

APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY (Tax Code, Chapter 313, Subchapter B or C)

School district name Taft Independent School District	Date application filed with district <i>(To be filled in by school district)</i> July 16, 2009
Address 400 College Street, Taft, Texas 78390-2702	Phone <i>(area code and number)</i> (361) 528-2636

This form applies to property that meets the requirements of Tax Code Chapter 313. This completed application must be filed with the school district. If the governing body decides to consider this application, the school district must immediately forward three copies of the application to the Comptroller of Public Accounts and request that the Comptroller provide an economic impact evaluation of the application to the school district. 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 Texas Administrative Code Rule 9.1054, to provide information required by the application form that was unavailable prior to the filing date. The school district must forward the supplemental or amended information to the comptroller and the appraisal district. The school board shall approve or disapprove this application before the 121st day from the application filing date, unless an extension is granted.

Step 1: Applicant name and address	Only entities to which Tax Code Chapter 171 applies are eligible for appraised value limitations on qualified property.		
Applicant name:	EC&R Papalote Creek II, LLC		
Mailing address:	812 San Antonio St., Suite 201		
Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits):	City, State:	ZIP code + 4:	
32037132662	Austin, TX	78701-2224	
Name of person preparing this application:	Title:		
Stacy Martyak	Development Manager		
Phone <i>(area code and number)</i> :	(512) 482-4058		

Step 2: Describe the property	<p>(A) Attach the following items to this application:</p> <ol style="list-style-type: none"> 1. A specific description of all property for which you are requesting an appraised value limitation as defined by Tax Code §313.021(2). Include a description of the land, describe each proposed improvement, and each proposed item of personal property for which you are seeking a limitation. Include each existing appraisal district account number and the legal description of the land, attach a detailed map showing the actual or proposed location of the land and proposed improvements and showing the actual or proposed boundaries and size of the reinvestment zone or enterprise zone in which the property will be located. Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone (if applicable). 2. A fully 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. 3. 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. <p>(B) Answer the following questions:</p> <ol style="list-style-type: none"> 1. What is the first tax year of your proposed qualifying time period (as defined by Tax Code §313.021(4))?. <u>2010</u> 2. What is the amount of qualified investment, as defined by Tax Code §313.021(1), that will be made during the 2-year qualifying time period?. \$ <u>114,400,000.00</u> 3. What is the amount of appraised value limitation for which you are applying? . . . \$ <u>10,000,000.00</u> <p>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 school district's property value. For assistance in determining these minimums, access the comptroller's Web site at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.</p>
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Step 3:
Answer these questions about property and job qualifications

1. Do you propose to construct a new building or to erect or affix a new improvement after the date you submit this application? Yes No
2. 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 qualifying time period, and for the duration of the appraised value limitation? Yes No
3. Is the land on which you propose new construction or improvement currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3(a) If you answered "no" to the question above, are you seeking an agreement with a taxing unit that, prior to the first day of the qualifying time period, will result in a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvement? Yes No
 Date of anticipated agreement? _____
4. 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? Yes No
5. On the land and in connection with the new building or other improvement, do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts)? Yes No
6. Will at least 80 percent of all the new jobs created by the property owner be qualifying jobs as defined by Tax Code §313.021(3)? Yes No
 - 6(a) If you answered "yes" to the question above, attach documentation from the Texas Workforce Commission that the new jobs meet the requirements of Tax Code §313.021(3)(E).
7. Do you intend to request that the governing body waive the minimum jobs creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 7(a) If you answered "yes" to the question above, attach evidence documenting that the job creation requirement (5) above exceeds the number of employees necessary for the operation, according to industry standards.
8. 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
 - a) in or on the new building or other new improvement for which you are applying for an appraised value limitation, or
 - b) 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, and is the personal property on the same parcel of land as the building for which you are applying for an appraised value limitation? Yes No N/A
 ["First placed in service" means the first use of the property by the taxpayer.]
9. The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities as defined by Tax Code §313.024(b):
 - manufacturing; Yes No
 - research and development; Yes No
 - a clean coal project; Yes No
 - an advanced clean energy project; Yes No
 - renewable energy electric generation; Yes No
 - electric power generation using integrated gasification combined cycle technology; or Yes No
 - nuclear electric power generation Yes No
10. Are you an entity to which Tax Code, Chapter 171 applies? Yes No

<p>Step 4: Answer these questions about investment, property value and employment</p>	<ol style="list-style-type: none"> Will the investment in real or personal property you propose to 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property described above? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Will you own the property or lease the property under a capitalized lease? If leased, attach a copy of the lease agreement. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Are you including property that is owned by a person other than the applicant and that is pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>Step 5: Economic Impact</p>	<p>Please answer the following questions.</p> <ol style="list-style-type: none"> Applicant's 6-digit North American Industry Classification System (NAICS) code: <u>221119</u> Is Schedule A completed for all years and attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is Schedule B completed for all years and attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Is Schedule C completed for all years and attached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Total number of new jobs that will have been created when fully operational: <u>3</u> Total number of new jobs identified in (5) above that will have wages greater than 110 percent of the county average weekly wage for manufacturing jobs*: <u>3</u> Total number of new jobs identified in (5) above that will meet all the criteria for "qualifying jobs" as specified in Tax Code §313.021(3): <u>3</u> Describe each type of benefits to be offered to qualifying jobholders. Explain. <u>Employees will have full benefits including health insurance, competitive salaries and training.</u> <p><u>NOTE: Exhibit C-1 explains E.ON's request for a waiver of the minimum job requirement.</u> <u>Exhibit C-2 addresses the county average weekly wage for manufacturing jobs.</u></p> <ol style="list-style-type: none"> Will the jobs created offer at least 80 percent of the premiums or other charges assessed for employee-only coverage under the group health benefit plan for qualifying jobholders? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe the ability of your company to locate or relocate in another state or another region of the state. <u>E.ON Climate & Renewables is an international developer of wind projects and has operations in several regions and states within the U.S. We have the ability to locate projects of this type in the Southwest, Northwest and Northeast, as well as Canada and several European sites.</u> Describe the current economic condition of the region of the state where the property is located. <u>The project is expected to add more than \$110 million in investment to the local tax base and create jobs in the area. The project should improve economic conditions locally and within the region. The region is rural, with an emphasis on agriculture. Some oil and gas production exists.</u> <p>*Applicants to rural school districts that are not located in an SIA [see §313.051(a)(2)] must meet the regional wage standard described in 313.051(b).</p>

Step 6: Applicant sign and date application	By signing this application, you certify that this information is true and correct to the best of your knowledge and belief. Also by signing this application, you agree to respond promptly to all information requests made by the comptroller under Tax Code §313.032 and to send updated contact information to the comptroller throughout the agreement period.	
	print here →	Robert M. Blunt II <small>Name of authorized company officer</small>
	sign here →	[Signature] <small>Signature of authorized company officer</small>
	On behalf of	EC&R Papalote Creek II, LLC <small>Name of corporation/company</small>
	Vice Pres, Development <small>Title</small>	7-15-09 <small>Date</small>

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.

Step 7: School district official sign and date application	By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.	
	print here →	Chad Kelly <small>Name of authorized school district official</small>
	sign here →	[Signature] <small>Signature of authorized school district official</small>
	On behalf of	TAFI E.S.D <small>Name of school district</small>
	Superintendent <small>Title</small>	7-16-09 <small>Date</small>

SCHEDULE A-3676 (Temporary - July 2009): INVESTMENT & TAXES (in millions)

Taft I.S.D.

PROPERTY INVESTMENT AMOUNTS (\$)										TAX INFORMATION		
(Estimated investment in each year. Do not put cumulative totals.)										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
Year	Tax Year (fill in actual tax year below)	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)	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			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing application with district (neither qualified property nor eligible to become qualified investment)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
	Investment made after filing application with district, but before application approval (eligible to become qualified property)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Investment made after application approval and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2009	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
	2010	\$0.00	\$110.40	\$110.40	\$0.00	\$110.40	\$33.10	\$132.50	\$0.00			
Complete tax years of qualifying time period	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$7.01	\$0.00			
	2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$7.45	\$0.00			
	3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$6.78	\$0.00			
	4	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.13	\$6.38	\$0.00			
	5	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.13	\$6.49	\$0.00			
	6	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.14	\$6.99	\$0.00			
	7	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.15	\$7.13	\$0.00			
	8	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.16	\$7.66	\$0.00			
	9	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.17	\$8.05	\$0.00			
	10	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.16	\$7.66	\$0.00			
	11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.17	\$8.05	\$0.00			
	12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.16	\$7.66	\$0.00			
	13	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.17	\$8.05	\$0.00			
	14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.17	\$8.05	\$0.00			
	15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.18	\$9.12	\$0.00			

Qualifying Time Period usually begins with the 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.

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

Column B: 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.

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.

* For planning, construction and operation of the facility.

Note: Information related to taxes in Columns F through H, for the year preceding the first complete year of the qualifying time period, need not be broken out by the time periods used for the requested investment information in Columns A through E.

Note: 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.

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 5.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

SCHEDULE B-3676 (Temporary - July 2009): ESTIMATED MARKET AND TAXABLE VALUE (in millions)
Taft I.S.D.

All figures here are to be cumulative

	Year	Qualified Property			Reductions from market value (exemptions, etc)			Estimated Taxable Value	
		Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)	
	pre- Year 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complete tax years of qualifying time period	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	\$0.00	\$105.98	\$0.00	\$0.00	\$0.00	\$0.00	\$105.98	\$105.98
	3	\$0.00	\$101.74	\$0.00	\$0.00	\$0.00	\$0.00	\$101.74	\$10.00
	4	\$0.00	\$97.67	\$0.00	\$0.00	\$0.00	\$0.00	\$97.67	\$10.00
	5	\$0.00	\$93.76	\$0.00	\$0.00	\$0.00	\$0.00	\$93.76	\$10.00
Tax Credit Period (with 50% cap on credit)	6	\$0.00	\$90.01	\$0.00	\$0.00	\$0.00	\$0.00	\$90.01	\$10.00
	7	\$0.00	\$86.41	\$0.00	\$0.00	\$0.00	\$0.00	\$86.41	\$10.00
	8	\$0.00	\$82.96	\$0.00	\$0.00	\$0.00	\$0.00	\$82.96	\$10.00
	9	\$0.00	\$79.64	\$0.00	\$0.00	\$0.00	\$0.00	\$79.64	\$10.00
Credit Settle-Up Period	10	\$0.00	\$76.45	\$0.00	\$0.00	\$0.00	\$0.00	\$76.45	\$10.00
	11	\$0.00	\$73.39	\$0.00	\$0.00	\$0.00	\$0.00	\$73.39	\$10.00
	12	\$0.00	\$70.46	\$0.00	\$0.00	\$0.00	\$0.00	\$70.46	\$10.00
Post-Settle-Up Period	13	\$0.00	\$67.64	\$0.00	\$0.00	\$0.00	\$0.00	\$67.64	\$67.64
	14	\$0.00	\$64.93	\$0.00	\$0.00	\$0.00	\$0.00	\$64.93	\$64.93
	15	\$0.00	\$62.34	\$0.00	\$0.00	\$0.00	\$0.00	\$62.34	\$62.34

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SCHEDULE C-3676 (Temporary - July 2009): EMPLOYMENT INFORMATION

Taft I.S.D.

	Year	Tax Year (fill in actual tax year)	Existing Jobs		Construction		Permanent New Jobs		Qualifying Jobs	
			Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man- hours (specify <u>FTE</u>)	Column C: Average annual wage rates for construction workers	Column D: Total number of permanent full- time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column G: Avg. annual wage of qualifying jobs	
	pre- year 1	2009	0	0	N/A	0	N/A	0	N/A	
	1	2010	0	75	\$49,832	3	\$49,832	3	\$49,832	
	2	2011	0	0	0	3	\$49,832	3	\$49,832	
	3	2012	0	0	0	3	\$49,832	3	\$49,832	
	4	2013	0	0	0	3	\$49,832	3	\$49,832	
	5	2014	0	0	0	3	\$49,832	3	\$49,832	
	6	2015	0	0	0	3	\$49,832	3	\$49,832	
	7	2016	0	0	0	3	\$49,832	3	\$49,832	
	8	2017	0	0	0	3	\$49,832	3	\$49,832	
	9	2018	0	0	0	3	\$49,832	3	\$49,832	
	10	2019	0	0	0	3	\$49,832	3	\$49,832	
	11	2020	0	0	0	3	\$49,832	3	\$49,832	
	12	2021	0	0	0	3	\$49,832	3	\$49,832	
	13	2022	0	0	0	3	\$49,832	3	\$49,832	
	14	2023	0	0	0	3	\$49,832	3	\$49,832	
	15	2024	0	0	0	3	\$49,832	3	\$49,832	
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period									
	Value Limitation Period									
Credit Settle-Up Period	Continue to Maintain Viable Presence									
Post-Settle-Up Period	Post-Settle-Up Period									
	Post-Settle-Up Period									

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

Note: Section 313.024(d) Tax Code requires that, to be eligible for a limitation, 80 percent of all new jobs must be qualifying jobs.

Exhibit A-1
Legal Description of Land

1. A description of all property for which you are requesting an appraised value limitation (qualified property) as defined by Tax Code Section 313.021 (2). Include land, improvements and any personal property. Include any existing appraisal district account number and legal description of the land, a survey and a map showing the actual or proposed location of the land and proposed investment, and the actual or proposed boundaries of the reinvestment zone or enterprise zone. Include any existing resolution or ordinance establishing the zone.
 - All of the real property located in San Patricio County and contained in sections 3, 4, 5, 6, 7, 8, 16, 17, 18, 19, 20, 21, 29, 30, 31, 32, 33, 34, 38, 42, 43, 44, 45, 46, 47, 50, 51, 52, 53, 54, 55, 57, 58, 59, 60, 61, 62, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 78, 79, 80, 81, 82, 83, 84, 90 George H. Paul Subdivision, Coleman Fulton Pasture Company Survey, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in lots 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, of the Drummond Subdivision, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, of the Roos Subdivision, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in Abstract 137, J.A.F. Gravis Survey; Abstract 133, S.S. Gillette Survey; Abstract 400, M. Hunt Survey; Abstract 168, Edward Nelson Survey; Abstract 206, William Martin Survey; Abstract 205, W.W. Bell Survey; Abstract 53, S.M. Edwards Survey; Abstract 112, H. Shelton Survey; Abstract 248, T.N. Seguin Survey; Abstract 247, G.W. Fulton Survey, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in Abstract 127 and Abstract A125, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, of the Second Addition of the Taft Farm Lands Second Subdivision, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in sections 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 of the Third Addition of the Taft Farm Lands Third Subdivision, San Patricio County, Texas.
 - All of the real property located in San Patricio County and contained in sections 26, 27, 28, 29 of the Fourth Addition of the Taft Farm Lands Fourth Subdivision, San Patricio County, Texas.

- All of the real property located in San Patricio County and contained in sections 60, 61, 62, 63 of the Fifth Addition of the Taft Farm Lands Fifth Subdivision, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Block 3 of the First Addition of the Taft Farm Lands First Subdivision, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Blocks 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17 of the Taft Farm Blocks, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in sections I, J, K, L, M, N of the George H. Paul Subdivision of Coleman-Fulton Pasture Company's Lands, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Blocks A, D, E, F, H of the Gregory Farm Blocks, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Lots 1, 2, 3, 5, 6, 7, 8, 9, 10 in Block B of the of the Gregory Farm Blocks, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Lots 1, 2, in Block C of the Gregory Farm Blocks, San Patricio County, Texas.
- All of the real property located in San Patricio County and contained in Tracts 3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22 in the Rincon Subdivision of the George H. Paul Subdivision of Coleman-Fulton Pasture Company's Lands, San Patricio County, Texas.
- All the real property located in San Patricio County and contained in Blocks A, B1, B2, C, D, E, F, of the Resurvey of Partition of J.S.M. McKamey Estate, 3/39, P.R.S.P.C., San Patricio County, Texas
- All of the real property located in San Patricio County and contained in Abstract 209, John Orrick Survey; Abstract 259, Sam & G R.R. Survey; Abstract 135, John Gibbs Survey; Abstract 269, Geronimo Valdez Survey; Abstract 180, John Keating Survey; Abstract 394, John M. Swisher Survey; Abstract 231, George Sargent Survey; Abstract 113, Levi English Survey; Abstract 128, Maricelo Garcia; Abstract 158, C.C. Hornsby Survey; Abstract 192, P. Mahoney Survey; and Abstract 278, Robert M. Williamson Survey, San Patricio County, Texas.

Exhibit A-2

1. A description of all property for which you are requesting an appraised value limitation (qualified property) as defined by Tax Code Section 313.021 (2). Include land, improvements and any personal property. Include any existing appraisal district account number and legal description of the land, a survey and a map showing the actual or proposed location of the land and proposed investment, and the actual or proposed boundaries of the reinvestment zone or enterprise zone. Include any existing resolution or ordinance establishing the zone.

The applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described above, which is located in San Patricio County, Texas and in the Taft Independent School District. The property for which the applicant is requesting an appraised value limitation shall include, but is not limited to, the following: 110.4 MW wind power generation facility containing 48 2.3 MW turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The actual number of MW and turbines may vary depending on certain factors, such as equipment availability, engineering issues, FAA review, etc. The facility will require a relatively insubstantial amount of personal property. None of the above property is covered under an existing appraisal account number.

Exhibit A-3
Map of Reinvestment Zone

1. A description of all property for which you are requesting an appraised value limitation (qualified property) as defined by Tax Code Section 313.021 (2). Include land, improvements and any personal property. Include any existing appraisal district account number and legal description of the land, a survey and a map showing the actual or proposed location of the land and proposed investment, and the actual or proposed boundaries of the reinvestment zone or enterprise zone. Include any existing resolution or ordinance establishing the zone.

Exhibit A-4
Resolution Establishing the Zone

1. A description of all property for which you are requesting an appraised value limitation (qualified property) as defined by Tax Code Section 313.021 (2). Include land, improvements and any personal property. Include any existing appraisal district account number and legal description of the land, a survey and a map showing the actual or proposed location of the land and proposed investment, and the actual or proposed boundaries of the reinvestment zone or enterprise zone. Include any existing resolution or ordinance establishing the zone.

A RESOLUTION AND ORDER APPROVING THE AMENDMENT OF SAN PATRICIO COUNTY WIND ENERGY REINVESTMENT ZONE NO. 1

WHEREAS, San Patricio County, Texas designated and created a Reinvestment Zone (the "Zone") by Order of the Commissioners Court of San Patricio County (the "County"), Texas dated August 4, 2008;

WHEREAS, EC&R Papalote Creek II, LLC seeks approval to amend the Zone and designate the property located in the County, having the boundary description in Exhibit A and shown on the map in Exhibit B, as part of the Zone;

WHEREAS, the County has determined that the amendment will contribute to the retention or expansion of primary employment and will attract major investment in the Zone that will benefit the Zone and will contribute to the economic development of the County;

NOW THEREFORE,

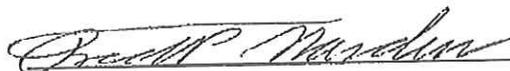
BE IT ORDERED BY THE COMMISSIONERS COURT OF SAN PATRICIO COUNTY, TEXAS:

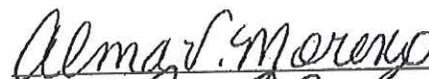
1. That the County amends San Patricio County Wind Energy Reinvestment Zone No. 1 to include the property having the boundary description in Exhibit A and shown on the map in Exhibit B.
2. That the County declare eligible for property tax abatement all eligible property for commercial-industrial development, now or thereafter located in the Zone as authorized by the San Patricio County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.

PASSED AND APPROVED by the San Patricio County Commissioners Court on the 22nd day of June, 2009.


Terry Simpson, County Judge
San Patricio County, Texas


Nina Trevino, Commissioner Precinct 1


Fred Nardini, Commissioner Precinct 2


Alma Moreno, Commissioner Precinct 3


James Price, Jr., Commissioner Precinct 4

ATTEST:

GRACIE ALANIZ GONZALES

Gracie Alaniz Gonzales, County Clerk

Date of Execution:

6/22/09



Gracie Alaniz Gonzales

Exhibit B

2. A description of the scope of the proposed project, including 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.

The proposed project will consist of a facility designed to use wind power to generate electricity (commonly referred to as a wind farm). The applicant expects to build the proposed project to be operational in first quarter 2012, with approximately 50% of the construction to be in the Taft Independent School District. The applicant will commence construction on or before December 1, 2010. The applicant intends to complete construction within one (1) year and expects to meet the minimum qualified investment threshold referenced in Step 2, Question 3 by the end of 2011 and in any event prior to the expiration of the qualifying period. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.

Exhibit C-1
Request for Waiver of Jobs Creation Requirement

Pursuant to Section 313.025 (f-1) of the Texas Tax Code, the governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding 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.

The table below illustrates the estimated investment, installed megawatts, and number of qualifying jobs to be created by the wind project. The project will potentially encompass two school districts. The operations and maintenance demands of the project will be sufficient to create a total of 6 full-time jobs for the entire project, inclusive of both districts. This number of jobs is consistent with the total jobs created by other recent E.ON projects in the previous year, and E.ON believes this number to be consistent with (and possibly higher than) the industry standard number of full-time jobs created by projects of this scale. According to econometric projections, and based on E.ON's experience with existing wind projects in proximity to the proposed project, E.ON's investments in the District will result in substantially increased local economic activity, which, in addition to creating new jobs, will have a positive effect on existing jobs.

The proposed project cannot sustain the 10-job minimum for each of the school districts in which it is located (*i.e.*, it cannot create 20 full-time jobs). Accordingly, E.ON hereby requests that Taft I.S.D. find that the District's jobs creation requirement exceeds the industry standard and waive its requirement that E.ON's project create a minimum number of jobs within the District, in accordance Chapter 313 of the Texas Tax Code.

218.5 MW Project	Taft ISD	Gregory-Portland ISD
Estimated Investment	\$110,400,000	\$108,100,000
Percentage per ISD	50%	50%
Installed Turbines	48	47
Installed MW	110.4	108.1
Total Qualifying Jobs	3 of 6*	3 of 6*

** E.ON anticipates a total of 6 full-time jobs will be created by the project. These jobs may not be specific to a school district, as the duties associated with the operations and maintenance of the project are likely to keep each employee active in both districts.*

Exhibit C-2
Average Weekly Wage Data

Taft ISD is a rural district pursuant to the State Comptroller School District Economic Development Categories. Therefore, each qualifying job must pay at least 110% of the average weekly wage for manufacturing jobs in the region designated for the regional planning commission, council or governments, or similar regional planning agency.

San Patricio County is associated with the Coast Bend Council of Governments. Based on the information below, the annual salary for manufacturing jobs in that region is \$45,302 (the average weekly wage is \$871). This figure is calculated using information published by the agencies listed below. 110% of the average weekly wage is \$958 (for an annual salary of \$49,832).

The Texas Data Center and Office of the State Demographer has provided the following county cross-reference information:

- San Patricio County is associated with the Coastal Bend Council of Governments;
- Council of Government Code: 20
- Economic Region Code: 08
- Economic Region: South Texas
- This regional data is available at:
http://www.txscd.utsa.edu/reference/georef/county_master.php

The 2007 regional wage information for the Coastal Bend Council of Governments is shown on the following list, available at:

<http://www.tracer2.com/admin/uploadedPublications/COGwages.pdf>

At the time this application was submitted, the 2008 data was not available.

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

**Temporary Addendum to Application for Appraised Value Limitation on
Qualified Property - July 2009**

The 81st Legislature passed HB 3676, which made changes to Texas Tax Code, Chapter 313¹, including more information required to be analyzed in the Comptroller's economic impact evaluation (§313.026(a)). In order to facilitate completion of the evaluation, please provide the following, including temporary supplemental schedules A, B & C to collect information needed for HB 3676. The information on this addendum and additional schedules is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period. (Note: Should the applicant anticipate the need to keep any of the requested information in the application, addendum or supplemental schedules confidential, please read the attachment entitled 'Confidential Information submitted to the Comptroller' at the end of this addendum.)

Applicant name: EC&R Papalote Creek II, LLC

Please describe the general nature of the applicant's investment:

The investment will consist of a wind power generation facility located in San Patricio County, Texas. The improvements will include wind turbines and towers and also any other property in the Reinvestment Zone that will be used to produce wind power and perform other functions related to the production, distribution, and transmission of electric power.

Taxing entities that have jurisdiction for the property:

County: San Patricio

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

Yes. 72.5% abatement requested for 8 years.

City: Not seeking any tax abatements or favorable tax treatment from the Cities of Taft or Gregory-Portland.

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

Hospital District: Not aware of any hospital district in this project area.

¹ All §references are to Texas Tax Code, Chapter 313 as amended by HB 3676, 81st Legislature, unless otherwise noted.

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

Other (describe):

Are you seeking property tax abatements or other favorable tax treatment from any of these entities? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

Are you seeking any other state or local economic development incentives? Examples could include road or public infrastructure improvements, job training grants, loan guarantees, special financing, etc.) No If yes, please describe, attaching documentation as necessary.

The locally collected sales tax rate is: 0.0175 (for total rate of 0.0800)
The locally collected sales tax rate varies for the project area. However, according to the comptroller's website, the locally collected sales tax rate for the city of Taft is 0.0175.

Will the land upon which the new building or new improvement be built be part of the qualified property described by §313.021(2)(A)? No If yes, please attach complete documentation: legal description, parcel ID, current taxable value, owner, etc.

Will the project be on leased land? Yes

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.

What is the anticipated date of application approval? December 31, 2009

What is the anticipated date of beginning of the qualifying time period? December 31, 2009

What is the approximate date the proposed facility or new improvement is expected to be fully operational? June 30, 2011

What is the minimum required annual wage for each qualified job in this school district?
[See new §§313.021(5)(A) or 313.021(5)(B) or 313.021(3)(E)(ii), or 313.051(b).]
Please specify method of computation and attach documentation from TWC web site. (Note that applicants to school districts subject to Subchapter C because of demographic characteristics must meet the regional wage standard described in §313.051(b).)

See Schedule C and Exhibit C to the Application.

What is the minimum annual wage you will be paying for each qualified job in this school district?

See Schedule C and Exhibit C to the Application.

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? (Use Schedule C-3676, Column F to indicate number of qualifying jobs in specific years.)

See Schedule C and Exhibit C to the Application.

By signing this addendum, you certify that this information is true and correct to the best of your knowledge and belief.

Robert M. Blunt IV
Name of authorized company officer

[Signature]
Signature of authorized company officer

On behalf of Pagalote Creek II, LLC
Name of corporation/company

Vice President

Title

7-15-09
Date

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.

School district official sign and date application.

By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.

Dr. Chad Keeey
Name of authorized school district officer

[Signature]
Signature of authorized school district official

Name of school district TAH ISD

Superintendent

Title

7-22-09
Date