

Attachment A

Application



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 August 3, 2011 |
| First Name Anneliese | Last Name McMinn | |
| Title Superintendent | | |
| School District Name Rio Hondo Independent School District | | |
| Street Address 215 W Colorado | | |
| Mailing Address 215 W Colorado | | |
| City Rio Hondo | State TX | ZIP 78583-0220 |
| Phone Number (956) 748-1000 | Fax Number (956) 748-1038 | |
| Mobile Number (optional) | E-mail Address anniem@riohondoisd.net | |

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

Will consultant be primary contact? Yes No

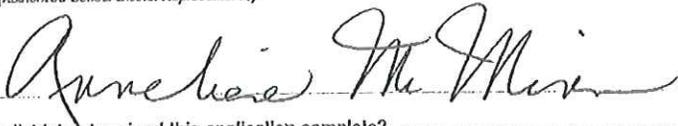


SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (continued)

Authorized School District Consultant (If Applicable)

First Name: **Dan** Last Name: **Casey**
 Title: **Partner**
 Firm Name: **Moak Casey and Associates**
 Street Address: **400 W. 15th Street, Suite 1410**
 Mailing Address: **400 W. 15th Street, Suite 1410**
 City: **Austin** State: **TX** ZIP: **78701**
 Phone Number: **512-485-7878** Fax Number: **(512) 485-7888**
 Mobile Number (Optional): E-mail Address: **dcasey@moakcasey.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: **9/20/11**

Has the district determined this application complete? Yes No

If yes, date determined complete, September 20, 2011

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 supplement |

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

| | | |
|---|---|---------------------|
| First Name Milton R. | Last Name Howard | |
| Title Vice President, Wind Development | | |
| Organization Duke Energy | | |
| Street Address 5555 San Felipe, Suite 1207 | | |
| Mailing Address 5555 San Felipe, Suite 1207 | | |
| City Houston | State TX | ZIP 77056 |
| Phone Number 713-375-0632 | Fax Number 513-419-5545 | |
| Mobile Number (optional) | Business e-mail Address milton.howard@duke-energy.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 Anna K. | Last Name Van Dyke | |
| Title | | |
| Organization Duke Energy | | |
| Street Address 5555 San Felipe, Suite 1207 | | |
| Mailing Address 5555 San Felipe, Suite 1207 | | |
| City Houston | State Texas | ZIP 77056 |
| Phone Number 713-375-0636 | Fax Number 513-419-5552 | |
| Mobile Number (optional) | E-mail Address anna.vandyke@duke-energy.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

Robert

Last Name

Pena, Jr.

Title

General Partner

Firm Name

Texas Energy Consultants

Street Address

2516 West Freddy Gonzalez Dr

Mailing Address

P O Box 1847

City

Edinburg

State

Texas

ZIP

78539

Phone Number

956-207-3644

Fax Number

877-341-4474

Business email Address

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))

Robert J. Pena, Jr.

Date

9-1-11

GIVEN under my hand and seal of office this 1st day of September, 2011



(Notary Seal)

Erin Pate
Notary Public, State of Texas

My commission expires 1/20/15

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)? Yes No

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)? Yes No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made:

DEGS Wind I, LLC

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

32-033832885

NAICS code

221119

Is the applicant a party to any other Chapter 313 agreements? Yes No

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

N/A

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? Yes No

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

Limited Liability Company

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)? Yes No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? Yes No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? NA Yes No

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, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
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. (Use attachments as necessary)

See Attachment: Project Description - Question 1

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

See Attachment: Project Description - Question 2

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 January 2012, Begin Hiring New Employees On or before February 2013, Construction Complete On or before June 1, 2013, Fully Operational On or before December 2013, Purchase Machinery & Equipment June 1, 2012

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)?

When do you anticipate the new buildings or improvements will be placed in service? January, 2013

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

| State Source | Amount |
|--------------|--------|
| N/A | |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| 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 is applying for Cameron County Tax Abatement under Chapter 312 Texas Tax Code

THE PROPERTY

Identify county or counties in which the proposed project will be located In Rio Hondo ISD (Project also in Lyford ISD-Willacy)

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

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: Cameron (100% of project in Rio Hondo ISD; 15% of overall project) City: _____
(Name and percent of project) (Name and percent of project)

Hospital District: _____ Water District: _____
(Name and percent of project) (Name and percent of project)

Other (describe): _____ Other (describe): _____
(Name and percent of project) (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.

85% of the project is in Lyford CISD, Willacy County. 15% of the project is in Rio Hondo ISD, Cameron County.

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 million

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

What is your total estimated *qualified* investment? \$27.6 M

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? December 2011

What is the anticipated date of the beginning of the qualifying time period? December 2011

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? \$27.6 million

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? 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? 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? Yes No
- (3) on the same parcel of land as the building for which you are applying for an appraised value limitation? 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? Yes No

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

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? 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 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? _____

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

Will the project be on leased land? 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) (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: [] First Quarter [x] Second Quarter [] Third Quarter [] Fourth Quarter of 2011 (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

Total number of new jobs that will have been created when fully operational 5

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? ... [x] Yes [] 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? 5

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 554.13
110% of the county average weekly wage for manufacturing jobs in the county is 812.08
110% of the county average weekly wage for manufacturing jobs in the region is 631.40

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? 32,832.80

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? 38,664

- 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.)

See Attachment: Wage & Employment Benefits for Qualifying Job Holders

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.



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Robert

Last Name

Pena, Jr.

Title

General Partner

Firm Name

Texas Energy Consultants

Street Address

2516 West Freddy Gonzalez Dr

Mailing Address

P O Box 1847

City

Edinburg

State

Texas

ZIP

78539

Phone Number

956-207-3644

Fax Number

877-341-4474

Business email Address

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))

Handwritten signature of Robert Pena, Jr.

Date

9-1-11

GIVEN under my hand and seal of office this 1st day of September, 2011



(Notary Seal)

Handwritten signature of Erin Pate, Notary Public, State of Texas

My commission expires 1/20/15

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.

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)*



05-165
(9-09/2)
Tcode 13298

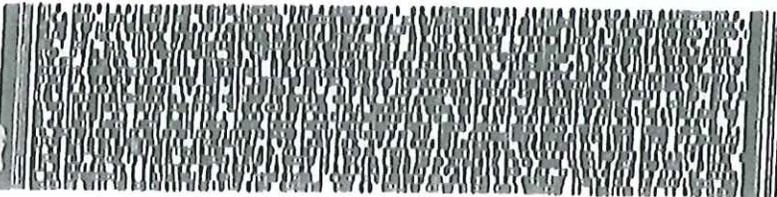
TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: 2 0 2 7 7 7 2 1 8
 Report year: 2 0 1 0
 Reporting entity taxpayer name: DUKE ENERGY CORPORATION

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | BLACK CIRCLE IF AFFILIATE DOES NOT HAVE EXUS IN TEXAS |
|------------------------------------|--|---|
| 64. DEGS OF DELTA TOWNSHIP, LLC | | <input checked="" type="radio"/> |
| 65. DEGS OF MONACA, LLC | | <input checked="" type="radio"/> |
| 66. DEGS OF NARROWS, LLC | | <input checked="" type="radio"/> |
| 67. DEGS OF PARLIN, LLC | | <input checked="" type="radio"/> |
| 69. DEGS OF PHILADELPHIA, LLC | 3 1 1 7 8 5 9 9 3 | <input checked="" type="radio"/> |
| 69. DEGS OF ROCK HILL, LLC | 3 5 2 2 0 3 6 3 1 | <input checked="" type="radio"/> |
| 70. DEGS OF SAN DIEGO, INC. | 3 5 2 2 2 6 0 3 2 | <input checked="" type="radio"/> |
| 71. DEGS OF SOUTH CHARLESTON, LLC | | <input checked="" type="radio"/> |
| 72. DEGS OF ST. BERNARD, LLC | 3 3 1 0 3 9 9 0 4 | <input checked="" type="radio"/> |
| 73. DEGS OF ST. PAUL, LLC | 1 3 4 0 3 1 0 0 5 | <input checked="" type="radio"/> |
| 74. DEGS OF TUSCOLA, INC. | 3 1 1 6 2 4 6 9 6 | <input checked="" type="radio"/> |
| 75. DEGS THREE BUTTES, LLC | 2 6 3 3 2 7 8 3 0 | <input checked="" type="radio"/> |
| 76. DEGS WIND I, LLC | 3 2 0 3 3 8 3 2 8 8 5 | <input type="radio"/> |
| 77. DEGS WIND SUPPLY II, LLC | 2 6 3 3 2 8 3 3 3 | <input checked="" type="radio"/> |
| 78. DEGS WIND SUPPLY, LLC | 3 2 0 3 4 3 7 8 9 5 3 | <input type="radio"/> |
| 79. DELTA TOWNSHIP UTILITIES, LLC | 3 1 1 7 8 7 2 8 5 | <input checked="" type="radio"/> |
| 80. DENA ASSET PARTNERS, LP | 3 2 0 3 5 9 3 0 9 8 4 | <input type="radio"/> |
| 81. DENA PARTNERS HOLDING, LLC | 7 6 0 7 0 0 1 3 7 | <input checked="" type="radio"/> |
| 82. DETMI MANAGEMENT, INC. | 1 8 4 1 2 7 4 5 4 2 6 | <input type="radio"/> |
| 83. DIXILYN-FIELD DRILLING COMPANY | 3 6 2 9 0 5 8 1 7 | <input checked="" type="radio"/> |
| 84. DUKE BROADBAND, LLC | | <input checked="" type="radio"/> |

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 FM



ATTACHMENTS

PROJECT DESCRIPTION

Pg 6

Question 1

The proposed project will consist of a facility designed to use wind power to generate electricity (otherwise known as a wind farm). The Applicant expects to build the proposed project to be operational in 1st quarter 2013 with 85% of the construction to be with in the jurisdictional boundaries of Lyford ISD and Willacy County and 15% of the project to be with in the jurisdictional boundaries of Rio Hondo ISD, Cameron County. The Applicant will commence construction on or before January 2012 and expects to complete construction within one year. The Applicant expects to meet the minimum qualified investment threshold referenced, by December 2013. All property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant.

Question 2

Duke Energy Generation (DEGS WIND I) is a U.S. developer of wind projects, and has operations in several regions and states within the contiguous United States that has sufficient prevailing wind conditions conducive to wind power generation. However, after the Los Vientos wind power project has completed construction the nature of the improvements makes them not readily movable to other locations. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be even more substantial.

Also, power sales agreements have terms of up to 25 years, and are specific to a certain project, wind characteristics, and electrical delivery point. Therefore, moving the improvements to a different location is not permissible under the contract that provides the project with its primary revenue source.

In summary, relocating the improvements to another location, whether in-state or out-of-state, would be both impractical and likely detrimental to the economics of the project.

ATTACHMENTS

PROJECT SCOPE, INFORMATION, and SIZE

Pg 7

The total proposed project the Applicant intends to construct and operate consists of, but NOT limited to, 200 wind turbines to be constructed in two (2) phases commencing after January 2012. Phase 1A, is situated in Cameron and Willacy Counties, within the Rio Hondo and Lyford ISD, and should be complete in December 2013. The construction with installation of turbines of Phase 1B will commence on or about June 2012 and complete construction on or about June 2013. Both phases are expected to be fully operational on or about December 2013.

To date, the Applicant has acquired leases on approximately 22,000 acres of land within the surrounding area of southern Willacy County and northern Cameron County with 85% of the project area incorporated within the Lyford ISD in Willacy County. The remaining 15% of project area will be constructed in the Rio Hondo ISD, Cameron County area.

When completed the Los Vientos wind project will add over \$46 million to the ad valorem tax rolls of Cameron County and Rio Hondo ISD. The Project will significantly enhance sales and use taxes for the state and local area, particularly during the construction period.

Attachment 5

Eighty-five percent (85%) of the project is located with the Lyford CISD. Fifteen percent (15%) is located within Rio Hondo ISD, in Cameron County.

ATTACHMENTS

INVESTMENT

Page 8

(1) A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting and appraised value limitation as defined by Tax Code §313.021.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Rio Hondo ISD, which is located in Cameron County, Texas. The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: approximately 40 wind turbines, ranging from 1.8 to 2.3 megawatts to generate approximately 100 megawatts of power; 40 reinforced concrete foundations supporting the weight of each turbine tower; 40 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; substation and approximately 1.5 miles of 138kV transmission line used to transport the electricity off the project site to an existing AEP substation.

Additionally, the map provided does not present the location of the improvements; however all of the improvements that make up the amount of qualified investment will be made within the Project Investment Area as shown on Map Exhibit. The applicant will provide a map with the location of the improvements in the near future.

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

(2) A description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment.

The Applicant intends to construct a building(s) to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment. At this time the applicant has not yet determined the location of the building improvements; however all building improvements will be located within the project area.

(3) A map of the qualified investment area.

Attached within the proposal is a Map Exhibit of the qualified investment area.



Attachment 8

The property for which the Applicant is requesting an appraised value limitation shall include the following: approximately 40 wind turbines, ranging from 1.8 to 2.3 megawatts to generate approximately 100 megawatts of power; 40 reinforced concrete foundations supporting the weight of each turbine tower; 40 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; substation and approximately 1.5 miles of 138kV transmission line used to transport the electricity off the project site to an existing AEP substation.

The Applicant intends to construct a building(s) to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment.

Attachment 9

See Attachment 7

Exhibit A

Legal Description of Reinvestment Zone
Containing Proposed Project

The real property in Cameron County, being:

The South 100 ac., and North 100 ac. of Tract 246, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas. Volume 14734, pg 314 (Prop ID 197769)

The South 100 ac., and North 100 ac. of Tract 247, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas, Volume 14734, pg 314. (Prop ID 197770)

The South 100 ac., and North 100 ac. of Tract 248, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas, Volume 14734, pg 314. (Prop ID 197771)

Being a tract of land containing 1,017.27 acres, more or less, out of Tract No. 251, Ojo de Agua Grant, Abstract No. 27, Cameron County, Texas.

Being Tract XIX, Parcel G containing 650 acres, more or less, out of Lot Six, Arroyo Palisades Estates (80 Ac); Lot 7, Arroyo Palisades Estates (70 Ac); East 19.26 Ac of Tract 251, Ojo de Agua; West 10 acres of Lot 12 and all of Lots 1,2,3,4,5,8,9,10 and 11 of Arroyo Palisades Estates, Cameron County, Texas.

That certain real property generally described as approximately 385.09 Acres of land out of Tract 253 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on February 11, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 454.96 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 250.79 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 232.91 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas.

Attachment 11

See Attachment 7

Attachment 12

N/A



Milton R. Howard
Vice President Business Development
WIND ENERGY

DUKE ENERGY CORPORATION
5555 San Felipe Street
Houston, Texas 77056

713 375 0532 office
513 419 5545 fax

August 1, 2011

Mrs. Anneliese McMinn, Superintendent
Rio Hondo Independent School District
215 West Colorado Street
Rio Hondo, TX 78583

Re: Ch-313 Application for Appraised Value Limitation – Job Waiver Request

Dear Mrs McMinn,

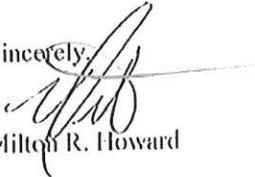
This letter is to advise you that Duke Energy Renewables is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement. House Bill 1470 altered the jobs requirement by adding Section 313.025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job 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.

DEGS Wind I, LLC, requests that Rio Hondo ISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately five (5) permanent jobs.

As background information on the creation of full-time jobs by wind energy projects, these type of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin.

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. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations. However, please note that the economic impact for a 200 MW project during construction for local business is about \$10 mm and \$5 mm per year thereafter.

Sincerely,


Milton R. Howard

Checklist Item 14

ATTACHMENT

CALCULATION OF WAGE REQUIREMENTS-CAMERON COUNTY

110% of County Average Weekly Wage for all Jobs

| | | |
|------|----|-----|
| 2011 | 1Q | 480 |
| 2010 | 2Q | 493 |
| 2010 | 3Q | 496 |
| 2010 | 4Q | 546 |

2015/4 = \$503.75 average weekly salary
X 1.1 (110%)
\$554.13 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for Manufacturing Jobs In County

| | | |
|------|----|-----|
| 2011 | 1Q | 716 |
| 2010 | 2Q | 698 |
| 2010 | 3Q | 709 |
| 2010 | 4Q | 830 |

2953/4 = \$738.25 average weekly salary
X 1.1 (110%)
\$812.08 110% of County Average Weekly Wage for Manufacturing Jobs

110 % of County Average Weekly Wage for Manufacturing Jobs in Region
(Lower Rio Grande Valley)

\$14.35 per hour
X 40 hr per week
\$ 574.00 average weekly salary

\$574 average weekly salary
X 1.10 (110%)
\$631.40

\$759.88
X 52 weeks
\$32,832.80 110% of County Average Weekly Wage for all Jobs in Region

2010 Manufacturing Wages by Council of Government Region
Wages for All Occupations

| COG | Wages | |
|---|---------|----------|
| | Hourly | Annual |
| Texas | | |
| 1. Panhandle Regional Planning Commission | \$18.60 | \$38,683 |
| 2. South Plains Association of Governments | \$16.21 | \$33,717 |
| 3. NORTEX Regional Planning Commission | \$18.34 | \$38,153 |
| 4. North Central Texas Council of Governments | \$23.45 | \$48,777 |
| 5. Ark-Tex Council of Governments | \$15.49 | \$32,224 |
| 6. East Texas Council of Governments | \$17.63 | \$36,672 |
| 7. West Central Texas Council of Governments | \$17.48 | \$36,352 |
| 8. Rio Grande Council of Governments | \$15.71 | \$32,683 |
| 9. Permian Basin Regional Planning Commission | \$19.90 | \$41,398 |
| 10. Concho Valley Council of Governments | \$15.33 | \$31,891 |
| 11. Heart of Texas Council of Governments | \$17.91 | \$37,257 |
| 12. Capital Area Council of Governments | \$25.37 | \$52,778 |
| 13. Brazos Valley Council of Governments | \$15.24 | \$31,705 |
| 14. Deep East Texas Council of Governments | \$15.71 | \$32,682 |
| 15. South East Texas Regional Planning Commission | \$27.56 | \$57,333 |
| 16. Houston-Galveston Area Council | \$24.52 | \$51,002 |
| 17. Golden Crescent Regional Planning Commission | \$20.07 | \$41,738 |
| 18. Alamo Area Council of Governments | \$17.28 | \$35,952 |
| 19. South Texas Development Council | \$13.27 | \$27,601 |
| 20. Coastal Bend Council of Governments | \$21.55 | \$44,822 |
| * 21. Lower Rio Grande Valley Development Council | \$14.35 | \$29,846 |
| 22. Texoma Council of Governments | \$18.10 | \$37,651 |
| 23. Central Texas Council of Governments | \$17.21 | \$35,788 |
| 24. Middle Rio Grande Development Council | \$13.21 | \$27,471 |

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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.

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 |
|------|---------|----------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2010 | 2nd Qtr | Cameron County | Private | 00 | 0 | 10 | Total, All Industries | \$493 |
| 2010 | 3rd Qtr | Cameron County | Private | 00 | 0 | 10 | Total, All Industries | \$496 |
| 2010 | 4th Qtr | Cameron County | Private | 00 | 0 | 10 | Total, All Industries | \$545 |
| 2011 | 1st Qtr | Cameron County | Private | 00 | 0 | 10 | Total, All Industries | \$479 |
| 2011 | 1st Qtr | Cameron County | Private | 31 | 2 | 31-33 | Manufacturing | \$716 |
| 2010 | 4th Qtr | Cameron County | Private | 31 | 2 | 31-33 | Manufacturing | \$830 |
| 2010 | 3rd Qtr | Cameron County | Private | 31 | 2 | 31-33 | Manufacturing | \$709 |
| 2010 | 2nd Qtr | Cameron County | Private | 31 | 2 | 31-33 | Manufacturing | \$698 |

ATTACHMENTS

WAGE & EMPLOYMENT BENEFITS FOR QUALIFYING JOBHOLDERS

Page 10

Qualified employees of the Project Operator and its Subcontractors employed at the wind farm will be offered full package benefits including medical, dental and life insurance of which a portion of the premiums will be paid for by the LLC. In addition, each employee will receive are wide competitive vacation time, sick leave, and skills training.

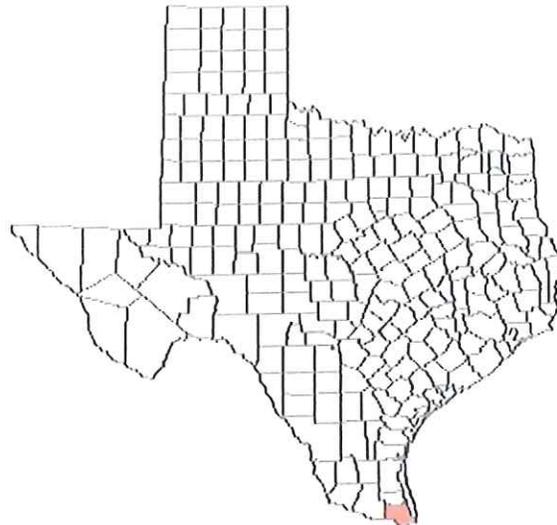
| Search | Statistics | Overview | Industries | Areas | Occupations | This looks different! | | | |
|---|------------|----------|------------|------------|-------------|-----------------------|-----------|-------------|--|
| 1 - 1 of 1 First Previous Next Last | | | Occ. code | Est. empl. | Mean wage | Entry wage | Exp. wage | Median wage | |
| Cameron County | | | 11-9151 | 220 | \$33,556 | \$19,393 | \$40,638 | \$29,588 | |
| Social and Community Service Managers | | | | | \$16.13 | \$9.32 | \$19.54 | \$14.23 | |
| All industries | | | | | | | | | |

Compensation Summary

Social and Community Service Managers working in Cameron County can expect to earn a median cash salary of \$29,588 or \$14.23 per hour. The median wage is the 50th percentile wage estimate-- 50 percent of workers earn less than the median and 50 percent of workers earn more.

Half of the people in this job earn between \$21,049 (\$10.12 per hour) and \$37,166 (\$17.87 per hour) (i.e., between the 25th and 75th percentiles). An entry level worker can expect to earn \$19,393 (\$9.32 per hour) while an experienced worker can expect to earn \$40,638 (\$19.54 per hour).

Annual wages have been calculated by multiplying the hourly wage by a "year-round, full-time" hours figure of 2080 hours. For those occupations where there is not an hourly wage published, the annual wage has been directly calculated from the reported survey data.



These estimates are based on 38 mail surveys of establishments in the area taken through June, 2010 and have a relative standard error of 10.50%. The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

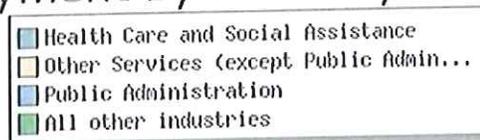
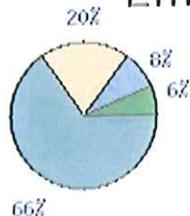
Geographic Comparison

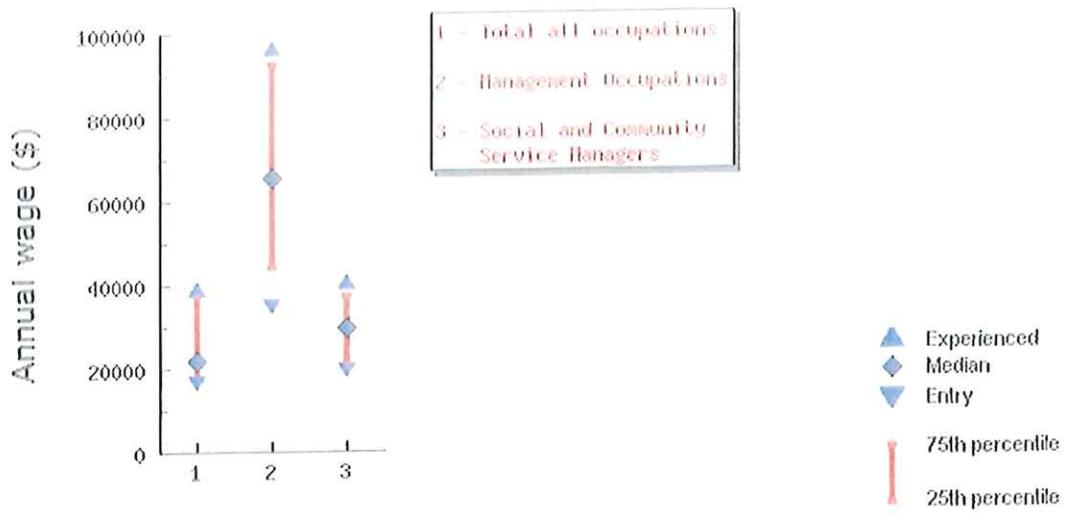
The median salary for people working in this occupation and industry is \$22,627 less than the statewide average of \$52,215 (\$25.10 per hour).

Job Duties and Responsibilities

Plan, organize, or coordinate the activities of a social service program or community outreach organization. Oversee the program or organization's budget and policies regarding participant involvement, program requirements, and benefits. Work may involve directing social workers, counselors, or probation officers.

Employment by Industry





Schedule A (Rev. May 2010): Investment

Form 50-256

DEGS WIND I, LLC
Rio Hondo ISD

Applicant Name
ISD Name

PROPERTY INVESTMENT AMOUNTS

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

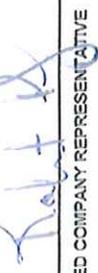
| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: 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) | 1 | 2012 - 2013 | \$27,678,000 | \$ | \$ | \$ | \$ 27,678,000 |
| | 2 | 2013 - 2014 | | | | | |
| | 3 | 2014 - 2015 | | | | | |
| | 4 | 2015 - 2016 | | | | | |
| | 5 | 2016 - 2017 | | | | | |
| | 6 | 2017 - 2018 | | | | | |
| | 7 | 2018 - 2019 | | | | | |
| | 8 | 2019 - 2020 | | | | | |
| | 9 | 2020 - 2021 | | | | | |
| | 10 | 2021 - 2022 | | | | | |
| | 11 | 2022 - 2023 | | | | | |
| | 12 | 2023 - 2024 | | | | | |
| | 13 | 2024 - 2025 | | | | | |
| | 14 | 2025 - 2026 | | | | | |
| | 15 | 2026 - 2027 | | | | | |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | | | | | | |
| | Continue to Maintain Viable Presence | | | | | | |
| Credit Set-Up Period | Post-Set-Up Period | | | | | | |
| | Post-Set-Up Period | | | | | | |

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 §913.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

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 §913.021(1)(E).

Column D: 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 terms 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 distributions 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


DATE
9-1-11

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Applicant Name: DEGS WIND I, LLC
 ISD Name: Rio Hondo ISD

Form 50-296

| Applicant Name ISD Name | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Reductions from Market | 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 | | | | | | | | |
| Tax Credit Period (with 50% cap on credit) | Complete tax years of qualifying time period | 2012 - 2013 | 2012 | N/A | \$ - | \$ 0 | N/A | \$ 0 | \$ 0 |
| | | 2013 - 2014 | 2013 | N/A | \$ - | \$ 27,678,000 | N/A | \$ 27,678,000 | \$ 27,678,000 |
| | | 2014 - 2015 | 2014 | N/A | \$ - | \$ 26,294,100 | N/A | \$ 26,294,100 | \$ 10,000,000 |
| | Value Limitation Period | 2015 - 2016 | 2015 | N/A | \$ - | \$ 24,979,395 | N/A | \$ 24,979,395 | \$ 10,000,000 |
| | | 2016 - 2017 | 2016 | N/A | \$ - | \$ 23,730,425 | N/A | \$ 23,730,425 | \$ 10,000,000 |
| | | 2017 - 2018 | 2017 | N/A | \$ - | \$ 22,543,904 | N/A | \$ 22,543,904 | \$ 10,000,000 |
| | Credit Settle-Up Period | 2018 - 2019 | 2018 | N/A | \$ - | \$ 21,416,709 | N/A | \$ 21,416,709 | \$ 10,000,000 |
| | | 2019 - 2020 | 2019 | N/A | \$ - | \$ 20,345,873 | N/A | \$ 20,345,873 | \$ 10,000,000 |
| | | 2020 - 2021 | 2020 | N/A | \$ - | \$ 19,328,580 | N/A | \$ 19,328,580 | \$ 10,000,000 |
| | Post-Settle-Up Period | 2021 - 2022 | 2021 | N/A | \$ - | \$ 18,362,151 | N/A | \$ 18,362,151 | \$ 10,000,000 |
| | | 2022 - 2023 | 2022 | N/A | \$ - | \$ 17,444,043 | N/A | \$ 17,444,043 | \$ 17,444,043 |
| | | 2023 - 2024 | 2023 | N/A | \$ - | \$ 16,571,841 | N/A | \$ 16,571,841 | \$ 16,571,841 |
| | Post-Settle-Up Period | 2024 - 2025 | 2024 | N/A | \$ - | \$ 15,743,249 | N/A | \$ 15,743,249 | \$ 15,743,249 |
| | | 2025 - 2026 | 2025 | N/A | \$ - | \$ 14,956,087 | N/A | \$ 14,956,087 | \$ 14,956,087 |
| | Post-Settle-Up Period | 2026 - 2027 | 2026 | N/A | \$ - | \$ 14,208,282 | N/A | \$ 14,208,282 | \$ 14,208,282 |

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.

[Handwritten Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5-1-11

DATE

Schedule C- Application: Employment Information

Applicant Name
DEGS WIND II, LLC
ISD Name
Rio Hondo ISD

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 | | | | | | | | | |
| Complete tax years of qualifying time period | 1 | 2012 - 2013 | 2012 | 200 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 2 | 2013 - 2014 | 2013 | 200 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 3 | 2014 - 2015 | 2014 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 4 | 2015 - 2016 | 2015 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 5 | 2016 - 2017 | 2016 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 6 | 2017 - 2018 | 2017 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 7 | 2018 - 2019 | 2018 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 8 | 2019 - 2020 | 2019 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 9 | 2020 - 2021 | 2020 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 10 | 2021 - 2022 | 2021 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 11 | 2022 - 2023 | 2022 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 12 | 2023 - 2024 | 2023 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 13 | 2024 - 2025 | 2024 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 14 | 2025 - 2026 | 2025 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| | 15 | 2026 - 2027 | 2026 | 0 | \$31,768 | 5 | \$38,664 | 5 | \$38,664 | |
| Tax Credit Period (with 50% cap on credit) | | | | | | | | | | |
| 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 OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

9-1-11

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name: **DEGS WIND I, LLC** ISD Name: **Rio Hondo ISD** Form 50-296

| | | Sales Tax Information | | Franchise Tax | | Other Property Tax Abatements Sought | | | |
|--|-------------------------|----------------------------|---|---|---|---|---|---|--|
| | | 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 | |
| | | | | | | | | | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | | | | | | | | | |
| Complete tax years of qualifying time period | 1 | 2012 - 2013 | \$8,000,000 | \$12,000,000 | \$44,587 | 85 | 0 | 85 | |
| | 2 | 2013 - 2014 | \$9,000,000 | \$4,500,000 | \$44,587 | 85 | 0 | 85 | |
| Value Limitation Period | 3 | 2014 - 2015 | \$925,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 4 | 2015 - 2016 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 5 | 2016 - 2017 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 6 | 2017 - 2018 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 7 | 2018 - 2019 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| Credit Settle-Up Period (with 50% cap on credit) | 8 | 2019 - 2020 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 9 | 2020 - 2021 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| | 10 | 2021 - 2022 | \$325,000 | \$130,000 | \$44,587 | 85 | 0 | 85 | |
| Credit Settle-Up Period | 11 | 2022 - 2023 | \$325,000 | \$130,000 | \$44,587 | 0 | 0 | 0 | |
| | 12 | 2023 - 2024 | \$325,000 | \$130,000 | \$44,587 | 0 | 0 | 0 | |
| | 13 | 2024 - 2025 | \$325,000 | \$130,000 | \$44,587 | 0 | 0 | 0 | |
| Post-Settle-Up Period | 14 | 2025 - 2026 | \$325,000 | \$130,000 | \$44,587 | 0 | 0 | 0 | |
| | 15 | 2026 - 2027 | \$325,000 | \$130,000 | \$44,587 | 0 | 0 | 0 | |

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 9-1-11

**A Resolution and Order Approving Designation of
Los Vientos Reinvestment Zone No. 1**

The Board of Directors of Rio Hondo ISD, Cameron County, Texas, meeting in regular session on September _____, 2011, considered the following resolution:

WHEREAS, Rio Hondo ISD, Cameron County Texas considered the creation of the Los Vientos Reinvestment Zone No. 1 (the "Zone");

WHEREAS, the Board has determined that the designation of the Zone 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;

BE IT ORDERED BY THE BOARD OF DIRECTORS OF RIO HONDO ISD, CAMERON COUNTY, TEXAS AS FOLLOWS:

1. That the Board designates the property located in Cameron County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this Order, as the Los Vientos Reinvestment Zone No. 1 ("the Zone"), having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the Zone and will contribute to the economic development of the County, and
2. That the zone shall be called "Los Vientos Reinvestment Zone No. 1"

PASSED AND APPROVED at this public hearing of the Board of Directors meeting, at which a quorum was present, on the _____ day of September, 2011.

Noemi Garza
President

Date: _____

ATTESTED: _____
Susan G. Lopez, Board Secretary

Date: _____

Exhibit A

Legal Description of Reinvestment Zone
Containing Proposed Project

The real property in Cameron County, being:

The South 100 ac., and North 100 ac. of Tract 246, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas. Volume 14734, pg 314 (Prop ID 197769)

The South 100 ac., and North 100 ac. of Tract 247, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas, Volume 14734, pg 314. (Prop ID 197770)

The South 100 ac., and North 100 ac. of Tract 248, ABST 27, OJO DE AGUA GRANT, Cameron County, Texas, Volume 14734, pg 314. (Prop ID 197771)

Being a tract of land containing 1,017.27 acres, more or less, out of Tract No. 251, Ojo de Agua Grant, Abstract No. 27, Cameron County, Texas.

Being Tract XIX, Parcel G containing 650 acres, more or less, out of Lot Six, Arroyo Palisades Estates (80 Ac); Lot 7, Arroyo Palisades Estates (70 Ac); East 19.26 Ac of Tract 251, Ojo de Agua; West 10 acres of Lot 12 and all of Lots 1,2,3,4,5,8,9,10 and 11 of Arroyo Palisades Estates, Cameron County, Texas.

That certain real property generally described as approximately 385.09 Acres of land out of Tract 253 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on February 11, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 454.96 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 250.79 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas

That certain real property generally described as approximately 232.91 Acres of land out of Tract 245 of the Judicial Partition of the "OJO DE AGUA GRANT", situated in Cameron County, Texas, as shown by judgment dated May 27, 1935, of record in Volume 31, Pages 100-199 of the Civil Minutes of the 103rd District Court of Cameron County, Texas and a certified copy thereof filed for record on 1, 1936, in Volume 254, Pages 251-354 of the Cameron County Deed Records, Cameron County, Texas.

Exhibit B

Map of Reinvestment Zone

