DUKE ENERGY®

Tax Department

Duke Energy
DEC41A | 550 South Tryon Street
Charlotte, NC 28202

Mailing Address:
PO Box 1321
Charlotte, NC 28201

April 10, 2015

Rio Hondo Independent School District
Mr. Ismael Garcia, Superintendent
215 West Colorado
Rio Hondo, TX 79583

Dear Ms. McMinn,

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

All written correspondence should be directed to:

Los Vientos Windpower IA, LLC
Attn: Shawn Pittman (DEC-41B)
550 South Tryon St.
Charlotte, NC 28202

Thanks,

Shawn Pittman
Property Tax Manager

CC: Mali Hanley, Moak, Casey & Associates

Chapter 313 Annual Eligibility Report Form

Economic Development and Analysis
Form 50-772-A

SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2014

   NOTE: This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.

2. Application number: 202

   NOTE: You can find your application number and all agreement documents and reports on the website www.texasahead.org/tax_programs/chapter313/applicants

3. Name of school district: Rio Hondo Independent School District

4. Name of project on original application *(or short description of facility)*: Wind Farm

5. Name of applicant on original application: DEGS Wind 1, LLC

6. Name the company entering into original agreement with distrct: DEGS Wind I, LLC

7. Amount of limitation at time of application approval: $10,000,000

8. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. *(Use attachments if necessary.)*

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Los Vientos Windpower IA, LLC

2. Complete mailing address of current agreement holder Duke Energy, 550 South Tryon St. (DEC41B), Charlotte, NC 28202

3. Company contact person for agreement holder:

Shawn Pittman	Manager, Property Tax
Name	Title
704-382-1119	shawn.pittman@duke-energy.com
Phone	Email

4. Texas franchise tax ID number of current agreement holder: 32043517013

5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

Name	Tax ID

6. If the authorized company representative *(same as signatory for this form)* is different from the contact person listed above, complete the following:

Name	Title
Complete Mailing Address	
Phone	Email

7. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. *(Use attachments if necessary.)*

The original applicant DEGS Wind I, LLC transferred 100% of the agreement to Los Vientos Windpower IA, LLC. DEGS Wind I, LLC is the developer of wind farm projects.

Chapter 313 Annual Eligibility Report Form

SECTION 3: Applicant Eligibility Information

1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? *(Attach printout from Comptroller Web site: http://www.window.state.tx.us/taxinfo/coasintr.html)* ☑ Yes ☐ No
2. Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No
3. Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

   3a. Please identify business activity: _____

SECTION 4: Qualified Property Information

1. Market value for reporting year: $ 50,020,650.00
2. I&S taxable value for reporting year: $ 50,020,650.00
3. M&O taxable value for reporting year: $ 10,000,000.00

SECTION 5A: Wage and Employment Information for Applications Prior to Jan. 1, 2014 (#1 Through 999)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

NOTE: All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

1. How many new jobs were based on the qualified property in the year covered by this report? *(See note above)* 5
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 5
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? ☑ Yes ☐ No

   3a. If yes, how many new jobs must the approved applicant create under the waiver? 5
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 4
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? $ 36,200.00
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:
   ☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii) or ☑ §313.051(b)

   6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? ☑ Yes ☐ No

   7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report? 5

   7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? $ 66,620.00

   7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report? 5
8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 5

   8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? 2

   8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 3

   8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ☑ Yes ☐ No ☐ N/A

SECTION 5B: Wage and Employment Information for Applications After Jan. 1, 2014 (#1000 and Above)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

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

QUALIFYING JOBS

1. What is the number of new qualifying jobs the applicant committed to create in the year covered by this report? . . . . . _____

2. Did the applicant request that the governing body waive the minimum qualifying job requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☐ Yes ☐ No

   2a. If yes, how many new qualifying jobs must the approved applicant create under the waiver? . . . . . _____

3. Which Tax Code section are you using to determine the wage standard required for this project? . . . . ☐ §313.021(5)(A) or ☐ §313.021(5)(B)

   3a. Attach calculations and cite exact Texas Workforce Commission data sources as defined in TAC §9.1051.

4. What is the minimum required annual wage for each qualifying job in the year covered by this report? . . . . . $ _____

5. What is the annual wage the applicant committed to pay for each of the qualifying jobs in the year covered by this report? . . . . . $ _____

6. Do the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? . . . . . ☐ Yes ☐ No

NON-QUALIFYING JOBS

7. What is the number of non-qualifying jobs the applicant had on Dec. 31 of the year covered by this report? . . . . . _____

8. What was the average wage you were paying for non-qualifying jobs on Dec. 31 of the year covered by this report? . . $ _____

9. What is the county average weekly wage for non-qualifying jobs, as defined in TAC §9.1051? . . . . . $ _____

MISCELLANEOUS

10. Did the applicant rely on a determination by the Texas Workforce Commission under the provisions §313.024(3)(F) in meeting the minimum qualifying job requirements? . . . . . ☐ Yes ☐ No

    10a. If yes, attach supporting documentation to evidence that the requirements of §313.021(3)(F) were met.

11. Are you part of a Single Unified Project (SUP) and relying on the provisions in Tax Code §313.024(d-2) to meet the qualifying job requirements? . . . . . ☐ Yes ☐ No

    11a. If yes, attach supporting documentation from the Texas Economic Development and Tourism Office including a list of the other school district(s) and the qualifying jobs located in each.

SECTION 6: Qualified Investment During Qualified Time Period

ENTITIES ARE NOT REQUIRED TO COMPLETE THIS SECTION IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT.

1. What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? . . . . . $ _____

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

3. Was any of the qualified investment leased under a capitalized lease? . . . . . ☐ Yes ☐ No

4. Was any of the qualified investment leased under an operating lease? . . . . . ☐ Yes ☐ No

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

SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? . . . .

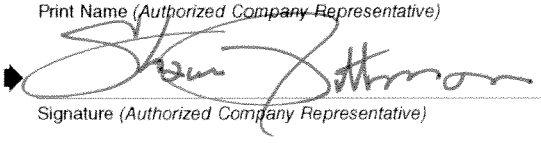
2. Please describe your interest in the agreement and identify all the documents creating that interest.

SECTION 8: Approval

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

print here Shawn Pittman
Print Name *(Authorized Company Representative)*

Manager, Property Tax
Title

sign here 
Signature *(Authorized Company Representative)*

4-10-15
Date

print here
Print Name of Preparer *(Person Who Completed the Form)*

Phone

Franchise Tax Account Status

As of: 06/11/2015 08:08:25 PM

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

LOS VIENTOS WINDPOWER IA, LLC	
Texas Taxpayer Number	32043517013
Mailing Address	550 S TRYON ST # DEC41A CHARLOTTE, NC 28202-4200
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/31/2011
Texas SOS File Number	0801377793
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

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	Wages 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)

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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