

Biennial School District Cost Data Request - 2010 (Chapter 313 Tax Code)

The superintendent of each school district having a maintenance and operations value limitation agreement under Tax Code Chapter 313 is requested by the Comptroller to complete this form every other year for each limitation agreement. Information from this request will be used in reports to the legislature required by Tax Code 313.008 and Government Code 403.014. (See also TAC Title 34.) For more information, please see the Chapter 313 Web page at <http://www.window.state.tx.us/taxinfo/proptax/tb1200/index.htm> or email chapter313@cpa.state.tx.us. [Districts must complete and return this form to the Comptroller's office by August 15th, 2010.] The Comptroller's office appreciates your work in implementing provisions of HB 3676 (2009) and bringing increased transparency and accountability to this significant economic development tool.

| | |
|--|----------------------------|
| School district | WEBB CONS ISD |
| Project name | Cedro Hill |
| Original applicant(s) and current agreement holder(s) if different | Cedro Hill Wind LLC |
| County | WEBB COUNTY |
| 1st complete year of the qualifying time period | 2010 (2010-11 School Year) |
| Date of agreement | December 10, 2009 |
| Limitation amount | \$10,000,000 |

| | Year (of the agreement) | School Year (YYYY-YYYY) | Tax Year (YYYY) | Market value of qualified property before any exemptions | Market value less any exemptions & before limitation | Taxable value of qualified property for purposes of M&O | M & O Tax Rate | I & S Tax Rate | Revenue Protection Payments | Extraordinary Educational Expenses | Supplemental Payments (Payments in Lieu of Taxes - PLT) |
|--|-------------------------|-------------------------|-----------------|--|--|---|----------------|----------------|-----------------------------|------------------------------------|---|
| Pre-Year 1 | Pre-Year 1 | 2009-10 | 2009 | | | | \$0.8033 | \$0.0442 | | N/A | N/A |
| First complete two years of qualifying time period | 1 | 2010-11 | 2010 | \$5,749,000 | \$5,749,000 | \$5,749,000 | \$0.8033 | \$0.0431 | \$0 | \$0 | \$0 |
| | 2 | 2011-12 | 2011 | \$101,500,000 | \$101,500,000 | \$101,500,000 | \$0.8033 | \$0.0389 | \$0 | \$0 | \$0 |
| Value Limitation Period | 3 | 2012-13 | 2012 | \$153,425,000 | \$153,425,000 | \$10,000,000 | \$0.8033 | \$0.0382 | \$52,486 | \$0 | \$95,700 |
| | 4 | 2013-14 | 2013 | \$145,753,750 | \$145,753,750 | \$10,000,000 | \$0.8033 | \$0.0391 | \$49,679 | \$0 | \$31,900 |
| | 5 | 2014-15 | 2014 | \$138,466,053 | \$138,466,053 | \$10,000,000 | \$0.8033 | \$0.0384 | \$47,012 | \$0 | \$31,900 |
| | 6 | 2015-16 | 2015 | \$131,542,759 | \$131,542,759 | \$10,000,000 | \$0.8033 | \$0.0000 | \$44,475 | \$0 | \$31,900 |
| | 7 | 2016-17 | 2016 | \$124,965,621 | \$124,965,621 | \$10,000,000 | \$0.8033 | \$0.0000 | \$42,072 | \$0 | \$31,900 |
| | 8 | 2017-18 | 2017 | \$118,717,340 | \$118,717,340 | \$10,000,000 | \$0.8033 | \$0.0000 | \$39,785 | \$0 | \$31,900 |
| | 9 | 2018-19 | 2018 | \$112,781,473 | \$112,781,473 | \$10,000,000 | \$0.8033 | \$0.0000 | \$37,613 | \$0 | \$31,900 |
| | 10 | 2019-20 | 2019 | \$107,142,400 | \$107,142,400 | \$10,000,000 | \$0.8033 | \$0.0000 | \$35,549 | \$0 | \$31,900 |
| Tax Credit Step-Up Period | 11 | 2020-21 | 2020 | \$101,785,281 | \$101,785,281 | \$101,785,281 | \$0.8033 | \$0.0000 | \$0 | \$0 | \$0 |
| | 12 | 2021-22 | 2021 | \$95,695,017 | \$95,695,017 | \$95,695,017 | \$0.8033 | \$0.0000 | \$0 | \$0 | \$0 |
| | 13 | 2022-23 | 2022 | \$91,861,217 | \$91,861,217 | \$91,861,217 | \$0.8033 | \$0.0000 | \$0 | \$0 | \$0 |

NOTE: Use actual data for prior years. Estimates are required for current and future years. For prior year property values of qualified property, use CAD reported values. For current and future years, use best information available or property value estimates provided by agreement-holder(s) on Biennial Progress Report Form 50-773.

Are you aware of any payments or transfer of things of value not included in the table above, made by the applicant or affiliate of the applicant, to the school district any person or persons, organization or local governmental entity provided in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value? Yes No (Circle one) If "Yes," please describe and attach additional information as needed.

Attached please find a foundation subscription agreement between the Company and the Laredo Area Community Foundation.

Upon completion of this form, please send a signed copy to: Chapter 313 Office, Local Government Assistance and Economic Analysis, LBJ State Office Building, Room 1118, 1117 East 17th St., Austin, TX, 78711-1440 AND send an electronic copy (MS Excel format) to chapter313@cpa.state.tx.us.

 Dr. David Jones
 Superintendent Name

 Superintendent Signature

August 15 2010
 Date

HIGHER EDUCATION SCHOLARSHIP FUNDING AGREEMENT

THE STATE OF TEXAS)(

COUNTY OF WEBB)(

This Agreement is made on the 10th day of December, 2009 by and between the **LAREDO AREA COMMUNITY FOUNDATION**, a Texas nonprofit corporation having its principal place of business at 616 Leal St, Laredo, Texas 78044-2682, Webb County, Texas hereinafter called “**the Foundation**” and **CEDRO HILL WIND, LLC**, a Delaware limited liability company, each acting by and through its duly authorized officers or representatives, as follows:

WITNESSETH:

ARTICLE ONE

Section 1. Cedro Hill Wind, LLC desires to fund a higher education scholarship fund created by the Foundation with contributions from Cedro Hill Wind, LLC to the Foundation. These contributions and additions thereto, shall be known as the **Webb CISD Higher Education Fund** (hereinafter called “the Fund”). It is the intent of the Foundation that the Fund be utilized exclusively for the provision of funding to be used solely to support the pursuit of both post-secondary and, where applicable, pre-graduation higher education opportunities by current students (excluding funding costs otherwise the responsibility of and attributable to the Webb Consolidated Independent School District or its successors) and recently graduated students of the Webb Consolidated Independent School District. Accordingly, the net earnings from the Fund as well as principal shall be distributable to such students as directed by the Scholarship Committee, created and operated under Article Two, below; and, as limited by the qualified charitable purposes further defined in Article Three and Four of this agreement.

Section 2. Articles of Incorporation and By-laws of the Foundation as they exist from time to time are incorporated herein by reference and made a part hereof. Together they constitute the governing instrument of the Foundation and reference to that term shall be deemed to refer to both documents. The Foundation hereby agrees that the Fund will be administered by the Foundation subject to its governing instruments. As set forth in tax regulations, 1.170A-9(e)(11)(V)(B), (C), and (D) and Section 1(g) of Article VIII of the Foundation’s by-laws, the Board of directors of the Foundation shall have the power, after notifying the Cedro Hill Wind, LLC and giving Cedro Hill Wind, LLC an opportunity to object, to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified organizations (excluding the Webb Consolidated Independent School District or its successor) if in the reasonable judgment of the board such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

Section 3. Cedro Hill Wind, LLC, by the execution of this Agreement, commits itself, its assigns, and its successors in interest to make the following minimum payments into the Fund:

Beginning on or before January 31, 2013, and in accordance with the following table, Cedro Hill Wind, LLC will make the following scheduled payments into the Fund:

| Payment Due Date | Payment Amount |
|------------------|----------------|
| January 31, 2013 | \$250,000 |
| January 31, 2014 | \$250,000 |
| January 31, 2015 | \$250,000 |
| January 31, 2016 | \$250,000 |
| January 31, 2017 | \$250,000 |
| January 31, 2018 | \$250,000 |
| January 31, 2019 | \$250,000 |
| January 31, 2020 | \$250,000 |
| January 31, 2021 | \$250,000 |
| January 31, 2022 | \$250,000 |
| January 31, 2023 | \$250,000 |

From time to time the Cedro Hill Wind, LLC may make gifts of cash or other property acceptable to the Foundation to or for the use of the Fund by naming or otherwise identifying the Fund. Such gifts will be held and administered as part of the Fund in accordance with this Agreement.

ARTICLE TWO

All decision concerning the expenditure of funds under this Agreement other than those expressly delineated in thus Agreement shall be vested in the Scholarship Committee. The Scholarship Committee shall consist of: the Superintendent of the Webb Consolidated Independent School District; the Principal of Bruni High School; and the President of the Board of Trustees of the Webb Consolidated Independent School District.

ARTICLE THREE

The Fund and all net earnings in addition thereto will be held exclusively for the benefit of the designated beneficiaries of this Fund. The assets of the Fund shall be held and administered by the Foundation, acting by and through its Board of Directors, and its authorized

officers, and agents. Assets of the Fund may be kept separate from other Foundation assets, or alternatively, may be commingled with other Foundation assets. However, the Foundation shall at all times keep accurate records showing the proportions of the assets to be included within the Fund, both as to principal and income. The assets of the Fund may be invested and reinvested from time to time in any securities, obligations or other property of any kind that the Foundation may deem advisable, including, but not limited to, interest bearing accounts, certificates of deposit, common trust funds, bonds, and equities fund administered and chosen by the Foundation. The Investment Policy of the Foundation as they exist from time to time shall guide the Foundation and its Investment Managers in order to maximize total return while providing professional management and preservation of capital for the benefit of the Fund. The Foundation shall provide financial reports of the Fund and shall provide for an annual audited financial statement of the Foundation to the Scholarship Committee and to Cedro Hill Wind, LLC on at least an annual basis.

ARTICLE FOUR

Section 1. The Scholarship Committee may direct qualified scholarship grant distributions as further provided for in Section 2 of this Article Four of this agreement, annually of an amount not greater than five percent of a rolling twelve quarter average of the value of the Fund as of the previous December 31st. Any distributions in excess of the said five percent annually must be requested in writing certifying that the requested excess distribution has the approval of the Scholarship Committee. Said certification shall document that at a meeting of the Scholarship Committee, at which meeting a quorum was present, the Scholarship Committee adopted such a resolution. Such distribution will be made by the Foundation not more than thirty days after the Foundation has received such a request.

Section 2. The Foundation and the Scholarship Committee will establish policies and procedures for the selection and awarding of the scholarships as well as the administration of the application, awarding and renewal process.

Section 3. The Foundation will be responsible for the accounting and disbursements from this Fund which will be a sub-account of the Foundation's banking and investment accounts and will provide accounting of these disbursements to the Scholarship Committee.

Section 4. Should the Scholarship Committee ever cease to exist or to perform its charitable functions, the Foundation shall make available distributions of this fund to benefit the provision of higher education opportunities to students in Webb County, Texas, including the Webb Consolidated Independent School District, and should the Foundation cease to exist, then to other qualified charitable organizations (excluding the Webb Consolidated Independent School District, or its successors) that provide similar services in Webb County, Texas. The Foundation will consider the original purpose of the Fund and those individuals, groups, or causes that the Scholarship Committee previously sought to benefit in making such distributions.

ARTICLE FIVE

If deemed necessary by the Board of Directors of the Foundation, the Fund will bear its proportionate share of such services and expenses. The Fund will be assessed fees by the

Foundation in accordance with the fee schedule set by the Board of Directors as defined in the Financial Administration Policy of the Foundation from time to time, prorated and applied monthly. The administrative fees provide for the Foundation to manage and administer this Fund in accordance with this agreement and subsequent agreed upon policies and procedures, including the Foundation's own audit, IRS 990 organizational filings, accounting and related deposits and disbursements of the Fund and investment consulting expenses of the Foundation. The administrative fee does not include internal investment expenses of the investment funds which the Foundation may invest this and other funds of the Foundation. The fee does not include any expenses that the Scholarship Committee may incur to conduct its own audit of this Fund. In the event it is determined necessary to employ additional attorneys or accountants for purposes of determining distributions, values, or opinion as to the rights and obligations of the Foundation as to the funds described under this Agreement, this Fund shall bear all such reasonable expenses. It is the desire of the Foundation to provide these administrative fees at a rate that is commensurate to the appropriate estimated costs to manage the Fund and the Foundation desires to lower administrative fees said costs allow the Foundation to lower its fee. However, it is also possible for the Foundation to increase its fee if said Fund costs are greater than the amount provided. If the Foundation amends its policy to change this administrative fee, it must notify the Scholarship Committee of said proposed fee change within ninety days of proposed change, and the Scholarship Committee shall have the right to terminate this agreement and advise the Foundation to transfer management of the Fund to another qualified entity to manage this Fund.

Executed this ____ day of _____, 2009

Laredo Area Community Foundation

By: _____

Cedro Hill Wind, LLC,
a Delaware limited liability company

By: _____

Name: _____

Its: _____