PROPERTY TAX DEPARTMENT

Duke Energy
550 South Tryon Street
DEC41B
Charlotte, NC 28202

Mailing Address:
P. O. Box 1321
DEC41B
Charlotte, NC 28201

704-382-8160
704-382-8261 fax

March 29, 2011

Kermit Independent School District
Attn: Gayle Fuqua – Business Manager
601 South Popular Street
Kermit, TX 79745

Dear Ms. Fuqua,

Enclosed is Form 50-772 "Chapter 313 Annual Eligibility Report Form" for Notress Windpower, LP. Please feel free to contact me if you have any questions related to our limitation agreement. My number is 704-382-1119.

All written correspondence should be directed to:

Notrees Windpower, LP
Attn: Shawn Pittman (DEC-41B)
550 South Tryon St.
Charlotte, NC 28202

Thanks,

Shawn Pittman
Property Tax Manager

Chapter 313 Annual Eligibility Report Form

Form 50-772
(May 2010)

2010
Tax Year covered in this report

Kermit Independent School District
School district name

.002167 (2010 rate)
I&S Tax Rate

.0104 (2010 rate)
M&O Tax Rate

Wind Farm
Project Name

Kermit Windpower, LP
Company Name

550 South Tryon (DEC-41B), Charlotte, NC 28202
Company Address

Shawn Pittman, Property Tax Manager, 704-382-1119
Company Contact Information

NOTE: This form must be completed by an authorized representative of each approved applicant and each entity with property subject to the limitation agreement. It must be submitted to the school district by May 15th of every year using information from the previous tax (calendar) year. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

12089132950
Texas Taxpayer ID of Applicant

N/A
Texas Taxpayer ID Reporting Entity (if appropriate)

November 20, 2008
Date of Agreement Approval

Same
Original Applicant Name

2009
First complete tax year of the qualifying time period

2010
Last tax year of the qualifying time period

2011
First tax year of the limitation

$10,000,000
Amount of the limitation at the time of application approval

QUALIFIED PROPERTY INFORMATION

$143,842,150 (2010)
Market Value

$143,842,150 (2010)
I&S Taxable Value

$143,842,150 (2010)
M&O Taxable Value

Is the business entity in good standing with respect to Tax Code, Chapter 171?
(Attach printout from Comptroller Web site: http://www.window.state.tx.us/taxinfo/coasintr.html) ☑ Yes ☐ No

Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No

Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

Please identify business activity: Wind Farm Electric Generation

What was the application review start date for your application (the date your application was determined to be complete)? N/A
(This question must only be answered for projects with applications approved after June 1, 2010.)

How many new jobs were based on the qualified property in the year covered by this report? (See note on page 3.) 18

What is the number of new jobs required for a project in this school district according to 313.021(2)(A)(iv)(b), 313.051(b), as appropriate? 17

If the applicant requested a waiver of minimum jobs requirement, how many new jobs must the approved applicant create under the waiver?

80 percent of New Jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 14

What is the minimum required annual wage for each qualifying job in the year covered by the report? ..... $34,029 (2007 data)

For agreements executed prior to June 19, 2009, please identify which of the two Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A) or §313.051(b). For agreements executed after June 19, 2009, please identify which of the four Tax Code sections is used to determine the wage standard required by the agreement: §313.021(5)(A), §313.021(5)(B), §313.021(3)(E)(ii), or §313.051(b). ..... 313.051(b)

Attach calculations and cite (or attach) `exact Texas Workforce Commission data sources. ..... See Attached

How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 18

Of the qualifying job-holders last year, how many were employees of the approved applicant? 3

Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 15

If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ..... ☐ NA ☑ Yes ☐ No

THE FOLLOWING QUESTIONS APPLY ONLY TO APPROVED APPLICANTS WITH AGREEMENTS THAT REQUIRE THE APPROVED APPLICANT TO PROVIDE A SPECIFIED NUMBER OF JOBS AT A SPECIFIED WAGE.

How many qualifying jobs did the approved applicant commit to create in the year covered by the report? 15

At what annual wage? ..... $ 43,680 avg

How many qualifying jobs were created at the specified wage? 18

ENTITIES ARE NOT REQUIRED TO ANSWER THE FOLLOWING FIVE QUESTIONS IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? $169,439,090

Was any of the land classified as qualified investment? ..... ☐ Yes ☑ No

Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☑ No

Was any of the qualified Investment leased under and operating lease? ..... ☐ Yes ☑ No

Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☑ No

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT.

What was your limitation amount (or portion of original limitation amount) during the year covered by this report? $10,000,000

Please describe your interest in the agreement and identify all the documents creating that interest.

NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement.

Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code 313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

APPROVAL.

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

Signature

Shawn Pittman

Printed name of authorized company representative

Property Tax Manager

Title

March 29, 2011

Date

CONTACT INFORMATION FOR AUTHORIZED REPRESENTATIVE

550 South Tryon (DEC 41B), Charlotte NC 28202

Address

704-382-1119

Phone

Shawn.Pittman@duke-energy.com

E-mail

2007 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Hourly	Annual
Texas		
1. Panhandle Regional Planning Commission	$19.80	$41,184
2. South Plains Association of Governments	$17.49	$36,379
3. NORTEX Regional Planning Commission	$14.48	$30,118
4. North Central Texas Council of Governments	$16.97	$35,298
5. Ark-Tex Council of Governments	$21.72	$45,178
6. East Texas Council of Governments	$15.05	$31,304
7. West Central Texas Council of Governments	$15.40	$32,032
8. Rio Grande Council of Governments	$15.35	$31,928
* 9. Permian Basin Regional Planning Commission	$14.41	$29,973
10. Concho Valley Council of Governments	$16.36	$34,029 *
11. Heart of Texas Council of Governments	$13.49	$28,059
12. Capital Area Council of Governments	$15.65	$32,552
13. Brazos Valley Council of Governments	$23.66	$49,213
14. Deep East Texas Council of Governments	$14.86	$30,909
15. South East Texas Regional Planning Commission	$14.86	$30,909
16. Houston-Galveston Area Council	$22.73	$47,278
17. Golden Crescent Regional Planning Commission	$21.06	$43,805
18. Alamo Area Council of Governments	$17.91	$37,253
19. South Texas Development Council	$16.09	$33,467
20. Coastal Bend Council of Governments	$12.37	$25,730
21. Lower Rio Grande Valley Development Council	$21.78	$45,302
22. Texoma Council of Governments	$12.66	$26,333
23. Central Texas Council of Governments	$18.23	$37,918
24. Middle Rio Grande Development Council	$15.94	$33,155
	$12.91	$26,853

Source: Texas Occupational Employment and Wages
Data published: 9 June 2008
Data published annually, next update will be June 2009.

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.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

June 1, 2011

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

NOTREES WINDPOWER, LP
DBA
NOTREES WINDPOWER, LP

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due August 15, 2011.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 1st day of
June 2011 A.D.

Susan Combs
Texas Comptroller

Taxpayer number: 12089132950
File number: 0800574734

Form 05-304 (Rev. 12-07/17)