,042	0	2,700,551	231,230	2,931,781
2016-2017	214,793,560	1,947,533	107,385	423,084	1,631,834	289,013	1,920,847
2017-2018	207,998,896	1,885,926	103,659	357,055	1,632,530	284,007	1,916,537
2018-2019	201,851,774	1,830,190	99,974	297,403	1,632,760	279,473	1,912,233
2019-2020	196,301,312	1,779,864	96,345	243,648	1,632,561	275,371	1,907,932
2020-2021	191,300,625	1,734,523	92,787	195,345	1,631,965	271,667	1,903,632
2021-2022	186,807,832	1,693,787	89,303	152,085	1,631,004	268,328	1,899,333
2022-2023	182,782,050	1,657,285	86,664	113,502	1,630,447	265,324	1,895,771
2023-2024	179,187,400	1,624,692	84,578	79,238	1,630,033	262,627	1,892,660
2024-2025	175,991,004	1,595,710	82,981	48,979	1,629,712	260,213	1,889,926
2025-2026	173,161,984	1,570,060	99,316	45,337	1,624,039	258,059	1,882,098
2026-2027	170,671,464	1,547,478	117,724	43,569	1,621,633	256,141	1,877,774

TABLE V – District Revenues *with* Longhorn Wind Project *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
2014-2015	115,971,563	1,051,514	724,608	0	1,776,122	229,777	0	2,005,898
2015-2016	222,290,653	2,015,509	685,042	0	2,700,551	231,230	0	2,931,781
2016-2017	125,433,560	1,137,306	773,040	247,210	1,663,136	169,311	88,400	1,920,847
2017-2018	126,587,896	1,147,772	589,257	7,201	1,729,828	230,254	0	1,960,081
2018-2019	127,753,774	1,158,343	578,793	8,277	1,728,859	230,758	0	1,959,617
2019-2020	128,931,312	1,169,020	563,469	9,361	1,723,128	231,272	0	1,954,400
2020-2021	130,120,625	1,179,804	548,277	10,452	1,717,628	231,795	0	1,949,423
2021-2022	131,321,832	1,190,695	532,861	11,552	1,712,005	232,328	0	1,944,333
2022-2023	132,535,050	1,201,695	517,335	12,660	1,706,370	232,871	0	1,939,241
2023-2024	133,760,400	1,212,806	501,699	13,776	1,700,728	233,424	0	1,934,152
2024-2025	175,991,004	1,595,710	486,683	0	2,082,394	155,377	0	2,237,770
2025-2026	173,161,984	1,570,060	99,316	45,337	1,624,039	258,059	0	1,882,098
2026-2027	170,671,464	1,547,478	117,724	43,569	1,621,633	256,141	0	1,877,774

Silverton 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 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have 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 new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Silverton ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Longhorn Wind Project, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Silverton ISD by Longhorn Wind, the projected amount of these payments over the life of the agreement is \$234,468 of the \$6.3 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	Silverton ISD \$100/ADA	Longhorn Wind's Share
2014-2015	0	18,308	(18,308)
2015-2016	0	18,262	(18,262)
2016-2017	840,944	18,217	822,728
2017-2018	898,674	18,171	880,503
2018-2019	822,619	18,126	804,493
2019-2020	752,648	18,080	734,568
2020-2021	688,272	18,035	670,237
2021-2022	629,054	17,990	611,064
2022-2023	574,569	17,945	556,624
2023-2024	524,441	17,900	506,541
2024-2025	489,533	17,856	471,677
2025-2026	87,267	17,811	69,456
2026-2027	0	17,766	(17,766)
Totals	6,308,022	234,468	6,073,554

Silverton ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Silverton School	Pre-K thru 12	22	396	195	201
Total		22	396	195	201

The building capacities are based on 18 students per classroom for all grade levels. Silverton ISD is a Pre-kindergarten through 12th grade district.

Longhorn Wind Project, 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 two full-time employees are expected. It is not known whether these would be new employees to the Silverton 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 two positions equates to 1 new student.

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

Silverton ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Longhorn Wind Project, LLC, would be beneficial to both Longhorn Wind and Silverton ISD under the current school finance system.

Longhorn Wind Project, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Longhorn Wind is projected to benefit from a 76% tax savings over the first twelve year period of this agreement. Longhorn 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.

Silverton ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Longhorn 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.

Attachment 3

Briscoe County

Population

- Total county population in 2010 for Briscoe County: 1,439 , down 1.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Briscoe County was the state's 241th largest county in population in 2010 and the 238 th fastest growing county from 2009 to 2010.
- Briscoe County's population in 2009 was 69.8 percent Anglo (above the state average of 46.7 percent), 2.9 percent African-American (below the state average of 11.3 percent) and 25.8 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Briscoe County:

Silverton:	611	Quitaque:	344
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Economy and Income

Employment

- September 2011 total employment in Briscoe County: 637 , down 5.9 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Briscoe County unemployment rate: 6.9 percent, up from 5.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

- Briscoe County's ranking in per capita personal income in 2009: 103rd with an average per capita income of \$34,048, up 6.0 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Briscoe County averaged \$35.87 million annually from 2007 to 2010. County total agricultural values in 2010 were up 89.2 percent from 2009. Major agriculture related commodities in Briscoe County during 2010 included:
 - Hay
 - Cottonseed
 - Sorghum
 - Corn
 - Other Beef
- 2011 oil and gas production in Briscoe County: barrels of oil and 0.0 Mcf of gas. In September 2011, there were 0 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Briscoe County during the fourth quarter 2010: \$817,870.00, up 0.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Silverton:	\$410,462.00, down 2.0 percent from the same quarter in 2009.
Quitaque:	\$305,228.00, down 1.2 percent from the same quarter in 2009.

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

- Taxable sales in Briscoe County through the fourth quarter of 2010: \$3.17 million, up 0.2 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Silverton:	\$1.55 million, up 1.2 percent from the same period in 2009.
Quitaque:	\$1.15 million, down 0.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Briscoe County during 2010: \$3.17 million, up 0.2 percent from 2009.
 - Briscoe County sent an estimated \$198,112.38 (or 0.00 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
 - Taxable sales during 2010 in the city of:
- | | |
|------------|---|
| Silverton: | \$1.55 million, up 1.2 percent from 2009. |
| Quitaque: | \$1.15 million, down 0.7 percent from 2009. |

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Briscoe County based on the sales activity month of August 2011: \$8,309.25, up 27.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Silverton:	\$4,262.55, up 21.2 percent from August 2010.
Quitaque:	\$4,046.70, up 34.1 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Briscoe County based on sales activity months from September 2010 through August 2011: \$100,752.25, up 20.0 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Silverton:	\$59,821.76, up 29.6 percent from fiscal 2010.
Quitaque:	\$40,930.49, up 8.3 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Briscoe County based on sales activity months through August 2011: \$64,138.77, up 18.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Silverton:	\$37,025.61, up 22.4 percent from the same period in 2010.
Quitaque:	\$27,113.16, up 13.5 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Briscoe County based on sales activity in the 12 months ending in August 2011: \$100,752.25, up 20.0 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Silverton:	\$59,821.76, up 29.6 percent from the previous 12-month period.
Quitaque:	\$40,930.49, up 8.3 percent from the previous 12-month period.

City Calendar Year-To-Date (RJ 2011)

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

Silverton:	\$46,375.60, up 20.5 percent from the same period in 2010.
Quitaque:	\$34,135.04, up 11.0 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Briscoe County based on sales activity months in 2010: \$90,755.20, up 14.1 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Silverton:	\$53,047.37, up 22.7 percent from 2009.
Quitaque:	\$37,707.83, up 3.8 percent from 2009.

Property Tax

- As of January 2009, property values in Briscoe County: \$245.01 million, up 29.9 percent from January 2008 values. The property tax base per person in Briscoe County is \$171,573, above the statewide average of \$85,809. About 0.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Briscoe County's ranking in state expenditures by county in fiscal year 2010: 245th. State expenditures in the county for FY2010: \$5.47 million, down 0.5 percent from FY2009.
- In Briscoe County, 6 state agencies provide a total of 24 jobs and \$217,034.00 in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Parks & Wildlife Department
- AgriLife Extension Service
- Department of Transportation
- Department of Family and Protective Services

Higher Education

■ Community colleges in Briscoe County fall 2010 enrollment:

- None.

■ Briscoe County is in the service area of the following:

- Clarendon College with a fall 2010 enrollment of 1,583 . Counties in the service area include:
 - Armstrong County
 - Briscoe County
 - Childress County
 - Collingsworth County
 - Donley County
 - Gray County
 - Hall County
 - Wheeler County

■ Institutions of higher education in Briscoe County fall 2010 enrollment:

- None.

School Districts

■ Briscoe County had 1 school districts with 1 schools and 163 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

- Silverton ISD had 163 students in the 2009-10 school year. The average teacher salary was \$42,571. The percentage of students meeting the 2010 TAKS passing standard for all tests was 92 percent.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with Longhorn Wind Project, LLC**

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&

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Silverton ISD Financial Impact of Chapter 313 Agreement

Summary of Silverton ISD Financial Impact of the Limited Appraised Value Application from Longhorn Wind Project, LLC

Introduction

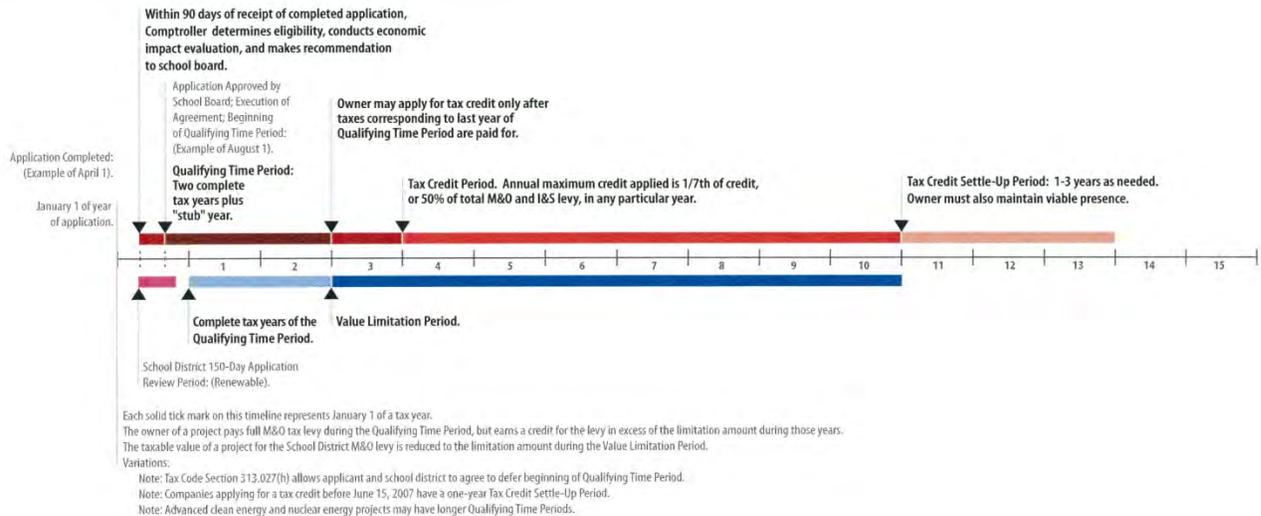
Longhorn Wind Project, LLC applied for a property value limitation from Silverton Independent School District under Chapter 313 of the Tax Code. The application was submitted on May 28, 2013 and subsequently approved for consideration by the Silverton ISD Board of Trustees. Longhorn Wind Project, LLC (“Longhorn 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 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th 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.

Silverton ISD Financial Impact of Chapter 313 Agreement

Appraised Value Limitation and Credit under Tax Code Chapter 313 for School District Maintenance & Operations (M&O) Tax



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. The first two years of the agreement are considered the qualifying time period and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant may then file a separate application with the school district to request tax credits (for taxes paid during the qualifying time period) to be applied during years four through ten of the LAVA, but not to exceed 50% of their tax levy for those years. Any tax credit balance remaining after this period can then be applied during years eleven through thirteen of the agreement, but cannot exceed the actual amount of taxes paid to the school district during the Settle-Up Period. After year thirteen, any leftover credits will not be applied and will expire.

During years three through ten of the LAVA, 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. Silverton ISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million, thus Silverton ISD has a minimum qualified investment amount of \$10 million. A qualifying entity’s taxable value would be

Silverton ISD Financial Impact of Chapter 313 Agreement

reduced to \$10 million during years three through ten of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Silverton ISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy.

Taxable Value Impact from LAVA

The “Additional Value from Longhorn Wind” represents the values that the company estimated as their taxable values in the application that was filed with the district. During years three through ten, the company’s taxable value will be limited to the \$10,000,000 minimum qualified investment of Silverton ISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From Longhorn Wind	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2014	2,812,500	n/a	0	2,812,500
Jan. 1, 2015	108,000,000	n/a	0	108,000,000
Jan. 1, 2016	99,360,000	(10,000,000)	89,360,000	10,000,000
Jan. 1, 2017	91,411,000	(10,000,000)	81,411,000	10,000,000
Jan. 1, 2018	84,098,000	(10,000,000)	74,098,000	10,000,000
Jan. 1, 2019	77,370,000	(10,000,000)	67,370,000	10,000,000
Jan. 1, 2020	71,180,000	(10,000,000)	61,180,000	10,000,000
Jan. 1, 2021	65,486,000	(10,000,000)	55,486,000	10,000,000
Jan. 1, 2022	60,247,000	(10,000,000)	50,247,000	10,000,000
Jan. 1, 2023	55,427,000	(10,000,000)	45,427,000	10,000,000
Jan. 1, 2024	50,993,000	n/a	0	50,993,000
Jan. 1, 2025	46,914,000	n/a	0	46,914,000
Jan. 1, 2026	43,161,000	n/a	0	43,161,000

Silverton ISD Financial Impact of Chapter 313 Agreement

Longhorn Wind's Tax Benefit from Agreement

The projected amount of the net tax savings for Longhorn Wind is \$6.3 million over the life of the Agreement. This net savings is after all tax credits have been applied 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. Tax credits during years four through ten are limited to the lesser of 1/7 of the total tax credit or 50% of the total taxes paid for that tax year. Any tax credits not refunded to the company during those years will be refunded up to 100% of the taxes paid in years eleven through thirteen.

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

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rates for 2015-2016 & 2024-2025 are projected to drop to \$.96 due to the rollback tax rate calculations.
- The district currently has no outstanding bonds and no I&S tax rate is projected in the study. The district could however pursue a bond election and issue 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	Tax Credits	Payment of District's Revenue Losses	Net Tax Savings
2014-2015	1.040	0.00	29,250	0	n/a	0	0
2015-2016	0.960	0.00	1,036,800	0	n/a	0	0
2016-2017	1.040	0.00	1,033,344	929,344	n/a	(88,400)	840,944
2017-2018	1.040	0.00	950,674	846,674	52,000	0	898,674
2018-2019	1.040	0.00	874,619	770,619	52,000	0	822,619
2019-2020	1.040	0.00	804,648	700,648	52,000	0	752,648
2020-2021	1.040	0.00	740,272	636,272	52,000	0	688,272
2021-2022	1.040	0.00	681,054	577,054	52,000	0	629,054
2022-2023	1.040	0.00	626,569	522,569	52,000	0	574,569
2023-2024	1.040	0.00	576,441	472,441	52,000	0	524,441
2024-2025	0.960	0.00	489,533	0	489,533	0	489,533
2025-2026	1.040	0.00	487,906	0	87,267	0	87,267
2026-2027	1.040	0.00	448,874	0	0	0	0
Totals			8,779,984	5,455,622	940,800	(88,400)	6,308,022

Silverton 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 Silverton ISD. First, a thirteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a thirteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a thirteen 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 2013-2014 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$61.86 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 2012.
- 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 2012 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2012-2013 was decreased 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.

Silverton 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 Longhorn Wind (Table III), the addition of Longhorn Wind's taxable values without a Chapter 313 Agreement (Table IV), and the addition of Longhorn Wind's taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* Longhorn Wind Project, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	113,159,063	1,026,013	724,608	0	1,750,621	224,250	1,974,871
2015-2016	114,290,653	1,036,273	709,817	0	1,746,090	224,531	1,970,621
2016-2017	115,433,560	1,046,636	694,925	0	1,741,561	223,951	1,965,512
2017-2018	116,587,896	1,057,102	679,927	0	1,737,029	223,373	1,960,402
2018-2019	117,753,774	1,067,673	669,463	825	1,736,311	223,621	1,959,933
2019-2020	118,931,312	1,078,350	654,265	1,910	1,730,705	224,132	1,954,837
2020-2021	120,120,625	1,089,134	638,947	3,004	1,725,076	224,652	1,949,729
2021-2022	121,321,832	1,100,025	623,531	4,106	1,719,451	225,182	1,944,633
2022-2023	122,535,050	1,111,025	608,005	5,215	1,713,815	225,722	1,939,537
2023-2024	123,760,400	1,122,136	592,369	6,333	1,708,171	226,272	1,934,443
2024-2025	124,998,004	1,133,357	576,626	7,460	1,702,523	226,832	1,929,355
2025-2026	126,247,984	1,144,690	560,771	8,595	1,696,867	227,402	1,924,269
2026-2027	127,510,464	1,156,137	544,807	9,738	1,691,207	227,982	1,919,188

Silverton ISD Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* Longhorn Wind Project *without* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes		Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
		Compressed Rate	State Revenue				
2014-2015	115,971,563	1,051,514	724,608	0	1,776,122	229,777	2,005,898
2015-2016	222,290,653	2,015,509	685,042	0	2,700,551	231,230	2,931,781
2016-2017	214,793,560	1,947,533	107,385	423,084	1,631,834	289,013	1,920,847
2017-2018	207,998,896	1,885,926	103,659	357,055	1,632,530	284,007	1,916,537
2018-2019	201,851,774	1,830,190	99,974	297,403	1,632,760	279,473	1,912,233
2019-2020	196,301,312	1,779,864	96,345	243,648	1,632,561	275,371	1,907,932
2020-2021	191,300,625	1,734,523	92,787	195,345	1,631,965	271,667	1,903,632
2021-2022	186,807,832	1,693,787	89,303	152,085	1,631,004	268,328	1,899,333
2022-2023	182,782,050	1,657,285	86,664	113,502	1,630,447	265,324	1,895,771
2023-2024	179,187,400	1,624,692	84,578	79,238	1,630,033	262,627	1,892,660
2024-2025	175,991,004	1,595,710	82,981	48,979	1,629,712	260,213	1,889,926
2025-2026	173,161,984	1,570,060	99,316	45,337	1,624,039	258,059	1,882,098
2026-2027	170,671,464	1,547,478	117,724	43,569	1,621,633	256,141	1,877,774

TABLE V – District Revenues *with* Longhorn Wind Project *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
2015-2016	222,290,653	2,015,509	685,042	0	2,700,551	231,230	0	2,931,781
2016-2017	125,433,560	1,137,306	773,040	247,210	1,663,136	169,311	88,400	1,920,847
2017-2018	126,587,896	1,147,772	589,257	7,201	1,729,828	230,254	0	1,960,081
2018-2019	127,753,774	1,158,343	578,793	8,277	1,728,859	230,758	0	1,959,617
2019-2020	128,931,312	1,169,020	563,469	9,361	1,723,128	231,272	0	1,954,400
2020-2021	130,120,625	1,179,804	548,277	10,452	1,717,628	231,795	0	1,949,423
2021-2022	131,321,832	1,190,695	532,861	11,552	1,712,005	232,328	0	1,944,333
2022-2023	132,535,050	1,201,695	517,335	12,660	1,706,370	232,871	0	1,939,241
2023-2024	133,760,400	1,212,806	501,699	13,776	1,700,728	233,424	0	1,934,152
2024-2025	175,991,004	1,595,710	486,683	0	2,082,394	155,377	0	2,237,770
2025-2026	173,161,984	1,570,060	99,316	45,337	1,624,039	258,059	0	1,882,098
2026-2027	170,671,464	1,547,478	117,724	43,569	1,621,633	256,141	0	1,877,774

Silverton 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 79th Legislative Session and became effective for the 2006-2007 school year. These formula changes have 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 new funding formulas, it is presumed that the majority of the district's revenue losses in year three of the LAVA will be offset with additional state funding or a reduction of recapture payments made to the State. Prior to these recent formula changes, school districts felt a significant loss in revenues in year three because the state funding formulas considered the district more property wealthy based on their prior year taxable value. However, districts were only able to tax on the lower value that was a result of the LAVA. Districts are currently "held harmless" for the majority amount of loss in year three; however, it is possible that a future legislative session could eliminate this provision. If the "hold harmless" provision is eliminated, then the company would be required to offset the district's losses as computed in Article III of the Agreement.

Silverton ISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and Longhorn Wind Project, LLC mutually agree in the LAVA that \$100 per student in average daily attendance (ADA) will be paid to Silverton ISD by Longhorn Wind, the projected amount of these payments over the life of the agreement is \$234,468 of the \$6.3 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	Silverton ISD \$100/ADA	Longhorn Wind's Share
2014-2015	0	18,308	(18,308)
2015-2016	0	18,262	(18,262)
2016-2017	840,944	18,217	822,728
2017-2018	898,674	18,171	880,503
2018-2019	822,619	18,126	804,493
2019-2020	752,648	18,080	734,568
2020-2021	688,272	18,035	670,237
2021-2022	629,054	17,990	611,064
2022-2023	574,569	17,945	556,624
2023-2024	524,441	17,900	506,541
2024-2025	489,533	17,856	471,677
2025-2026	87,267	17,811	69,456
2026-2027	0	17,766	(17,766)
Totals	6,308,022	234,468	6,073,554

Silverton ISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Silverton School	Pre-K thru 12	22	396	195	201
	Total	22	396	195	201

The building capacities are based on 18 students per classroom for all grade levels. Silverton ISD is a Pre-kindergarten through 12th grade district.

Longhorn Wind Project, 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 two full-time employees are expected. It is not known whether these would be new employees to the Silverton 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 two positions equates to 1 new student.

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

Silverton ISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with Longhorn Wind Project, LLC, would be beneficial to both Longhorn Wind and Silverton ISD under the current school finance system.

Longhorn Wind Project, LLC would benefit from reduced property taxes during years three through ten of the LAVA. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, Longhorn Wind is projected to benefit from a 76% tax savings over the first twelve year period of this agreement. Longhorn 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.

Silverton ISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require Longhorn 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.



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

023/Briscoe

023-902/Silverton ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	9,351,360	N/A	9,351,360	9,351,360
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	207,880	N/A	207,880	207,880
D. Rural Real(Taxable)	54,399,430	N/A	54,399,430	54,399,430
F1. Commercial Real	1,412,990	N/A	1,412,990	1,412,990
F2. Industrial Real	1,064,560	N/A	1,064,560	1,064,560
G. Oil, Gas, Minerals	0	N/A	0	0
J. Utilities	2,586,840	N/A	2,586,840	2,586,840
L1. Commercial Personal	1,094,900	N/A	1,094,900	1,094,900
L2. Industrial Personal	4,084,130	N/A	4,084,130	4,084,130
M. Other Personal	445,720	N/A	445,720	445,720
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	74,647,810		74,647,810	74,647,810

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
Less Total Deductions	7,204,436		7,204,436	7,204,436
Total Taxable Value	67,443,374		67,443,374	67,443,374 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	9,276,050	N/A	9,276,050
Prod Value Qualified Acres	45,123,380	N/A	45,123,380
Taxable Value	54,399,430		54,399,430

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

See the ISD DEDUCTION Report for a breakdown of deduction values

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

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
70,521,124	67,443,374	70,521,124	67,443,374	67,443,374	67,443,374

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,077,750	0

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

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

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

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
70,521,124	67,443,374	70,521,124	67,443,374	67,443,374	67,443,374

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

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

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

**LIMITATION ON APPRAISED
VALUE AGREEMENT**

SILVERTON INDEPENDENT SCHOOL DISTRICT

and

LONGHORN WIND PROJECT, LLC

Comptroller Application Number 292

October 22, 2013

THIS LIMITATION ON APPRAISED VALUE AGREEMENT, (“Agreement”) is executed and delivered by and between Silverton Independent School District (the ”District”), with its central administrative office located in Briscoe County, Texas (“County”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code (“TEC”), and Longhorn Wind Project, LLC, a Texas limited liability company, (“Applicant”) and relates to a limitation of the Appraised Value of property for the District’s maintenance and operation taxes pursuant to Chapter 313 of the Texas Tax Code (the “Code”). The District and Applicant are collectively referred to herein as the “Parties” and each individually as a “Party.”

RECITALS

WHEREAS, the Superintendent of Schools of the District, acting as agent for the District’s Board of Trustees (“Board of Trustees”), timely received from Applicant a completed Application for an Appraised Value Limitation on Qualified Property pursuant to 34 Texas Administrative Code §9.1053, including any agreed and accepted amendments thereto (“Application”), on or about May 28, 2013 (the “Completed Application Date”); and,

WHEREAS, the District received the application fee as required by §313.025(a)(1) of the Code and the District Policy CCG (LOCAL), if any, on or about the Completed Application Date thus establishing the effective filing date of such Application as of May 28, 2013; and,

WHEREAS, the District timely delivered the requisite number of copies of the Application to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to §313.025(a-1) and (b) of the Code and the Comptroller deemed the Application complete and thereafter began its analysis of the Application on June 19, 2013 (the “Application Review Start Date”); and,

WHEREAS, the Comptroller conducted an economic impact evaluation of the Application pursuant to §313.025(b) of the Code; and,

WHEREAS, pursuant to §313.025(b-1) of the Code, the Comptroller delivered to the Texas Education Agency (“TEA”) a copy of the Application and the TEA then timely submitted a written report addressing the effects of the Application on the number or size of the District’s instructional facilities to the Comptroller; and,

WHEREAS, pursuant to §313.025(d) of the Code, the Board of Trustees timely received the September 17, 2013 recommendation of the Comptroller and a report indicating that the Application was in compliance with the provisions of the Texas Economic Development Act, Code §§313.001, et seq. (the “Recommendation”); and,

WHEREAS, the Board of Trustees has carefully considered the school finance information together with the Recommendation and information provided by the Comptroller, including the economic impact evaluation; and,

WHEREAS, pursuant to §313.025(f-1) of the Code, the Board of Trustees at its Board meeting held on October 22, 2013 waived the Qualifying Job creation requirements set forth in Section 313.051(b) of the Code based on a factual finding that if the number of jobs required by

law was applied in this project, given its size and scope as described in the Application and Schedule 2.3, the number of jobs will exceed the industry standard of the number of employees reasonably necessary for the operation of the project; and,

WHEREAS, pursuant to §313.025(e) of the Code, the Board of Trustees at its Board meeting held on October 22, 2013 made written factual findings as required by §313.025(f) and based on the criteria set out in §313.026 of the Code has delivered a copy of such findings to the Applicant; and,

WHEREAS, pursuant to §313.025(f) of the Code, the Board of Trustees at its Board meeting held on October 22, 2013 further found that: (a) the information in the Application is true and correct; (b) the Board agrees with the Comptroller's Recommendation; (c) this Agreement is in the best interest of the State of Texas and the District; (d) the Applicant is eligible for the limitation on Appraised Value of the Qualified Property; and (d) the relevant job creation requirement set forth in Chapter 313 of the Code should be waived; and,

WHEREAS, the Board of Trustees approves the form of this Agreement for a Limitation on Appraised Value of Property and authorizes the execution and delivery of such Agreement by the President of the District's Board of Trustees to the Applicant.

NOW, THEREFORE, for and in consideration of the promises, including the foregoing recitals, and the mutual covenants and agreements contained herein, the Parties hereby agree as follows:

ARTICLE 1 - AUTHORITY, TERM AND DEFINITIONS

Section 1.1 DISTRICT 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 under §313.051 of the Code.

Section 1.2 TERM

1.2.1 This Agreement shall commence and first become effective on October 22, 2013, the date this Agreement was approved by the District's Board of Trustees and executed by the District's Board President, for the ad valorem property valuations assessed against the Qualified Property and investments made pursuant to this Agreement (the "Commencement Date"). The limitation on the local ad valorem property values shall terminate on December 31 of the tenth (10th) full calendar year of this Agreement, as set out on Schedule 1.2 attached hereto¹, unless sooner terminated as herein provided. The early termination of this Agreement shall not release any obligation, right, or remedy arising from any failure to comply with any term of this Agreement prior to such termination. Each Party shall have the right to enforce the payment of any amount owed before the termination of this Agreement.

¹ All references to Agreement years shall be as shown on Schedule 1.2.

1.2.2 The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until January 1 following the end of the second full year that begins after the Commencement Date or such later date as reflected herein. The period that begins on the Commencement Date and ends on December 31 of the second full year that begins after the Commencement Date shall be referred to herein as the “Qualifying Time Period” as that term is defined in §313.021(4) of the Code.

1.2.3 For three (3) years after December 31 of the tenth (10th) year of this Agreement, Applicant shall (a) Maintain a Viable Presence in the District, as that term is defined herein; and (b) make any payments in lieu of taxation as provided in Article 4. Unless sooner terminated, this Agreement shall end on December 31 of the thirteenth (13th) year of this Agreement. Nothing contained in this Agreement shall extend the tax limitation beyond ten (10) full calendar years from the Commencement Date.

1.2.4 The years for which this Agreement is effective, unless sooner terminated, are set forth in Schedule 1.2 of this Agreement, which is incorporated herein by reference.

Section 1.3 DEFINITIONS

Capitalized terms used herein and not specifically defined shall have the definitions as set forth in Schedule 1.3 of this Agreement, which is incorporated herein by reference.

ARTICLE 2- PROPERTY AND USE DESCRIPTIONS

Section 2.1 REINVESTMENT ZONE OR ENTERPRISE ZONE

The property upon which the Qualified Investment will be located entirely within that certain Reinvestment Zone, as set out in Schedule 2.1, and so designated by the Briscoe County Commissioner’s Court under Chapter 312 of the Code. The description of the Reinvestment Zone or Enterprise Zone and maps showing the location thereof are attached to this Agreement as Schedule 2.1, which is incorporated herein by reference.

Section 2.2 QUALIFIED PROPERTY

Applicant’s Qualified Property is described in Schedule 2.3, which is incorporated herein by reference. The Parties expressly agree that the location of the Qualified Property shall be within the Reinvestment Zone as set out in Schedule 2.1, and such location may not be materially changed from its current configuration without the express written authorization of the Parties; provided that the Parties acknowledge Applicant may determine it is necessary to re-configure and change certain aspects as construction progresses, and District agrees not to unreasonably withhold consent to such changes that do not change in a substantial way the overall concept of the Qualified Investment taken as a whole, as contemplated hereby.

Section 2.3 QUALIFIED INVESTMENT

2.3.1 Applicant’s Qualified Investment is described in Schedule 2.3, which is incorporated herein by reference. Property not referenced in Schedule 2.3 and not otherwise

meeting the requirements of Chapter 313 and this Agreement shall not be considered to be a Qualified Investment for purposes of this Agreement and will not be subject to this Agreement.

2.3.2 Schedule 2.3 may be amended by adding or removing Qualified Property pursuant to: (a) the provisions of Comptroller's Rule 9.1055; and (b) approval by the District's Board of Trustees pursuant to §313.027(e) of the Code, which approval shall not be unreasonably withheld by the District.

2.3.3 Property owned by Applicant which is not described in Schedule 2.3 may not be considered to be Qualified Property unless the Applicant (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply; (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and (c) provides any additional information reasonably requested by the District or the Comptroller for the purpose of re-evaluating the new or changed conditions.

2.3.4 In the event that Applicant fails to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period, this Agreement shall become null and void on January 1, 2016.

Section 2.4 EXISTING IMPROVEMENTS AND PERSONAL PROPERTY

Certain improvements and personal property may have existed in the Reinvestment Zone or Enterprise Zone prior to the Application Date. The Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the submission of a Completed Application may not be considered Qualified Property under Chapter 313 of the Code or this Agreement. Further, the Parties understand and agree that the Taxable Value of real estate improvements and/or business personal property which existed prior to the approval of this Agreement by the Parties may not be considered part of the required Qualified Investment under Chapter 313 of the Code or this Agreement.

Section 2.5 INVENTORY OF QUALIFIED PROPERTY

2.5.1 Upon any material change to the Qualified Property, or upon the reasonable request of the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District all information and data necessary to assess the value and identity of all Qualified Property including, but not limited to, a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components on the Qualified Property to which the value limitation applies. Such description shall include maps or surveys detailed enough to locate all such property within the boundaries of the real property subject to this Agreement.

2.5.2 At the end of the Qualifying Time Period, Applicant shall provide to the District, the Comptroller, and the Appraisal District all information and data necessary to assess the value and identity of all Qualified Property including, but not limited to, a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified

Property to which the value limitation applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property subject to this Agreement.

Section 2.6 QUALIFYING USE

Applicant's property which is the subject of a limitation on the local ad valorem property values under this Agreement is eligible for a tax limitation as a renewable energy electric generation facility under §313.024(b)(5) of the Code.

Section 2.7 APPRAISAL LIMITATION

Upon Applicant's Qualified Investment in the amount of \$10,000,000.00 or more during the Qualifying Time Period, and unless this Agreement is terminated as herein provided, 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 the Market Value of the Qualified Property or \$10,000,000.00 for the third (3rd) through the tenth (10th) full calendar years of the tax limitation under this Agreement, as provided in Chapter 313 of the Code.

ARTICLE 3– PROTECTION OF DISTRICT REVENUES

Section 3.1 INTENT OF THE PARTIES

The Parties understand and agree that, to the extent required by law pursuant to Section 313.027(f) of the Code, the Applicant shall compensate the District for any loss in District Funding Revenue incurred because of District's participation in this Agreement. Such reimbursement shall be in addition to the receipt of payments in lieu of taxation or payment of Extraordinary Education-Related Expenses reasonably incurred by the District, subject to any limitation as may be set forth in Article 4 or Article 5 of this Agreement. **SUBJECT TO ANY LIMITATION AS MAY BE SET FORTH IN ARTICLE 4 OR ARTICLE 5 OF THIS AGREEMENT, APPLICANT UNDERSTANDS AND AGREES THAT IT SHALL BEAR ANY NEGATIVE FINANCIAL CONSEQUENCE SUFFERED BY THE DISTRICT AS A DIRECT RESULT OF THE DISTRICT ENTERING INTO THIS AGREEMENT. THE PURPOSE OF THIS SECTION 3.1 IS TO ENSURE THAT THE RISK OF ANY SUCH NEGATIVE FINANCIAL CONSEQUENCE TO THE DISTRICT IS BORNE BY THE APPLICANT AND NOT BY THE DISTRICT.**

Section 3.2 CALCULATING LOSS OF DISTRICT REVENUES

Any compensation paid by the Applicant to the District for loss of District Funding Revenues shall be determined in accordance with then-current School Finance Law. Any calculation to make the District whole after a loss under this Article 3 shall be made in accordance with Schedule 3.2 of this Agreement, which is incorporated herein by reference, and subject to the provisions of Article 5 herein.

Section 3.3 COMPENSATION FOR LOSS OF OTHER REVENUES

To the extent not included in the amounts calculated pursuant to Schedule 3.2, Applicant, on an annual basis, shall also pay to the District all non-reimbursed costs incurred in paying or otherwise crediting amounts for the benefit of Applicant, including, but not limited to (a) any Maintenance and Operations Revenue or Tax Credit to which the Applicant may be entitled pursuant to Chapter 313 of the Code for which the District does not receive reimbursement from the State, whether pursuant to TEC §42.2515 or otherwise; (b) all non-reimbursed costs incurred by the District for Extraordinary Education-Related Expenses related to the project, which do not exceed any limitations set forth in Article 4 of this Agreement, and not otherwise directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project; (c) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (d) 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 (e) any non-reimbursed costs incurred by the District and related to this Agreement, either directly or indirectly. The Applicant may contest any such costs certified by the District's external auditor under the provisions of Section 3.8.

Section 3.4 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 and with Applicant's consent, which consent shall not be unreasonably withheld, delayed or conditioned. Applicant will be solely responsible for the payment of Consultant's fees up to Six Thousand Five Hundred Dollars, (\$6,500.00) 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.

Section 3.5 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 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 Briscoe County 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 3.6 DELIVERY OF CALCULATIONS

3.6.1 All calculations required under Article 3 or Article 4 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.

3.6.2 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 3.7 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 5.1, the Applicant shall pay any amount determined to be due and owing to the District (subject to final settle up), the reasonable amount billed by the Consultant pursuant to Section 3.4, and any reasonable and necessary expenses paid 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 under the Texas Public Information Act (Government Code Section 552.001 *et seq.*).

Section 3.8 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 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 15 days of its receipt, pursuant to District Policy GK (LOCAL).

Section 3.9 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 3 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.

Section 3.10 EFFECT OF STATUTORY OR OTHER LEGAL CHANGES

If the District will receive less District Funding Revenue, or, if applicable, will be required to increase its payment of funds to the State due to the District's participation in this

Agreement because of changes to School Finance Law or administrative or legal interpretations by the office of the Comptroller, the Commissioner of Education, the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, then the Applicant shall make payments to the District within thirty (30) days of receipt of written notice, up to the limit on the revenue protection amount set forth in Section 5.1 below. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of District Funding Revenue not less than that what the District would have received from State and local funds had the District not entered into this Agreement.

ARTICLE 4- PAYMENTS IN LIEU OF TAXATION

Section 4.1 SEPARATE AND INDEPENDENT INDEMNITY AMOUNTS

In addition to payment of the amounts set forth under Article 3 of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall be responsible to the District for payments in lieu of taxation (“PILOT”) and payments for Extraordinary Education-Related Expenses (“PEERE”), as set forth in this Article 4. Any and all obligations for any PILOT and PEERE payments shall be separate and independent of Applicant’s obligations under Article 3 of this Agreement.

Section 4.2 CALCULATION OF PAYMENTS IN LIEU OF TAXATION

4.2.1 Subject to Section 5.1, for each of years one (1) through thirteen (13) of this Agreement, the District shall be entitled to receive as payments in lieu of taxation an amount equal to One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year in accordance with Texas Tax Code § 313.027(i).

4.2.2 In the event Chapter 313 is modified or amended to allow the District to receive payments in lieu of taxation in excess of the foregoing ADA limitation, Applicant agrees to cooperate with District in amending this Agreement to allow District to receive the maximum amount of payments in lieu of taxation as allowed by law; provided however, the total payments in lieu of taxation for any given year of this Agreement shall not exceed the greater of fifteen percent (15%) of Applicant's Net Tax Savings under this Agreement in respect of such year or \$100 per student in ADA, as determined for that school year. This Section shall only apply if Texas Tax Code § 313.027(i) is amended so that the District is permitted to receive payments in lieu of taxation greater than as described in Section 4.2.1 above; otherwise, Section 4.2.1 shall apply.

4.2.3 Payment of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement and is subject to the limitations contained in Section 5.1. Payments made under this Article 4 shall not exceed the Aggregate Limit.

Section 4.3 PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

4.3.1 Applicant agrees and acknowledges that construction and installation of its Qualified Property may bring an extraordinary influx of workers into the District. Applicant

further agrees and acknowledges that these workers may cause an undetermined increase in enrollment for the District, and that such increase may subject the District to Extraordinary Education-Related Expenses that are not directly funded in school financing funding formulas. Accordingly, Applicant agrees to reimburse to the District for any documented Extraordinary Education-Related Expenses paid by the District arising from Applicant's Qualified Investment.

4.3.2 In the event that the District incurs reimbursable Extraordinary Education-Related Expenses, the District will notify Applicant and provide a detailed explanation for such expenses prior to reimbursement by Applicant.

4.3.3 Payments of amounts due under this Section shall be made as set forth in Section 3.7 of this Agreement.

ARTICLE 5- LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1 LIMITATION AFTER FIRST THREE YEARS

5.1.1 For each of the years of this Agreement, other than years one (1) through three (3), and notwithstanding anything to the contrary in this Agreement, in no event shall the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such year exceed the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such year if the Parties had not entered into this Agreement.

5.1.2 A comparison of (a) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District plus the sum of all payments otherwise due from the Applicant under Articles 3 and 4 with respect to such year; and (b) the taxes Applicant would have paid to the District if this Agreement had not been entered into shall be included in the Consultant's calculations made pursuant to Section 3.4 of this Agreement. The Consultant shall include a credit for the amount of taxes actually paid by the Applicant on the Qualified Property when making this comparison.

5.1.3 During years four (4) through ten (10), should the sum of the Applicant's maintenance and operations ad valorem taxes plus the sum of all payments otherwise due from the Applicant under Article 3 and Article 4 exceed the maintenance and operations ad valorem taxes that the Applicant would have paid if the Parties had not entered into this Agreement, then the payments due from the Applicant to the District under Articles 3 and 4 shall be reduced until such excess is eliminated. In no event shall the cumulative payments to the District exceed the greater of: (a) fifteen percent (15%) of the Net Tax Savings, or (b) One Hundred Dollars (\$100.00) per Student in Average Daily Attendance (ADA), as determined for that particular school year.

Section 5.2 OPTION TO CANCEL AGREEMENT

5.2.1 For years four (4) through ten (10) of this Agreement, in the event that payments by Applicant to the District become limited as described in Section 5.1 above, the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option by

notifying the District of its election in writing not later than July 31 of any year next following the year in which the payments were limited. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.2 For years three (3) through ten (10) of this Agreement, the Applicant shall have the option to terminate this Agreement in the event that the Appraised Value of the Qualified Property falls below the Tax Limitation Amount. The Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing not later than October 31 of any year. The cancellation of this Agreement under this Subsection shall be effective immediately, and Applicant's ad valorem tax shall be assessed based on the actual Appraised Value of the Qualified Property.

5.2.3 The Applicant shall have the right to terminate this Agreement in the event of a change in the School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other statutory or regulatory change which materially reduces the Net Tax Savings to Applicant under this Agreement. Applicant may exercise such option by notifying the District and the Appraisal District of its election in writing. Upon receipt of such written notice, this Agreement shall terminate effective December 31 of the year in which the notice is received by the District.

5.2.4 The rights and obligations of the Parties under this Agreement through and including the year during which notice of termination of this Agreement is delivered shall survive such termination and remain until satisfied.

ARTICLE 6– TAX CREDITS

Section 6.1 TAX CREDIT DESCRIPTION AND ELIGIBILITY

6.1.1 Upon the Applicant's compliance with all requirements of Chapter 313 of the Code and the Comptroller, and in addition to the limitation on the Appraised Value of the Qualified Property as described in Article 2 above, the Applicant shall be entitled to a Tax Credit from the District in an amount equal to the amount of ad valorem taxes paid to the District on that portion of the Appraised Value of the Qualified Property that exceeds the amount of the limitation agreed to by the Parties in each year of the Qualifying Time Period.

6.1.2 The application for a Tax Credit as described in this Article 6 shall be made in accordance with §313.103 of the Code and is solely the Applicant's responsibility.

Section 6.2 DISTRICT OBLIGATIONS REGARDING TAX CREDITS

6.2.1 The District shall timely comply with and, to the extent possible, cause the timely compliance by the Appraisal District of all District obligations regarding Tax Credits under the Code and Comptroller Rules.

6.2.2 The Board of Trustees shall grant Applicant's application for the tax credit as provided in §313.104 of the Code as well as Comptroller and/or TEA rules.

Section 6.3 TAX CREDIT PROTECTION REVENUE LOSS

If the District does not receive aid pursuant to TEC §42.2515 of the Texas Education Code (or similar or successor statute) after Applicant receives a Tax Credit as described under this Article 6, and such failure is not the result of District's failure to comply with the requirements of obtaining such aid, then the District shall so notify the Applicant in writing. The Applicant shall, within thirty (30) days after notice, pay to the District the amount of such aid the District did not receive. Conversely, the District shall refund to the Applicant the amount of state aid the District received that was solely attributable to any portion of such state aid paid by Applicant to the District.

ARTICLE 7- ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1 INFORMATION REQUESTS

7.1.1 Upon written request, Applicant shall be obligated to provide the District and the Appraisal District with all information and data necessary to determine whether all obligations under this Agreement are being met. In the event that the District requests information which the Applicant regards as being technical or business information which is proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party, and subject to §313.028 of the Code, Applicant shall inform the District of its concerns and suitable arrangements shall be made for the District to have access to the information in a manner which does not compromise the confidentiality of the information to other third parties.

7.1.2 Applicant shall be obligated to provide the Comptroller, Appraisal District, or other governmental agency with all information required for such agency to complete any reports, appraisal or analysis pursuant to the Texas Tax Code, Comptroller or TEA rule, or other law or administrative regulation.

7.1.3 Applicant shall allow authorized employees of the District and Appraisal District access to all property that is subject to a limitation on the local ad valorem property values called for under this Agreement during the term of this Agreement for the purposes of appraisal or determination of compliance with this Agreement. All inspections or appraisals will be made at a mutually agreeable time after no less than forty-eight (48) hours prior written notice.

7.1.4 Applicant shall timely make any reports that may be required under law or administrative regulation, including but not limited to the annual report or certifications that may be required by the Comptroller under the provisions of the Comptroller's Rules or the Texas Tax Code, including §313.032 of the Code. Applicant shall forward a copy of all such required reports or certifications to the District at the time of such filing. Timely performance of all required filings shall be a material obligation under this Agreement.

Section 7.2 MAINTAINING VIABLE PRESENCE

By entering into this Agreement, Applicant represents, covenants, and warrants that it will abide by all of the terms of this Agreement and that it will Maintain a Viable Presence as defined in this Agreement in the District for a period of at least three (3) years after the termination of the limitation on the local ad valorem` property values called for under this

Agreement. Applicant shall not be in breach of this covenant to Maintain a Viable Presence to the extent such failure is caused by an event of Force Majeure, provided Applicant makes commercially reasonable efforts to Maintain a Viable Presence at the conclusion of any period of Force Majeure.

ARTICLE 8- BREACH

As stated in Section 2.3.4 above, the failure by Applicant to make a Qualified Investment of at least Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period shall result in this Agreement being null and void as of January 1, 2016. This Article 8 shall control in all other instances of Applicant's failure to perform according to the terms of this Agreement.

Section 8.1 DISTRICT'S DETERMINATION OF BREACH

8.1.1 In the event Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or should Applicant or Applicant's successor in interest fail to comply with any material term or meet any material obligation of this Agreement, after the notice and cure period provided herein, District shall be entitled to: (a) the recapture of all ad valorem tax revenue that would have been due from Applicant without the benefit of this Agreement; and (b) all penalty and interest as calculated under Section 8.4. For purposes of the recapture calculation, the Applicant shall be entitled to a credit for all payments made under Article 3 and Article 4.

8.1.2 Notwithstanding Section 8.1.1, in the event the District determines that the Applicant has failed to Maintain a Viable Presence and provides written notice of termination, Applicant shall pay to District liquidated damages equal to the total of the District ad valorem taxes that would have been due from Applicant without the benefit of this Agreement for all of the years for which a Tax Limitation was granted pursuant to this Agreement, plus penalty and interest. Applicant shall be entitled to a credit for all payments made to the District pursuant to Article 3 and Article 4.

8.1.3 Prior to making a determination that Applicant has committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which the District believes constitute the material breach and, if a cure is feasible, the cure proposed by the District. After receipt of the notice, Applicant shall have sixty (60) days to present any facts or argument to the Board of Trustees showing that it is not in material breach of its obligations under this Agreement or that it has cured any such material breach.

8.1.4 Upon the expiration of Applicant's opportunity to respond, the Board of Trustees shall conduct a hearing as provided in District Policy GF (LOCAL) to determine whether or not a material breach of this Agreement has occurred and, if so, the date such material breach occurred. Applicant shall have the opportunity to be heard before the Board of Trustees at such hearing. In the event that the Board of Trustees determines that a material breach has occurred, it shall also determine the amounts of recaptured taxes to be paid by Applicant to District under Section 8.2 below.

8.1.5 After a determination under Section 8.1.2, the Board of Trustees shall notify Applicant, in writing, of its determination and the amount of recaptured taxes owed by Applicant, if any.

Section 8.2 REMEDIES AFTER BREACH

8.2.1 In the event of default or breach by Applicant, the District's damages shall not exceed the greater of (a) any amounts of recaptured taxes plus penalty and interest; or (b) the sum of the difference between the payments and credits due and owing to the Applicant at the time of default and the District taxes that would have been payable to the District had this Agreement not been executed.

8.2.2 The District's sole right of equitable relief in the event of default or breach by Applicant under this Agreement shall be its right to terminate this Agreement.

8.2.3 In accordance with §313.0275 of the Code, for any full year beginning after the project has been declared operational by Applicant, Applicant shall cure those material breaches defined in 8.3(d), 8.3(e), or 8.3(f), below, without the termination of this Agreement. In order to cure its noncompliance with 8.3(d), 8.3(e), or 8.3(f) for the particular year of noncompliance only, Applicant may pay liquidated damages as required by §313.0275(b) of the Code, in accordance with §313.0275(c).

Section 8.3 MATERIAL BREACH BY APPLICANT

Any one of the following acts or omissions shall constitute a material breach of this Agreement by Applicant:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application.
- (b) Applicant fails to Maintain a Viable Presence in the District, as required by this Agreement, through the final termination date of this Agreement.
- (c) Applicant fails to timely make any payment required under Articles 3 or 4 of this Agreement.
- (d) Applicant fails to create and maintain, at a minimum, the number of New Jobs it committed to create in its Application.
- (e) Applicant fails to create and maintain, at a minimum, the number of Qualifying Jobs it committed to create and maintain on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created on the project as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or entity 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 Code, in excess of the amounts set forth in Articles 3 and 4 above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or not made in recognition of or consideration for this Agreement are not barred by this provision.

- (h) Applicant fails to comply in a material respect with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules or Chapter 313 of the Code.

Section 8.4 CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty and interest due in the event of a breach of this Agreement, the District shall determine the base amount of taxes owed less any Tax Credit under Article 6 of this Agreement for each year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such years less all credits under Article 6 had become due and payable on February 1 of the calendar year following such year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in the Code §33.01(a) or its successor statute provided however, that no penalties shall accrue until sixty (60) days after Applicant has received written notice from the District stating the amount due to the District. Interest on said amounts shall be calculated in accordance with the methodology set forth in the Code §33.01(c), or its successor statute.

Section 8.5 DISPUTE RESOLUTION

8.5.1 After the Applicant receives notice of breach from District as set out under Section 8.1.5, the Applicant shall have sixty (60) days to either (a) tender payment, (b) submit evidence of its efforts to cure, or (c) submit to the District written notice of dispute mediation. The mediation shall be conducted by a mutually agreeable mediator at a mutually convenient time and place. If no mediator is agreed upon by the Parties, a mediator shall be appointed by the judge of a state district court in the judicial district containing the administrative offices of the District. 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. The Parties shall each bear one-half of the mediation fees and expenses.

8.5.2 In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 8.2 and as set forth in Chapter 33, Subchapters B and C of the Code. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to §§6.30 and 33.07 of the Code, or other applicable law.

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

ARTICLE 9- MISCELLANEOUS PROVISIONS

Section 9.1 NOTICES

All notices required to be sent under this Agreement shall be given in writing via certified mail, return receipt requested to the Parties hereto as follows:

To the District:

Name: Silverton Independent School District
Attn: Todd Southard, Superintendent
(or the successor superintendent)
Address: P.O. Box 608
City/Zip: Silverton, Texas 79257
Phone #: (806) 823-2476
Fax #: (806) 823-2276
Email: todd.southard@region16.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
fred.stormer@uwlaw.com

To the Applicant: [Subject to Revision Prior to Execution Pending Consummation of Investment by EDF]

Name: Shalini Ramanathan, Vice President
Address: RES America Development, Inc.
9050 Capital of Texas Highway North, Suite 390
City/Zip: Austin, TX 78759
Phone #: (512) 708-1538
Fax #: (512) 708-1757
Email: shalini.ramanatham@res-americas.com

Section 9.2 AMENDMENT

This Agreement may not be modified, amended, or terminated except by written mutual agreement of the District and the Applicant. No amendment to this Agreement shall be effective until the same is approved, accepted, and signed by the Parties.

Section 9.3 ASSIGNMENT

The Applicant may assign this Agreement, or a part of this Agreement, to an Affiliate, or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment or collaterally assign the Agreement to any party providing

financing to the Applicant or its Affiliate provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment Applicant shall remain liable to the District for all outstanding taxes and other obligations accrued under this Agreement prior to the date of such assignment and the Applicant's assignor shall be liable to the District for all outstanding taxes and other obligations accruing after the date of the assignment.

Section 9.4 ENTIRE AGREEMENT

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

Section 9.5 MAINTENANCE OF APPRAISAL DISTRICT RECORDS

When appraising an Applicant's Qualified Property subject to a limitation on Appraised Value under this Agreement, the chief appraiser(s) of the Appraisal District(s) shall determine the market value of the property and include both the market value and the appropriate value under this Agreement in its appraisal records.

Section 9.6 GOVERNING LAW AND VENUE

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 rules that would direct the application of the laws of another jurisdiction. The exclusive venue for any action between the Parties shall be in state district court in the county of the District's central administrative office.

Section 9.7 AUTHORITY TO EXECUTE AGREEMENT

By signing below, each of the Parties expressly warrants that he or she has been authorized to execute this Agreement for and on behalf of the respective Party.

Section 9.8 SEVERABILITY

Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement unless the invalidity of any provision(s) would have a material adverse effect on the purpose and intent of this Agreement. If the invalidity has a material adverse effect, the Parties shall make a good faith effort to renegotiate the terms of this Agreement consistent with the purpose and intent of the Parties prior to bringing any action.

Section 9.9 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 one and the same instrument.

Section 9.10 ACCURACY OF REPRESENTATIONS IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application or which was provided to the District subsequent thereto. Applicant warrants that all information, facts, and representations contained therein are true and correct, to the best of Applicant’s knowledge, except to the extent of changes to development plans made subsequent to filing of such Application to which District has agreed. The Parties agree that the Application and all related schedules and attachments are included by reference in this Agreement as if fully set forth herein. It is expressly understood and agreed that this Agreement shall be void and of no further effect if any material misrepresentations were made in the Application; provided that changes to development plans made subsequent to filing of such Application to which District has agreed shall not be governed by this provision.

Section 9.11 BINDING ON SUCCESSORS

In the event the District should merge or consolidate with another school district or other governmental entity, this Agreement shall be binding on the successor school district or governmental entity, and the duties and obligations of Applicant shall inure to the benefit of such successor school district or governmental entity.

Section 9.12 PUBLICATION

The Parties hereby acknowledge that certain documentation relating to the Application, including this Agreement and all economic analyses submitted to the District, are to be published for public inspection. Only information that is confidential under §313.028 of the Code may be excepted from publication.

Section 9.13 MORTGAGEE PROTECTION

District agrees that Applicant may mortgage, pledge, or otherwise encumber its interest in this Agreement or Applicant’s Qualified Property to any financing party of lender or to any trustee or beneficiary under a deed of trust or to any master or special servicer (a “Mortgagee”) for the purpose of financing operations of Qualified Property or constructing the Qualified Property or acquiring additional equipment following any initial phase of construction. Mortgagee shall be entitled to cure or commence cure of any such defaults in the same manner as Applicant.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on this ____ day of October, 2013.

LONGHORN WIND PROJECT, LLC
Texas Taxpayer ID No. 32050906182

By: _____ Date: _____

Printed Name: _____

SILVERTON INDEPENDENT SCHOOL DISTRICT

By _____ Date: _____
Clint Hunt, President

Attest:

By _____

SCHEDULE 1.2

<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
0	January 1, 2013	2013-14	2013	No appraisal limitation.
1	January 1, 2014	2014-15	2014	No appraisal limitation.
2	January 1, 2015	2015-16	2015	No appraisal limitation.
3	January 1, 2016	2016-17	2016	\$10 million appraisal limitation.
4	January 1, 2017	2017-18	2017	\$10 million appraisal limitation. Possible tax credit for Applicant.
5	January 1, 2018	2018-19	2018	\$10 million appraisal limitation. Possible tax credit for Applicant.
6	January 1, 2019	2019-20	2019	\$10 million appraisal limitation. Possible tax credit for Applicant.
7	January 1, 2020	2020-21	2020	\$10 million appraisal limitation. Possible tax credit for Applicant.
8	January 1, 2021	2021-22	2021	\$10 million appraisal limitation. Possible tax credit for Applicant.
9	January 1, 2022	2022-23	2022	\$10 million appraisal limitation. Possible tax credit for Applicant.
10	January 1, 2023	2023-24	2023	\$10 million appraisal limitation. Possible tax credit for Applicant.
11	January 1, 2024	2024-25	2024	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
12	January 1, 2025	2025-26	2025	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.
13	January 1, 2026	2026-27	2026	No appraisal limitation. Possible tax credit for Applicant. Applicant must Maintain a Viable Presence.

SCHEDULE 1.3

DEFINITIONS

Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which the term is used clearly indicates a different meaning:

“Affiliate” means any person or entity which, directly or indirectly, through one or more entities, controls or is controlled by or is under direct or indirect common control of any such person or entity. For purposes of this definition “control” when used with respect to any person or entity, means (i) the ownership directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

"Aggregate Limit" means, for any year of this Agreement, the total of the Annual Limit amount for the current year and all previous years of the Agreement, less amounts paid by the Applicant to or on behalf of the District under Article 4.

“Agreement” means this Agreement.

“Annual Limit” means the maximum annual benefit that can be paid directly to the District under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for the first year of the Qualifying Time Period under this Agreement.

“Application Date” means the date as set forth in the Recitals.

“Applicant” means the company listed in the Preamble of this Agreement, who filed its Application with the District for a Limitation on Qualified Property on the Application Date, pursuant to Chapter 313 of the Code. The term shall also include the Applicant’s permitted successors in interest.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, Property Tax Code) which filing with the District by Applicant was completed on the Application Date (unless otherwise specified in the Recitals) by the tender of its Application fee.

“Appraisal District” means the Briscoe County Appraisal District.

“Appraised Value” has the same meaning as in Section 1.04(8) of the Texas Tax Code.

“Comptroller” means the Texas Comptroller of Public Accounts.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in title 34 of the Texas Administrative Code or Chapter 313 of the Texas Tax Code, together with any court or administrative decisions interpreting same.

”County” means the County identified in the Preamble of this Agreement, which shall be the county in which the School District’s administrative offices are located.

“District” or ”School District” means the Silverton Independent School District listed in the Preamble of this Agreement, being a duly incorporated and operating independent school district in the State of Texas, having the power to levy, assess, and collect ad valorem taxes within its boundaries.

“District Funding Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to TEC §45.002 and Article VII §3 of the Texas Constitution. The term also includes all State revenues to which the District is or may be entitled under Chapters 41 and 42 of the TEC or any other statutory provision as well as any amendment or successor statute to these provisions. The term shall exclude 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 TEC.

“Enterprise Zone” means the District’s enterprise zone, if any, created pursuant to Chapter 2303 of the Texas Government Code and as further described by the legal description attached hereto as Schedule 2.1.

“Extraordinary Education-Related Expenses” means those additional expenses that the District incurs related to the project that are not directly funded in state aid formulas including, but not limited to, expenses for portable classrooms and hiring additional personnel attributable to increased enrollment due to project personnel.

“Force Majeure” means a failure caused by a provision of law, rules, regulations, or orders of any governmental authority having jurisdiction over the Applicant or the Qualified Investment, or any arrest, restraint, or decree of any court, natural disaster, riot, war, labor dispute, act of God, act of terrorism, or any other cause which inhibits performance and over which Applicant has no reasonable control.

“Maintain a Viable Presence” means the operation over the life of this Agreement of the facility, facilities, or property for which the tax limitation agreement is granted and the retention over the entire term of this Agreement, as defined in Section 1.2 above, of not fewer than the number of Qualifying Jobs and New Jobs required by the Code, or as found by the District’s Board of Trustees to exceed the industry standard for number of jobs provided that such number found by the Board of Trustees shall not exceed two (2) New Jobs as set forth in the Application. Applicant shall be deemed to have maintained a viable presence following an event of Force Majeure that halts facility operations so long as Applicant commences repairs and/or reconstruction of the damaged within one hundred eighty (180) days after the event of Force Majeure. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of the court or environmental agency.

“Maintenance and Operations Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to §45.002 of the Texas Education Code and Article VII § 3 of the Texas Constitution, plus 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.

“Net Tax Savings” means an amount equal to (but not less than zero): (i) the sum of (A) 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; plus (B) any Tax Credits received by Applicant under this Agreement; 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 3 of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 4.2.2 shall mean an amount equal to (but not less than zero): (i) the sum of (A) 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; plus (B) any Tax Credits received by Applicant under this Agreement for such year; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas for such year, plus (B) any and all payments due to the District under Article 3 of this Agreement for such year.

“New Jobs” means the jobs defined by 34 Tex. Admin. Code §9.1051 and which Applicant will create by and through the project which is the subject of its Application. Under Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by Applicant on the project shall also be Qualifying Jobs, as defined below.

“Qualified Investment” has the meaning as that term is defined in §313.021(1) of the Code.

“Qualified Property” has the meaning as that term is defined in §313.021(2) of the Code.

“Qualifying Job” means the number of New Jobs Applicant will create by and through the project that is the subject of this Application and which meet the requirements of Texas Tax Code §313.021(3).

“Qualifying Time Period” has the meaning as that term is defined in §313.021(4) of the Code.

“Reinvestment Zone” means the District’s Reinvestment Zone created pursuant to Code §312.0025 by action of the Board of Trustees or by the County and as further described by the description and/or depiction of said Reinvestment Zone attached hereto as Schedule 2.1, which is incorporated herein by reference for all purposes.

“School Finance Law” means Chapters 41 and 42 of the TEC, the Texas Economic Development Act (Chapter 313, Code), Chapter 403, Subchapter M, Texas Government Code

applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating 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 the District either with or without the limitation of property values made pursuant to this Agreement.

"State" means the State of Texas.

"Tax Credit" means the credit to be received by the Applicant as computed under the provisions of Subchapter D of the Texas Economic Development Act and 34 Tex. Admin. Code §9.1056, provided that the Applicant timely complies with the requirements under such provisions, including the filing of a completed application under §313.103 of the Code and 34 Tex. Admin. Code §9.1054.

"Tax Limitation Amount" means the amount of Ten Million Dollars (\$10,000,000.00), for the purposes of this Agreement and §313.027 of the Code.

"Taxable Value" has the same meaning as in Section 1.04(10) of the Texas Tax Code.

SCHEDULE 2.1

**DESCRIPTION AND MAP OF
REINVESTMENT ZONE and/or ENTERPRISE ZONE**

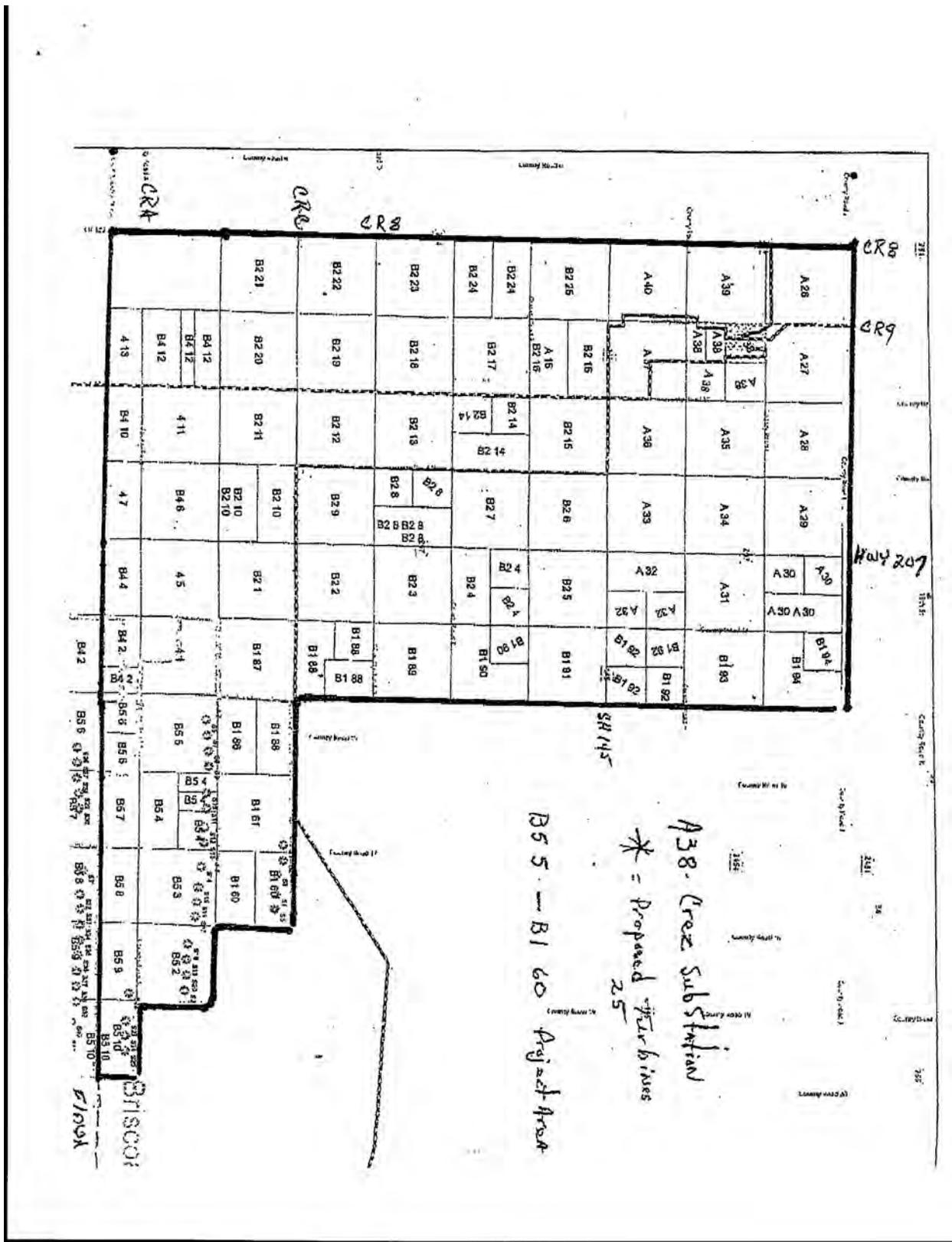
Legal Description of Land	Acreage	County	ISD
Section 13, Block B-2	117	Briscoe	Silverton
E 120 acres of N/2 of Section 1, Block B-2	120	Briscoe	Silverton
Section 30, Block A	160	Briscoe	Silverton
E/2 SW/4 of Section 28, Block A	80	Briscoe	Silverton
Section 29, Block A	640	Briscoe	Silverton
SW/4 of Section 30, Block A	157	Briscoe	Silverton
SE/4 of Section 30, Block A	160	Briscoe	Silverton
SW/4 and the E/2 of Section 94, Block B-1	238	Briscoe	Silverton
N/2 of Section 34, Block A	316	Briscoe	Silverton
Section 35, Block A	640	Briscoe	Silverton
NE/4 of Section 31, Block A	160	Briscoe	Silverton
S/3 of the N/2 of Section 93, Block B-1	67	Briscoe	Silverton
NE/4 of Section 32, Block A	160	Briscoe	Silverton
NE/4 of Section 92, Block B-1	160	Briscoe	Silverton
Section 92, Block B-1	160	Briscoe	Silverton
Section 36, Block B-1	320	Briscoe	Silverton
Section 33, Block A	160	Briscoe	Silverton
SE/4 of Section 32, Block A	159	Briscoe	Silverton
W/2 of Section 32, ,Block A	302	Briscoe	Silverton
E/2 of the SE/4 of Section 92, Block B-1	80	Briscoe	Silverton
Section 15, Block B-2	640	Briscoe	Silverton
Section 6, Block B-4	631	Briscoe	Silverton
Section 5, Block B-2	626	Briscoe	Silverton
Section 91, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	159	Briscoe	Silverton
Section 4, Block B-2	128	Briscoe	Silverton
Section 4, Block B-2	160	Briscoe	Silverton
Section 90, Block B-1	160	Briscoe	Silverton
Section 14, Block B-2	80	Briscoe	Silverton
Section 14, Blcok B-2 [sic]	319	Briscoe	Silverton
Section 7, Block B-2	628	Briscoe	Silverton
S/2 of Section 90, Block B-1	320	Briscoe	Silverton
W/2 of Section 8, Block B-2	320	Briscoe	Silverton
Section 3, Block B-2	320	Briscoe	Silverton
Section 89, Block B-1	636	Briscoe	Silverton
SE/4 Section 8, Block B2	134	Briscoe	Silverton

NW/4 of Section 88, Block B-1	160	Briscoe	Silverton
NE/4 of Section 88, Block B1	200	Briscoe	Silverton
Section 9, Block B2	380	Briscoe	Silverton
W/2 of NW/4 of Section 12, Block B-2	40	Briscoe	Silverton
S120 acres of the SE/4 of Section 88, Block B-1	120	Briscoe	Silverton
Section 2, Block B-2	640	Briscoe	Silverton
Section 10, Block B-2	320	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-2	640	Briscoe	Silverton
Section 87, Block B-1	639	Briscoe	Silverton
S/2 of Section 10, Block B-2	320	Briscoe	Silverton
Section 11, Block B-4	640	Briscoe	Silverton
Section 5, Block B-4	441	Briscoe	Silverton
Section 6, Block B-4	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	0	Briscoe	Silverton
Section 12, Block B4	320	Briscoe	Silverton
Section 26, Block A	640	Briscoe	Silverton
Section 27, BlockA [sic]	640	Briscoe	Silverton
Section 38, Block A	160	Briscoe	Silverton
N/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
N/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
Section 39, Block A	640	Briscoe	Silverton
S/2 of SW/4 of Section 38, Block A	80	Briscoe	Silverton
SE/4 of Section 38, Block A	160	Briscoe	Silverton
E/2 of Section 40, Block A	320	Briscoe	Silverton
S/2 of Section 37, Block A	320	Briscoe	Silverton
SW/4 and W/2 of SE/4 of Section 92, Block B1	240	Briscoe	Silverton
N/2 of Section 16, Block B2	320	Briscoe	Silverton
W/2 of SE/4 of Secution 16, Block B2 [sic]	80	Briscoe	Silverton
SW/4 of Section 16, Block B2 (50% interest)	160	Briscoe	Silverton
Section 17, Block B2	640	Briscoe	Silverton
S/2 of Section 4, Block B2	160	Briscoe	Silverton
W/2 and SE/4 of Section 8, Block B2	480	Briscoe	Silverton
N/2 and SW/4 of Section 18, Block B2	80	Briscoe	Silverton
Survey 19, Block B2	640	Briscoe	Silverton
E/2 of Section 20, Block B2	320	Briscoe	Silverton
NE/4 of Section 12, Block B4	160	Briscoe	Silverton
NW/4 of Survey 12, Block B4	160	Briscoe	Silverton
Section 1, Block B4	640	Briscoe	Silverton
N/2 of Section 13, Block B4	270	Briscoe	Silverton
N/2 of Section 10, Block B4	276	Briscoe	Silverton

N/2 of Section 7, Block B4	270	Briscoe	Silverton
N/2 of Section 2, Block B4	68	Briscoe	Silverton
All of Survey 4, Block B4	270	Briscoe	Silverton
NE/4 Section 37, Block A	160	Briscoe	Silverton
NW/4 Section 37, Block A	160	Briscoe	Silverton
S/2 OF NE/4 of Section 38, Block A	80	Briscoe	Silverton
NE/4 of Section 8, Block B2	160	Briscoe	Silverton
W/2 of Section 20, Block B3	320	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 of SE/4 of Section 16, Block B2	80	Briscoe	Silverton
E/2 AB 1336 SEC 40 BLK A E/2 Section 40, Block A	320	Briscoe	Silverton
N2/ of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of N/2 of Section 25, Block B2	160	Briscoe	Silverton
S/2 of Section 25, Block B2	320	Briscoe	Silverton
N/2 of Section 24, Block B2	320	Briscoe	Silverton
S/2 of Section 24, Block B2	320	Briscoe	Silverton
Section 23, Block B2	640	Briscoe	Silverton
Section 22, Block B2	640	Briscoe	Silverton
Section 21, Block B2	640	Briscoe	Silverton
Section 17, Block B4	640	Briscoe	Silverton
Section 16, Block B4	320	Briscoe	Silverton
Block B4 Section 6	270	Briscoe	Silverton
E/PT of Section 2, Block B4	90	Briscoe	Silverton
AB 1771, SEC 60, BLK BI N/2, W N EDWARDS	320	Briscoe	Silverton
AB 1771, SEC 60, BLK BI S/2, W N EDWARDS	320	Briscoe	Silverton
AB 1853 SEC 4: BLK B-3 SB Davis	160	Briscoe	Silverton
AB 1087 SEC 4: BLK B-5 E L Ayers	160	Briscoe	Silverton
AB51SEC9,BLKB-5,BS&F	293	Briscoe	Silverton
AB 1938 OUT OF NW PT, SEC 10, BLK B5, A J ASKEY	161	Briscoe	Silverton
AB 989, SEC 10, BLK B5 OUT OF NE 3/4, J W COWART	154	Briscoe	Silverton
AB 1789, SEC 4, BLK B-5, MRS L A MONTAGUE	80	Briscoe	Silverton
AB 1788, SEC 4, BLK B-5, VERNA MONTAGUE	80	Briscoe	Silverton
AB 49, SEC 5, BLK B-5 BS&F	160	Briscoe	Silverton
AB 85, SEC 61, BLK B-1, BS&F	319	Briscoe	Silverton
AB 1282 SEC 2, BLK B-4,1 P VERNON	110	Briscoe	Silverton
AB 1791 SEC 2, BLK B-4, A L DEAVENPORT	65	Briscoe	Silverton
AB 49, SEC 5, BLK B-5, BS&F	481	Briscoe	Silverton
AB 1, SEC 1, BLK B-4, AB&M	481	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NE/4	160	Briscoe	Silverton
AB 50, SEC 7, BLK B-5 BW&F	288	Briscoe	Silverton
AB 1458, SEC 86, BLK B-1, W D MILLER NW/4	160	Briscoe	Silverton

AB 1861, SEC 86, BLK B-1, R H FLEMING	160	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 1861, SEC 86, BLK B-1, R H FLEMING	80	Briscoe	Silverton
AB 48, SEC 3, BLK B-5, BS&F	640	Briscoe	Silverton
AB 1383 SEC 8, BLK B-5, SAM WHITELY	290	Briscoe	Silverton
AB 1088, SEC 2, BLK B-5, E L AYERS	260	Briscoe	Silverton

Draft



SCHEDULE 2.3

DESCRIPTION OF QUALIFIED INVESTMENT AND/OR QUALIFIED PROPERTY

The property for which the Applicant is requesting an appraised value limitation shall include, but is not limited to, the following:

Longhorn Wind Project, LLC plans to construct an up to 300 MW wind farm in Briscoe and Floyd Counties. The current design is for approximately 200MW consisting of approximately forty two (42) wind turbines located in Briscoe County, all of which will also be located in Silverton ISD. Turbine selection is ongoing at this time and has not been finalized. For purposes of this application the project anticipates using 2.0 MW turbines manufactured by Vestas, although final turbine selection may change. Applicant is also constructing an approximately 15 mile generation transmission tie line in Silverton ISD that will connect to the Silverton Substation and is specifically included as Qualified Property.

This application covers all Qualified Property within Silverton ISD necessary for the commercial operations of the wind farm. Qualified Investment and Qualified Property includes, but is not limited to, turbines, towers, foundations, underground collection systems, electrical substation(s), generation transmission tie lines, electrical interconnections, met towers, roads, operations & maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

All of the improvements that make up the Qualified Investment and/or Qualified Property under this Agreement will be made within the portion of the project area, which is within the Reinvestment Zone as shown in Schedule 2.1.

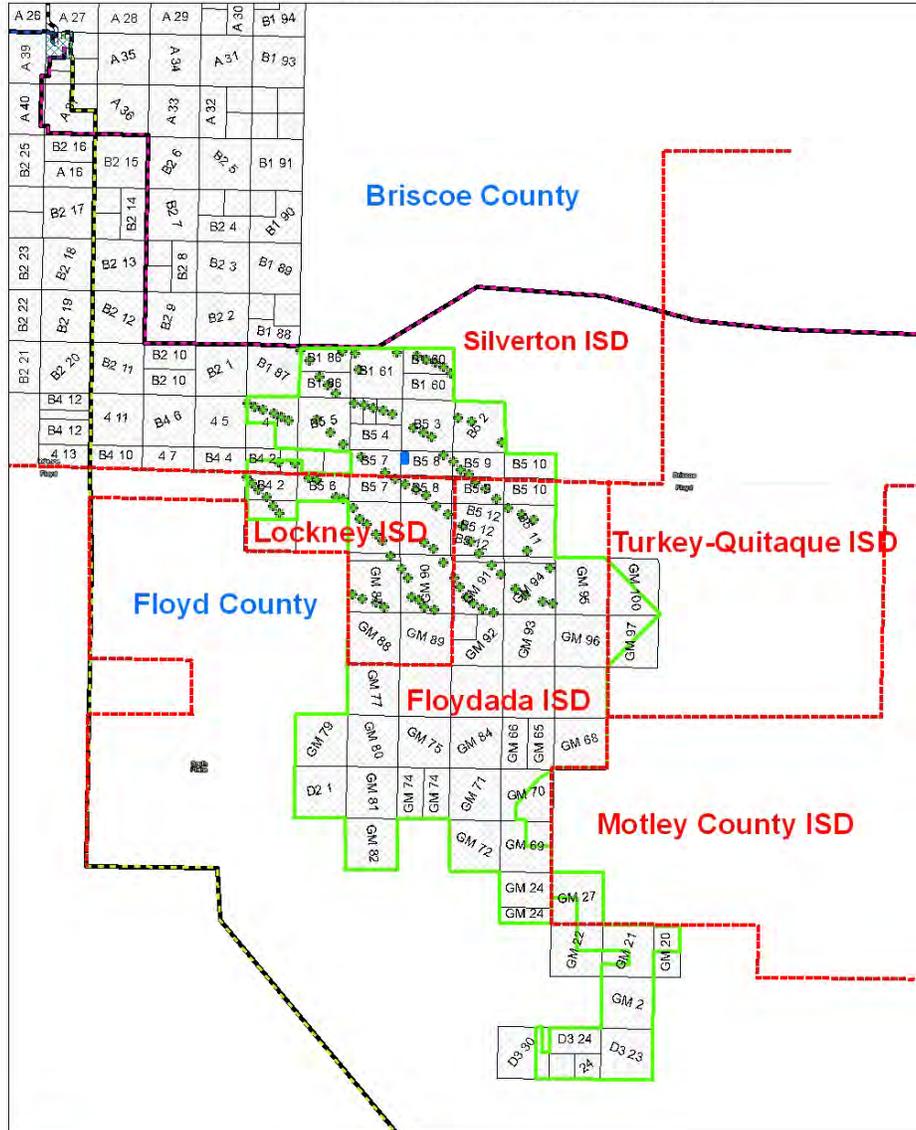
None of the foregoing listed property is covered under an existing County Appraisal District account number.

All of the property for which the Applicant is seeking a limitation of appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.

EXHIBIT A
to
SCHEDULE 2.3

MAP OF QUALIFIED PROPERTY/PROJECT AREA

Longhorn Wind Project Reinvestment Zone's
Briscoe and Floyd Counties
Confidential, Preliminary and Subject to Change



Legend

- Longhorn ISD Boundaries
- Longhorn Wind Energy Project Area
- + Longhorn 200MW Layout (EDF v20)
- Longhorn Substation and O&M - 09192013
- Sharylands_CREZ_sub
- Sharylands Silvertown to White Deer
- Sharylands Silvertown to Nazareth
- Cross Texas Silvertown-Tesla
- Sharyland Silvertown-Cottonwood
- Longhorn Reinvestment Zone


 00.51 2 3 4 5
 Miles



SCHEDULE 3.2

CALCULATIONS FOR LOSS OF REVENUES BY DISTRICT

The District Funding Revenue amount owed by Applicant to District will equal:

- (a) Original District Funding Revenue minus New District Funding Revenue, where;
 - i. “Original District Funding Revenue” means the total State and local District Funding Revenue that the District would have received for the school year under the School Finance Law absent this Agreement, effective for said school year.
 - ii. “New District Funding Revenue” means the total State and local District Funding Revenue that the District actually received under the School Finance Law for said school year.
- (b) In making the calculations required by this Schedule 3.2:
 - i. The Taxable Value of property for each school year will be determined under the School Finance Law.
 - ii. All calculations using the Original District Funding Revenue and the New District Funding Revenue made for years three (3) through ten (10) of this Agreement shall be based upon the limitation of value on the Qualified Property using the Tax Limitation Amount so that Applicant is not responsible for protecting the District against any decrease in the amount of local ad valorem taxes collected.
 - iii. All calculations made under this Schedule shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.
 - iv. The calculation made under this Schedule cannot result in a negative number. In the event that the calculation is a negative number, the loss to the District under this Schedule will be considered to be zero.

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



October 14, 2013

Bill Wood
Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, Texas 79257

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Silverton Independent School
District and Longhorn Wind Project, LLC

Dear Superintendent Wood:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Silverton Independent School District and Longhorn Wind Project, 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 me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R. B. Wood", with a stylized flourish at the end.

Robert B. Wood
Director
Economic Development & Analysis

cc: Audie Sciumbato, Underwood Law Firm, P.C.
Shalini Ramanathan, RES America Development Inc.

CUMMINGS WESTLAKE LLC

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

May 28, 2013

Mr. Bill Wood, Superintendent
Silverton Independent School District
700 Loretta St.
Silverton, TX 79257

Re: Chapter 313 Job Waiver Request

Dear Mr. Wood,

Longhorn Wind Project, LLC requests that the Silverton Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Longhorn Wind Project, LLC requests that the Silverton Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Longhorn Wind Project, LLC has committed to create 7 total jobs for the project, of which 2 will be in Silverton ISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



J. Weston Jackson
Partner