



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
First Name Albert	Last Name Pena	
Title Superintendent		
School District Name San Perlita Independent School District		
Street Address 22987 Trojan Drive		
Mailing Address		
City San Perlita	State TX	ZIP 78590
Phone Number 956-248-5563	Fax Number 956-248-5561	
Mobile Number (optional)	E-mail Address apena@spisd.org	

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: George E. Last Name: Grimes Jr.

Title:

Firm Name: Walsh, Anderson, Brown, Gallegos and Green, P.C.

Street Address: One International Centre, 100 N.E. Loop 410, Suite 900

Mailing Address:

City: San Antonio State: TX ZIP: 78216

Phone Number: 210-979-6633 Fax Number: 210-979-7024

Mobile Number (Optional): E-mail Address: ggrimes@sa.wabsa.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:

Has the district determined this application complete? Yes No

If yes, date determined complete.

Have you completed the school finance documents required by TAC 9.1054(c)(3)? Yes No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed. Rows include: 1 Date application received by the ISD, 2 Certification page signed and dated by authorized school district representative, 3 Date application deemed complete by ISD, 4 Certification pages signed and dated by applicant or authorized business representative of applicant, 5 Completed company checklist, 6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION**Authorized Business Representative (Applicant)**

First Name Patrick	Last Name Woodson	
Title Senior Vice President		
Organization Magic Valley Wind Farm I, LLC		
Street Address 812 San Antonio Street, Ste. 201		
Mailing Address		
City Austin	State TX	ZIP 78701
Phone Number 512-482-4034	Fax Number 512-494-9581	
Mobile Number (optional)	Business e-mail Address patrick.woodson@eon.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 Matthew	Last Name McCluskey	
Title Development Manager		
Organization Magic Valley Wind Farm I, LLC		
Street Address 812 San Antonio Street, Ste. 201		
Mailing Address		
City	State TX	ZIP 78701
Phone Number 512-482-4036	Fax Number 512-494-9581	
Mobile Number (optional) 361-563-1416	E-mail Address	

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

Will consultant be primary contact? Yes No



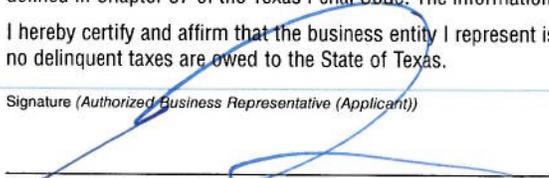
APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name		Last Name	
Title			
Firm Name			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
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.

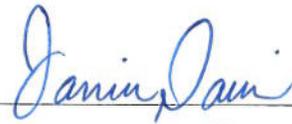
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))	Date
 Senior Vice President, Patrick Woodson	8/30/2011

GIVEN under my hand and seal of office this 30th day of August, 2011



(Notary Seal)


Notary Public, State of Texas

My commission expires 5-28-12

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

Magic Valley Wind Farm I, LLC

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

32042845647

NAICS code

221,119

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.

Please see attached on Checklist Item 3

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.)

Delaware Limited Liability Corporation

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? Yes No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

- (1) manufacturing Yes No
(2) research and development Yes No
(3) a clean coal project, as defined by Section 5.001, Water Code Yes No
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
(5) renewable energy electric generation Yes No
(6) electric power generation using integrated gasification combined cycle technology Yes No
(7) nuclear electric power generation Yes No
(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) Yes No

Are you requesting that any of the land be classified as qualified investment? Yes No

Will any of the proposed qualified investment be leased under a capitalized lease? Yes No

Will any of the proposed qualified investment be leased under an operating lease? Yes No

Are you including property that is owned by a person other than the applicant? Yes No

Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

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)

Please see Checklist Item 4 for a complete project description

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

Please see Checklist Item 4 for a complete project description

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- Checked: New Jobs, Construct New Facility, Purchase Machinery & Equipment
Unchecked: Relocation from Out-of-State, Expansion, Relocation within Texas, New Business / Start-up, Expand Existing Facility, Consolidation

PROJECTED TIMELINE

Begin Construction Fourth Quarter 2011
Begin Hiring New Employees First Quarter 2012
Construction Complete Second Quarter 2012
Fully Operational Third Quarter 2012
Purchase Machinery & Equipment Third-Fourth Quarter 2011

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)? Yes No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Second Quarter 2012

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? \$10,000,000

What is the amount of appraised value limitation for which you are applying? \$10,000,000

What is your total estimated *qualified* investment? \$38,115,000

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 15, 2011

What is the anticipated date of the beginning of the qualifying time period? December 15, 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? \$38,115,000

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. (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)? Zero

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? Zero

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.

Total number of new jobs that will have been created when fully operational One (1)

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? ... [] Yes [X] 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? One (1)

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).

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.

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)*

Checklist Item 3

**TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST**



05-165
(9-09/2)

Tcode 13298

Reporting entity taxpayer number

1 7 4 3 2 4 5 0 5 4 6

Report year

2 0 1 1

Reporting entity taxpayer name

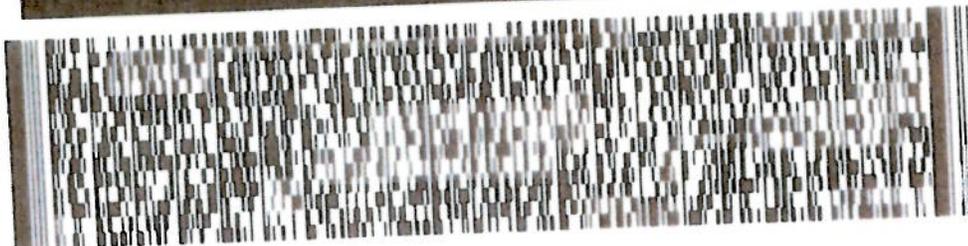
E.ON North America Holdings, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)											BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
	3	2	0	4	2	2	0	6	6	1	8	
1. EC&R SERVICES, LLC	3	2	0	4	2	2	0	6	6	1	8	<input type="radio"/>
2. EC&R ASSET MANAGEMENT, LLC	3	2	0	3	3	6	2	0	9	0	0	<input type="radio"/>
3. EC&R O&M, LLC	3	2	0	3	0	3	5	4	8	4	2	<input type="radio"/>
4. EC&R ENERGY MARKETING, LLC	3	2	0	4	1	7	0	8	3	4	1	<input type="radio"/>
5. EC&R QSE, LLC	3	2	0	3	3	7	5	9	0	2	1	<input type="radio"/>
6. EC&R DEVELOPMENT, LLC	3	2	0	3	9	4	5	1	5	3	2	<input type="radio"/>
7. EC&R SHERMAN, LLC	3	2	0	3	7	1	3	2	8	1	1	<input type="radio"/>
8. EC&R PAPALOTE CREEK I, LLC	3	2	0	3	7	1	3	2	7	2	0	<input type="radio"/>
9. EC&R PAPALOTE CREEK II, LLC	3	2	0	3	7	1	3	2	6	6	2	<input type="radio"/>
10. FOREST CREEK INVESTCO INC.	1	7	1	0	9	9	2	4	7	2	4	<input checked="" type="radio"/>
11. MUNNSVILLE INVESTCO, LLC	3	0	0	5	4	3	4	7	1			<input checked="" type="radio"/>
12. MUNNSVILLE WF HOLDCO, LLC	2	6	1	9	5	2	0	7	7			<input checked="" type="radio"/>
13. MUNNSVILLE WIND FARM, LLC	2	6	1	9	5	2	0	7	7			<input checked="" type="radio"/>
14. EC&R PANTHER CREEK WF I&II HOLDCO, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="radio"/>
15. EC&R PANTHER CREEK WIND FARM I&II, LLC	3	2	0	3	3	8	2	6	2	4	2	<input type="radio"/>
16. PYRON WF HOLDCO, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="radio"/>
17. PYRON WIND FARM, LLC	3	2	0	3	3	8	2	6	0	9	3	<input type="radio"/>
18. INADALE WF HOLDCO, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="radio"/>
19. INADALE WIND FARM, LLC	3	2	0	3	3	8	2	6	0	6	9	<input type="radio"/>
20. EC&R INVESTCO MGMT, LLC	2	7	1	7	6	8	9	4	3			<input checked="" type="radio"/>
21. STONY CREEK WF HOLDCO, LLC	2	0	0	0	7	5	1	6	8			<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





05-165
(9 09/2)
Tcode 13298

TEXAS FRANCHISE TAX EXTENSION AFFILIATE LIST

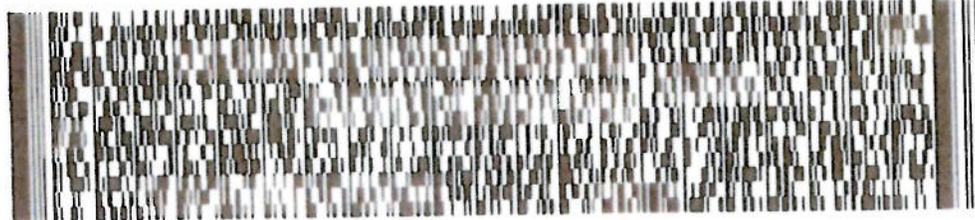
■ Reporting entity taxpayer number: **1 7 4 3 2 4 5 0 5 4 6**
 ■ Report year: **2 0 1 1**
 Reporting entity taxpayer name: **E.ON North America Holdings, LLC**

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)										BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS	
	1	2	3	4	5	6	7	8	9	0		
1. STONY CREEK WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
2. EC&R PANTHER CREEK WF III HOLDCO, LLC	3	2	0	3	7	4	3	1	6	4	3	<input checked="" type="checkbox"/>
3. EC&R PANTHER CREEK WIND FARM III, LLC	3	2	0	3	7	4	3	1	6	6	8	<input type="checkbox"/>
4. VENADO WIND FARM, LLC	3	2	0	3	8	4	0	5	9	0	1	<input type="checkbox"/>
5. SETTLERS TRAIL WIND FARM, LLC	2	7	2	3	0	1	2	4	5			<input checked="" type="checkbox"/>
6. PIONEER TRAIL WIND FARM, LLC	8	0	0	6	4	2	2	8	0			<input checked="" type="checkbox"/>
7. FLATLANDS WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
8. EC&R INVESTCO MGMT II, LLC	9	0	0	5	4	4	2	4	8			<input checked="" type="checkbox"/>
9. CORDOVA WIND FARM, LLC	2	0	0	0	7	5	1	6	8			<input checked="" type="checkbox"/>
10. MAGIC VALLEY WIND FARM I, LLC	3	2	0	4	2	8	4	5	6	4	7	<input type="checkbox"/>
11. EC&R NA SOLAR PV, LLC	3	2	0	4	3	7	1	6	9	8	7	<input checked="" type="checkbox"/>
12. EC&R FINCO 2008, LLC	3	2	0	3	3	2	4	3	7	5	2	<input checked="" type="checkbox"/>
13. NV POWER, L.P.	3	2	0	3	5	4	5	0	8	9	2	<input type="checkbox"/>
14. AIRTRICITY RENEWABLE GENERATION CENTE	3	2	0	3	5	3	8	4	4	9	7	<input type="checkbox"/>
15. RENEWABLE GENERATION HOLDINGS INC.	1	7	1	0	8	8	1	5	2	8	7	<input type="checkbox"/>
16. E.ON CLIMATE & RENEWABLES NORTH AMERIC	1	2	0	0	0	7	5	1	6	8	0	<input type="checkbox"/>
17.												<input type="checkbox"/>
18.												<input type="checkbox"/>
19.												<input type="checkbox"/>
20.												<input type="checkbox"/>
21.												<input type="checkbox"/>

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



Checklist Item 3

E.ON Climate & Renewables N.A., Inc.
Existing Chapter 313 Agreements

Taxing Entity	Agreement Date
Brackett ISD	12/21/2009
Forsan ISD	10/27/2008
Glasscock ISD	10/13/2008
Gregory-Portland ISD	12/15/2009
Hermleigh ISD	11/11/2008
Highland ISD	8/6/2007
Howard College	12/17/2007
Lorraine ISD	9/10/2007
Lyford CISD	12/14/2009
Odem-Edroy ISD	12/19/2008
Raymondville ISD	12/14/2009
Roscoe ISD	9/10/2007
San Perlita ISD	12/15/2009
Sinton ISD	12/15/2008
Sterling City ISD	4/5/2006
Taft ISD	12/15/2009
West Texas College	12/22/2007

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.

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 second quarter 2012, with approximately 18.75% of the construction to be in San Perlita Independent School District. E.ON Climate & Renewables North America, Inc. (EC&R) is planning for twenty 1.815 megawatt wind turbine generators within SPISD boundaries under its affiliated entity and applicant: "Magic Valley Wind Farm I, LLC". The applicant "Magic Valley Wind Farm I, LLC," will commence construction on or before December 1, 2011. The applicant intends to complete construction within one (1) year and expects to meet the minimum qualified investment threshold by the expiration of the qualified period. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant.

EC&R is developing the Magic Valley Wind Farm which is a 203.28 MW wind generation facility located in entirely within Willacy County, Texas. The project will be spread across three (3) different school districts: Lyford Consolidated Independent Scholl District (LCISD) with approximately 45.54% of the qualified investment and property, Raymondville Independent School District (RISD) with approximately 35.71% of the qualified investment and property, and San Perlita Independent School District (SPISD) with approximately 18.75% of the qualified investment and property. The Magic Valley Wind Farm includes approximately 112 1.815 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; with an estimated value of \$203,280.00.

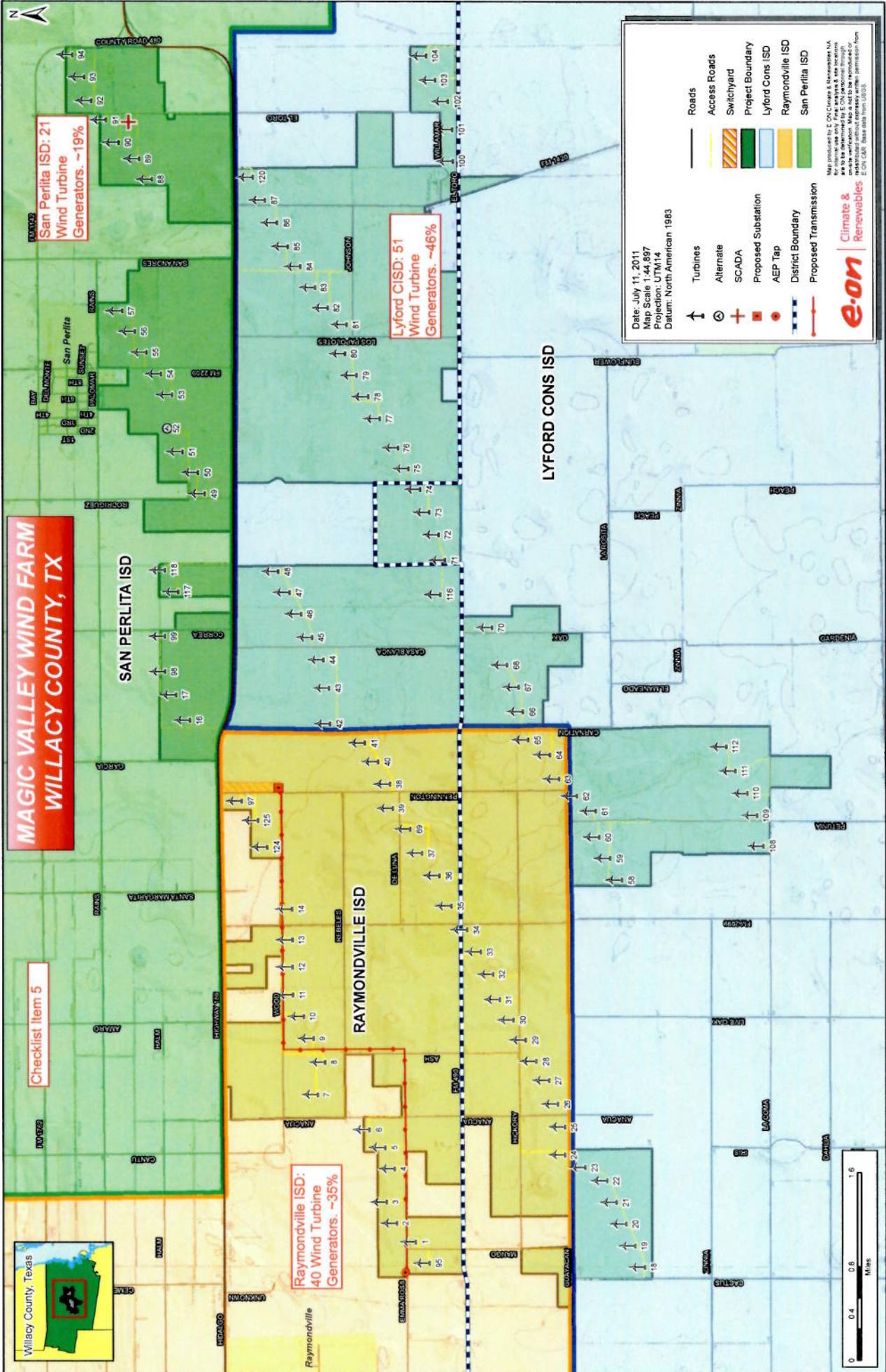
The facility will require a relatively insubstantial amount of personal property, which will be placed within the "Magic Valley Reinvestment Zone No. 1" (the "Reinvestment Zone") which was created by the Willacy County Commissioners' Court on July 13, 2009 and corrected by an Order Nunc Pro Tunc issued on August 10, 2009, further amended and expanded on a July 8, 2010 special meeting of the Willacy County Commissioners' Court in which an order approving the expansion and amendment to the Magic Valley Reinvestment Zone No. 1 which was stated in our application. The entire project boundaries are wholly contained within the reinvestment zone boundaries. Current land use for the private property within the Reinvestment Zone consists of farming, ranching, and oil and gas production.

Ability to Relocate:

E.ON Climate & Renewables (EC&R) is an international company that develops, constructs, and operates wind energy projects. EC&R has a proven history of success across the United States evidenced by the development, construction and operation of over 2,000 MWs of wind farms. We have the ability to locate projects of this type across several regions within the United States, Canada, and Europe which gives EC&R the opportunity to maximize its return on capital investments. Securing this Chapter 313 agreement with San Perlita Independent School District will help further the project's economic viability and competitive other investment options within the aforementioned regions.

MAGIC VALLEY WIND FARM WILLACY COUNTY, TX

Checklist Item 5



San Perлита ISD: 21
Wind Turbine
Generators. ~19%

Lyford CISD: 51
Wind Turbine
Generators. ~46%

Raymondville ISD:
40 Wind Turbine
Generators. ~35%

Date: July 11, 2011
Map Scale 1:44,897
Projection: UTM 14
Datum: North American 1983

Turbines	↑
Alternate	⊙
SCADA	+
Proposed Substation	■
AEP Tap	●
District Boundary	- - -
Proposed Transmission	—
Roads	—
Access Roads	—
Switchyard	▨
Project Boundary	▭
Lyford Cons ISD	▭
Raymondville ISD	▭
San Perлита ISD	▭

Map produced by E.ON Climate & Renewables NA
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e-on Climate & Renewables

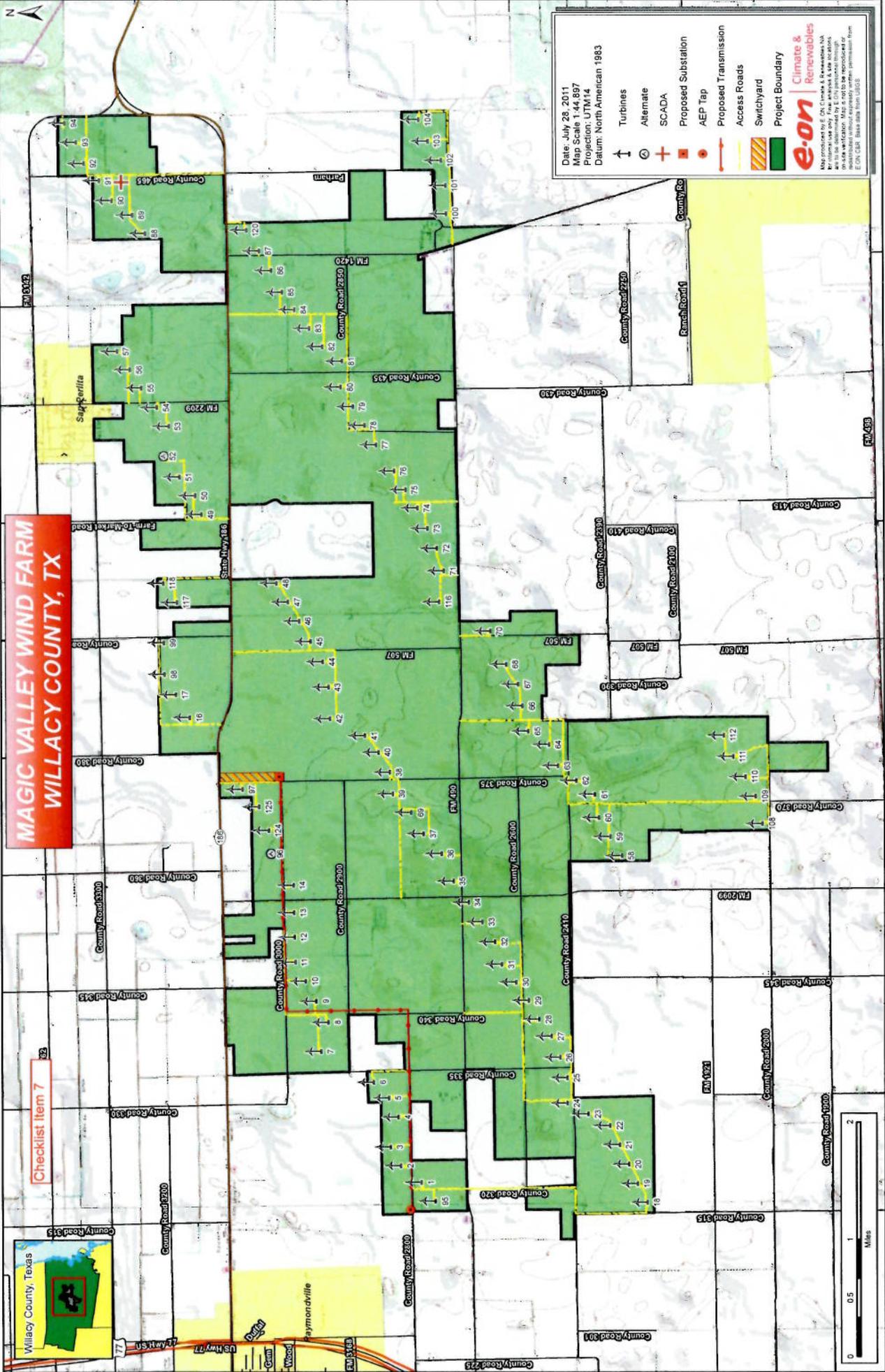


Checklist Item 6

DESCRIPTION OF QUALIFIED INVESTMENT

1. One Hundred and twelve (112) Vestas V100 1.815 MW wind turbine generator system with grounding, comprising a three-bladed, horizontal-axis wind turbine, employing active yaw control, active blade pitch control and a variable speed generator, more precisely described as follows:
 - a. Rotor with a diameter of 100 m, designed to operate in upwind configuration, comprised of three blades mounted to a cast iron hub, designed to operate between 0 and 16 rpm
 - b. Three blades manufactured from carbon fiber, wood, fiberglass, epoxy.
 - c. Blade pitch control system
 - d. Hub manufactured from cast iron connecting the blades to the turbine main shaft and housing the blade pitch systems
 - e. Gearbox with vibration-damping mountings and a parking brake
 - f. Bearings
 - g. Gearbox lubrication system
 - h. Brake system,
 - i. Variable speed asynchronous generator
 - j. Flexible coupling to protect drive train from excessive torque loads
 - k. Yaw system
 - l. 112 Towers, 80 m ground to hub.
 - m. Nacelle, with sound-insulating foam to reduce acoustic emissions
 - n. Anemometer, wind vane and lightning protection system.
 - o. Control system consisting of on-site (at base of tower) and remote (SCADA) control with local lockout capability
2. Roadwork, sloped for drainage, with turnouts from public roads
3. Fencing to control livestock and to protect substations and other equipment as needed for safety and security.

4. 112 wind turbine generator foundations, with anchor bolt embeds and template rings
5. Wind turbine obstruction lighting per FAA requirements
6. Telephone system
7. Substations, including a 138/34.5 kV utility interconnect substation, including a control building, two 140 MVA transformers with load tap changers, 138 kV circuit breakers, 34.5 kV circuit breakers and reactive power compensation equipment.
8. Overhead transmission line, 138 kV between the substation and the utility interconnection
9. Underground power cables from, and various cable accessories, with grounding.
10. O&M building with offices and warehouse, with standard utilities
11. Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
12. Underground communication cables



Checklist Item 8

DESCRIPTION OF QUALIFIED PROPERTY

1. One Hundred and twelve (112) Vestas V100 1.815 MW wind turbine generator system with grounding, comprising a three-bladed, horizontal-axis wind turbine, employing active yaw control, active blade pitch control and a variable speed generator, more precisely described as follows:
 - a. Rotor with a diameter of 100 m, designed to operate in upwind configuration, comprised of three blades mounted to a cast iron hub, designed to operate between 0 and 16 rpm
 - b. Three blades manufactured from carbon fiber, wood, fiberglass, epoxy.
 - c. Blade pitch control system
 - d. Hub manufactured from cast iron connecting the blades to the turbine main shaft and housing the blade pitch systems
 - e. Gearbox with vibration-damping mountings and a parking brake
 - f. Bearings
 - g. Gearbox lubrication system
 - h. Brake system,
 - i. Variable speed asynchronous generator
 - j. Flexible coupling to protect drive train from excessive torque loads
 - k. Yaw system
 - l. 112 Towers, 80 m ground to hub.
 - m. Nacelle, with sound-insulating foam to reduce acoustic emissions
 - n. Anemometer, wind vane and lightning protection system.
 - o. Control system consisting of on-site (at base of tower) and remote (SCADA) control with local lockout capability
2. Roadwork, sloped for drainage, with turnouts from public roads
3. Fencing to control livestock and to protect substations and other equipment as needed for safety and security.

4. 112 wind turbine generator foundations, with anchor bolt embeds and template rings
5. Wind turbine obstruction lighting per FAA requirements
6. Telephone system
7. Substations, including a 138/34.5 kV utility interconnect substation, including a control building, two 140 MVA transformers with load tap changers, 138 kV circuit breakers, 34.5 kV circuit breakers and reactive power compensation equipment.
8. Overhead transmission line, 138 kV between the substation and the utility interconnection
9. Underground power cables from, and various cable accessories, with grounding.
10. O&M building with offices and warehouse, with standard utilities
11. Permanent meteorological towers, quantity and location of which to be determined by final turbine layout.
12. Underground communication cables

EXHIBIT A**Legal Description of Property in Reinvestment Zone**

Magic Valley Reinvestment Zone No. 1 to include the following real property in Willacy County, Texas, except any such real property currently located within the incorporated city limits of the City of Raymondville, Texas, as seen in the attached Exhibit:

- All of the Lots in the Withers Tract Subdivision out of Share #60, San Juan De Carricitos Grant;
- Lots 1, 2, 7, 8, 9, 10, and 16 of Block 47 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Blocks 48 through 63 and 68 through 83 (inclusive) of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 5, 6, 7, 8, 13, and 14 of Block 64 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 66 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 67 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Harding & Gill Subdivision out of Share #16, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Subdivision out of Share #61, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Farm Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. F. Hubmer Subdivision;
- All of the Lots in Share #64, San Juan De Carricitos Grant;
- All of the Lots in Share #36, San Juan De Carricitos Grant;
- All of the Lots in the El Sombrero Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. H. Beise Subdivision;
- All of the Lots in Blocks 1, 2, 3, and 4 of the Raymond Subdivision;
- All of the Lots in the Engelman Subdivision Number One;
- All of the Lots in the Engelman Subdivision Number Two;
- All of the Lots in the Nile Orchard Subdivision;
- All of the Lots of the Wetzel Subdivision;
- All of the Lots in Block 5 of the Raymond Hallam Subdivision;
- All of the Lots in Blocks 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of the Santa Rosa Subdivision;
- All of the Lots in the Maneado Ranch Subdivision;
- All of the Lots in the Sorenson's Number 1 Subdivision;
- All of the Lots in the C.E. Craig Subdivision;
- All of the Lots in the Sorenson's Number 2 Subdivision;
- All of the Lots in Share #45, San Juan De Carricitos Grant;
- Lots 1, 2, 3, 4, 5, 6, and 7 of the Garcia Property Subdivision out of Share #34, San Juan De Carricitos Grant;
- All of the Lots in Share #14, San Juan De Carricitos Grant, North of Farm to Market Road 498; and
- All of the Lots in the Quantanilla Subdivision.

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Amendment No. 1 to Tax Abatement Agreement 4

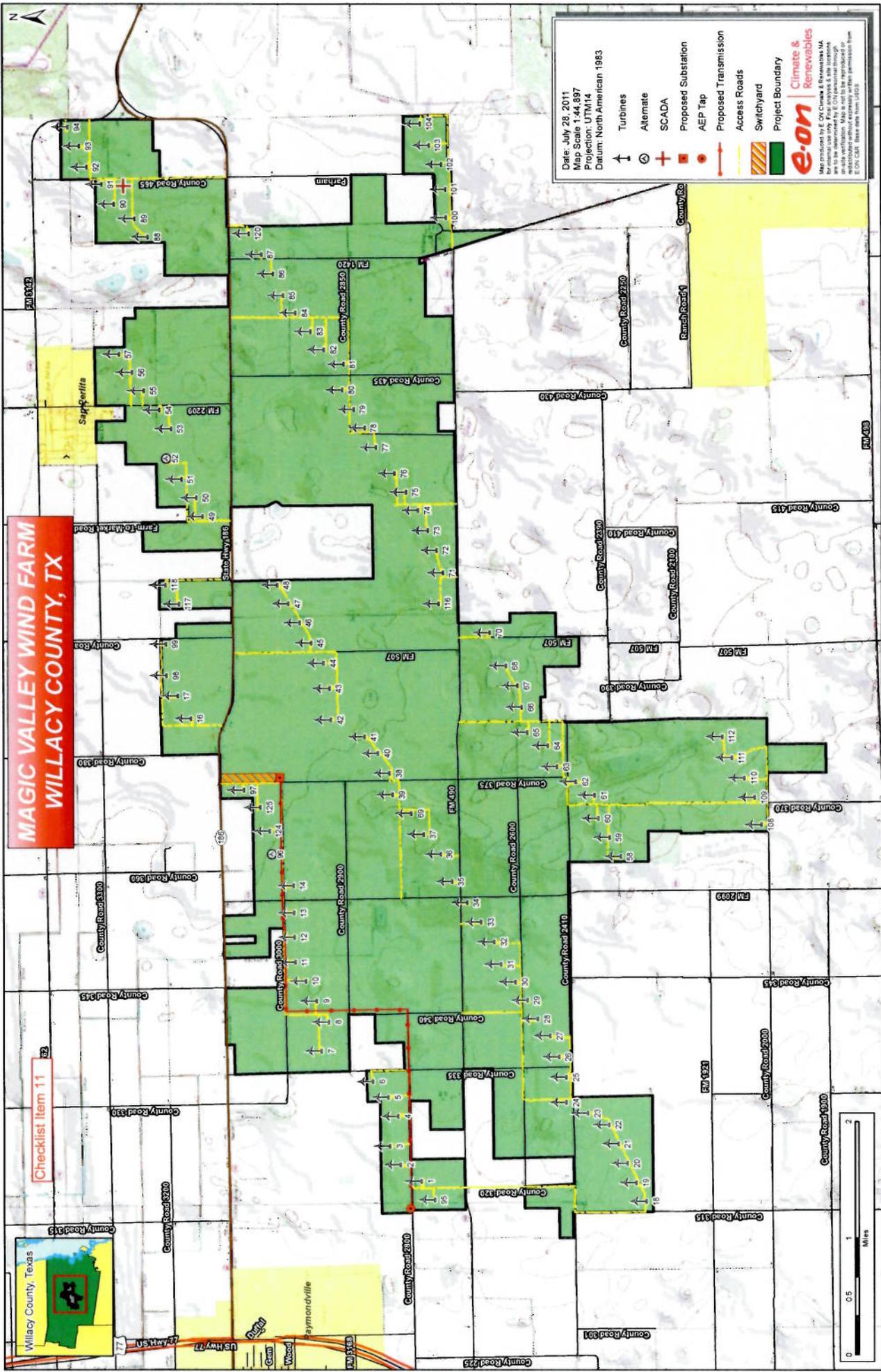


True and correct
copy of original
filed in the Willacy
County Clerks Office

Terry Flores, County Clerk

By

AUG 19 2010



**MAGIC VALLEY WIND FARM
WILLACY COUNTY, TX**

Checklist Item 11



Date: July 28, 2011
 Map Scale: 1:44,897
 Projection: UTM14
 Datum: North American 1983

- Turbines
- Alternator
- SCADA
- Proposed Substation
- AEP Tap
- Proposed Transmission
- Access Roads
- Switchyard
- Project Boundary

e-on Climate & Renewables

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Checklist Item 12

There are no existing improvements

Checklist Item 13

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 this application.

The table below illustrates the estimated investment, installed in megawatts, and number of qualifying jobs to be created by the wind project. The project will encompass three (3) school districts. The operations and maintenance demands of the project will be sufficient to create a total of six-eight (6-8) full-time jobs. This number of jobs is consistent with the total number of jobs created by other recent E.ON Climate & Renewables North America, Inc. (EC&R) projects in the previous year, and EC&R believes this number to be consistent with (and possibly higher than) the industry standard number of full-time jobs which is 1 job per 20 wind turbine generators. According to econometric projections, and based on EC&R’s experience with existing operational wind projects in proximity to the proposed project, EC&R’s investments in the San Perlita Independent School District (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 wind project cannot sustain the minimum requirement of 10 jobs per each school district in which the project is to be located (*i.e.*, it cannot create 30 full-time jobs). Accordingly, EC&R and the subsidiary applicant Magic Valley Wind Farm I, LLC does hereby request that District find that the jobs creation requirement exceeds industry standard and waive its requirement for EC&R’s Magic Valley Wind Farm I, LLC to create a minimum of 10 jobs within the District, in accordance with Chapter 313 of the Texas Tax Code.

203.28 MW Project	San Perlita ISD	Lyford CISD	Raymondville ISD
Estimated Investment	\$38,115,000	\$92,574,000	\$72,591,000
Percentage per ISD	18.75%	45.54%	35.71%
Installed Turbines	21 of 112	51 of 112	40 of 112
Installed MW	38.115 MW	92.565 MW	72.6 MW
Total Qualifying Jobs	1 of 6*	3 of 6*	2 of 6*

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

ATTACHMENT

CALCULATION OF WAGE REQUIREMENTS-WILLACY COUNTY

110% of County Average Weekly Wage for all Jobs

2010	1Q	575
2010	2Q	603
2010	3Q	598
2010	4Q	643

2419/4 = \$604.75 average weekly salary
X 1.1 (110%)
\$665.23 110% of County Average Weekly Wage for all Jobs

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

2010	1Q	737
2010	2Q	501
2010	3Q	586
2010	4Q	658

2482/4 = \$620.50 average weekly salary
X 1.1 (110%)
\$682.55 110% 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

Checklist Item 14

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	1st Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$575
2010	2nd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$603
2010	3rd Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$598
2010	4th Qtr	Willacy County	Private	00	0	10	Total, All Industries	\$643
2010	4th Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$658
2010	3rd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$586
2010	2nd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$501
2010	1st Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$737

Checklist Item 14

**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.

Checklist Item 15

Description of Benefits

The following list is a description of the benefits provided to all full-time employees with E.ON Climate & Renewables, N.A. Inc.:

- Medical Insurance
- Prescription Insurance
- Dental Insurance
- Vision Insurance
- Life & Personal Accident Insurance
- Short- and Long-Term Disability Benefits
- Free instructor led and online training
- Tuition reimbursement
- Employee Assistance Program
- Adoption Assistance
- Health Care Flexible Spending Account Plan
- Dependent Care Flexible Spending Account Plan
- Commuter Benefits Program
- Purchasing Advantages through Insperity's MarketPlace
- 401(k) Plan
- Making Friends international exchange program for children of employees
- 15 to 25 days of paid vacation per year
- 12 paid holidays per year
- Paid family and medical leave
- Paid military leave

Checklist Item 16

Economic Impact Report

E.ON will not be including a Economic Impact Report, thus Checklist Item 16 is N/A.

Checklist Item 17

Applicant Name: Magic Valley Wind Farm I, LLC.
 ISD Name: San Perita Independent School District

PROPERTY INVESTMENT AMOUNTS

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

The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	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)
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2012	\$38,115,000.00	\$0.00	\$38,115,000.00	\$0.00	\$38,115,000.00
		2	2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		3	2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		4	2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		5	2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		6	2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		7	2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		8	2019	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		9	2020	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		10	2021	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		11	2022	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		12	2023	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		13	2024	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		14	2025	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		15	2026	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Credit Settle-Up Period	Post- Settle-Up Period							
	Post- Settle-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 §313.021(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 §313.021(1)(E).

Column C: 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 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.

Column D: 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 current and future years, if original estimates have not changed, enter those amounts for future years.

Column E: 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.

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 current and future years, if original estimates have not changed, enter those amounts for future years.

Signature line with handwritten date 8/30/11 and a signature.

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

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

Form 50-296

Checklist Item 18

Applicant Name
 Magic Valley Wind Farm I, LLC.
 San Perilita Independent School District

Applicant Name ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
				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"		Final taxable value for I&S after all reductions	Final taxable value for M&O--after all reductions
	pre- year 1	2011-2012	2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1	2012-2013	2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	2	2013-2014	2013	\$0.00	\$0.00	\$38,115,000.00	\$0.00	\$38,115,000.00	\$38,115,000.00
	3	2014-2015	2014	\$0.00	\$0.00	\$36,209,250.00	\$0.00	\$36,209,250.00	\$10,000,000.00
	4	2015-2016	2015	\$0.00	\$0.00	\$34,398,787.50	\$0.00	\$34,398,787.50	\$10,000,000.00
	5	2016-2017	2016	\$0.00	\$0.00	\$32,678,848.13	\$0.00	\$32,678,848.13	\$10,000,000.00
	6	2017-2018	2017	\$0.00	\$0.00	\$31,044,905.72	\$0.00	\$31,044,905.72	\$10,000,000.00
	7	2018-2019	2018	\$0.00	\$0.00	\$29,492,660.43	\$0.00	\$29,492,660.43	\$10,000,000.00
	8	2019-2020	2019	\$0.00	\$0.00	\$28,018,027.41	\$0.00	\$28,018,027.41	\$10,000,000.00
	9	2020-2021	2020	\$0.00	\$0.00	\$26,617,126.04	\$0.00	\$26,617,126.04	\$10,000,000.00
	10	2021-2022	2021	\$0.00	\$0.00	\$25,286,269.74	\$0.00	\$25,286,269.74	\$10,000,000.00
	11	2022-2023	2022	\$0.00	\$0.00	\$24,021,956.25	\$0.00	\$24,021,956.25	\$24,021,956.25
	12	2023-2024	2023	\$0.00	\$0.00	\$22,820,858.44	\$0.00	\$22,820,858.44	\$22,820,858.44
	13	2024-2025	2024	\$0.00	\$0.00	\$21,679,815.52	\$0.00	\$21,679,815.52	\$21,679,815.52
	14	2025-2026	2025	\$0.00	\$0.00	\$20,595,824.74	\$0.00	\$20,595,824.74	\$20,595,824.74
	15	2026-2027	2026	\$0.00	\$0.00	\$19,566,033.50	\$0.00	\$19,566,033.50	\$19,566,033.50
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post- Settle-Up Period									
Post- Settle-Up Period									

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.

8/30/11

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule C- Application: Employment Information

Applicant Name: Magic Valley Wind Farm I, LLC.
 ISD Name: San Perita Independent School District

Checklist Item 19

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	2011-2012	2011	0	N/A	0	N/A	0	0
	1	2012-2013	2012	20 FTE	\$40,268	1	\$40,268	1	\$40,268
	2	2013-2014	2013	0	N/A	1	\$40,268	1	\$40,268
	3	2014-2015	2014	0	N/A	1	\$40,268	1	\$40,268
	4	2015-2016	2015	0	N/A	1	\$40,268	1	\$40,268
	5	2016-2017	2016	0	N/A	1	\$40,268	1	\$40,268
	6	2017-2018	2017	0	N/A	1	\$40,268	1	\$40,268
	7	2018-2019	2018	0	N/A	1	\$40,268	1	\$40,268
	8	2019-2020	2019	0	N/A	1	\$40,268	1	\$40,268
	9	2020-2021	2020	0	N/A	1	\$40,268	1	\$40,268
	10	2021-2022	2021	0	N/A	1	\$40,268	1	\$40,268
	11	2022-2023	2022	0	N/A	1	\$40,268	1	\$40,268
	12	2023-2024	2023	0	N/A	1	\$40,268	1	\$40,268
	13	2024-2025	2024	0	N/A	1	\$40,268	1	\$40,268
	14	2025-2026	2025	0	N/A	1	\$40,268	1	\$40,268
	15	2026-2027	2026	0	N/A	1	\$40,268	1	\$40,268
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									

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.

8/30/11

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

	Sales Tax Information			Franchise Tax					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	County	City		Hospital	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2011-2012	2011	\$0.00	\$0.00	\$0.00	0%	0%	0%	0%	
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2012-2013	2012	\$2,400,000.00	\$35,715,000.00	\$0.00	0%	0%	0%	0%
		2	2013-2014	2013	\$0.00	\$0.00	\$0.00	70%	0%	70%	50%
		3	2014-2015	2014	\$0.00	\$0.00	\$0.00	70%	0%	70%	50%
		4	2015-2016	2015	\$0.00	\$0.00	\$0.00	70%	0%	70%	50%
		5	2016-2017	2016	\$0.00	\$0.00	\$0.00	70%	0%	70%	50%
		6	2017-2018	2017	\$0.00	\$0.00	\$6,562.50	70%	0%	70%	50%
		7	2018-2019	2018	\$0.00	\$0.00	\$30,000.00	70%	0%	70%	50%
		8	2019-2020	2019	\$0.00	\$0.00	\$43,125.00	70%	0%	70%	50%
		9	2020-2021	2020	\$0.00	\$0.00	\$46,125.00	70%	0%	70%	50%
		10	2021-2022	2021	\$0.00	\$0.00	\$46,875.00	70%	0%	70%	50%
		11	2022-2023	2022	\$0.00	\$0.00	\$55,125.00	70%	0%	70%	50%
		12	2023-2024	2023	\$0.00	\$0.00	\$79,687.50	0%	0%	0%	0%
		13	2024-2025	2024	\$0.00	\$0.00	\$84,937.50	0%	0%	0%	0%
		14	2025-2026	2025	\$0.00	\$0.00	\$89,812.50	0%	0%	0%	0%
		15	2026-2027	2026	\$0.00	\$0.00	\$96,375.00	0%	0%	0%	0%

*For planning, construction and operation of the facility.

8/30/11

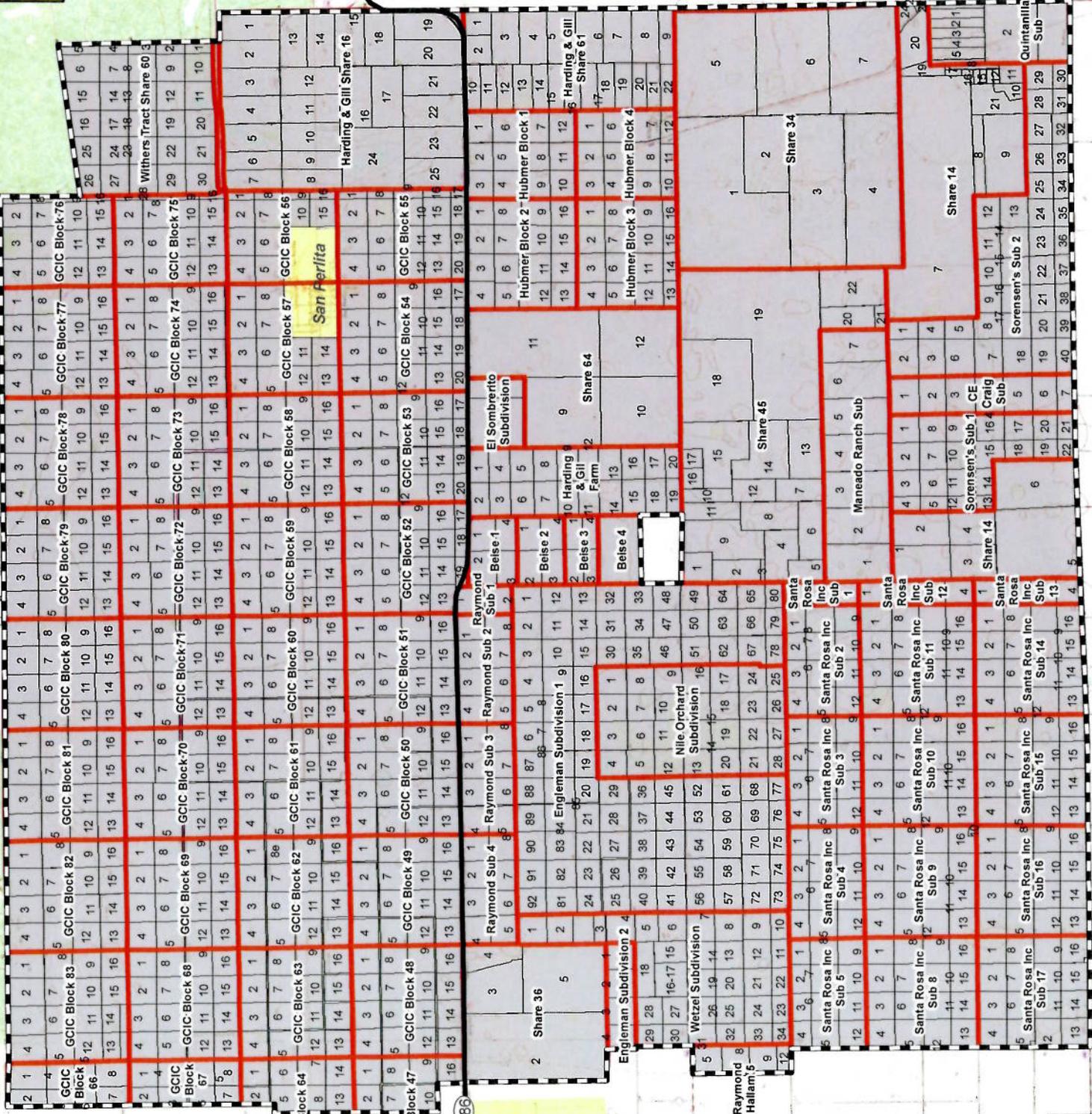
DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE



MAGIC VALLEY REINVESTMENT ZONE NO. 1

Checklist Item 21

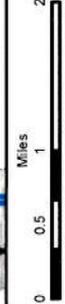


Date: August 5, 2011
 Map Scale: 1:81,000
 Projection: UTM14N
 Datum: NAD83

RZ Boundary
Subdivisions
Cities

e-on Climate & Renewables

Map produced by E.ON Climate & Renewables, MA for internal use only. Final analysis & site location are to be determined by E.ON personnel through field investigation without liability within permission from E.ON G&R. Base data from USGS.



July 8, 2010
Special Meeting

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Agenda #5
IN REGARDS TO APPROVE
DISCUSSION, CONSIDERATION
AND ACTION ON THE APPLICATION
OF EC&R DEVELOPMENT, LLC FOR
DESIGNATION OF CERTAIN ADDITIONAL
PROPERTY LOCATED IN WILLACY COUNTY
TO BE ADDED TO EXPAND THE EXISTING
AREA OF THE "MAGIC VALLEY REINVESTMENT
ZONE NO. 1" (THE "REINVESTMENT ZONE"),
TO BE ELIGIBLE FOR PROPERTY TAX ABATEMENT
UNDER CHAPTER 312 OF THE TEXAS TAX CODE
SAID REINVESTMENT ZONE HAVING ORIGINALLY
BEEN CREATED BY RESOLUTION DATED ON OR ABOUT
JULY 13, 2009, AND CORRECTED BY THAT CERTAIN
RESOLUTION NUNC PRO TUNC DATED ON OR ABOUT
AUGUST 10, 2009

Motion was made by Commissioner Chapa, seconded by Commissioner A. Guerra to approve the application of EC&R Development, LLC, for designation of certain additional property located in Willacy County to be added to expand the existing area of the "Magic Valley Reinvestment Zone No. 1" (the "Reinvestment Zone"), to be eligible for property tax abatement under Chapter 312 of the Texas Tax Code, said Reinvestment Zone having originally been created by Resolution dated on or about July 13, 2009, and corrected by that certain Resolution Nunc pro Tunc dated on or about August 10, 2009 with the condition that we will finalize once we have it in writing . Motion was put before the Court by the chairman. Commissioners A. Guerra, Chapa, Serrato and E. Guerra voting AYE. NAYS NONE. Motion was declared carried

July 8, 2010
Special Meeting

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Order re Approving the Expansion § Commissioners' Court
and Amendment to the §
Magic Valley Reinvestment Zone No. 1 §
and Tax Abatement Agreement § Willacy County, Texas

**Order Approving the Expansion and Amendment to
the Magic Valley Reinvestment Zone No. 1 and Tax Abatement Agreement**

The Commissioners' Court of Willacy County, Texas, meeting in regular session on the 8th day of July, 2010, considered the following resolution:

WHEREAS, on or about July 13, 2009, after conducting a public hearing on the matter, the Willacy County Commissioners' Court passed and approved an order designating certain property in Willacy County, Texas, as a Reinvestment Zone under Chapter 312 of the Texas Tax Code to be called the "Magic Valley Reinvestment Zone No. 1" (the "Reinvestment Zone"), and did further pass and approve an order approving that certain Tax Abatement Agreement dated July 13, 2009, by and between Willacy County, Texas and EC&R Development, LLC (the "Tax Abatement Agreement"), covering property within the Reinvestment Zone, as passed and approved by Orders dated July 13, 2009, and did further authorize the execution of said Tax Abatement Agreement by the Presiding Officer of the Commissioners' Court.

WHEREAS, on or about August 10, 2009, after conducting a public hearing on the matter, the Commissioners' Court issued a Order Nunc Pro Tunc correcting certain inconsistencies and clerical errors with respect to the real property description of the Reinvestment Zone as contained in the public notice and the posted agenda for the July 13, 2009 Commissioners' Court meeting, and did further ratify and confirm the designation of property described in the Order Designating the Reinvestment Zone dated July 13, 2009, and also attached as Exhibit A to said Order Nunc Pro Tunc, and did further ratify and confirm that such Reinvestment Zone as the "Magic Valley Reinvestment Zone No. 1." Said Nunc Pro Tunc Order is filed in the minutes of the Court effective July 13, 2009.

WHEREAS, contemporaneously with the Order Nunc Pro Tunc correcting the Reinvestment Zone, the Commissioners' Court issued an Order Nunc Pro Tunc correcting and amending the Tax Abatement Agreement to correct the inconsistencies and clerical errors with respect to the real property description of the Reinvestment Zone and the original Tax Abatement Agreement. Said Nunc Pro Tunc Order is filed in the minutes of the Court effective July 13, 2009.

WHEREAS, on or about July 8, 2010, after conducting a public hearing on the matter, the Willacy County Commissioners' Court passed and approved an order designating and adding certain additional real property in Willacy County, Texas, to the Reinvestment Zone pursuant to Chapter 312 of the Texas Tax Code, and did further pass and approve an order approving that certain Amendment No. 1 to Tax Abatement

July 8, 2010
Special Meeting

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Agreement dated July 13, 2009, by and between Willacy County, Texas and EC&R Development, LLC (the "First Amendment"), to cover the additional real property added to the Reinvestment Zone, and did further authorize the execution of said First Amendment by the Presiding Officer of the Commissioners' Court.

NOW THEREFORE, after due consideration and examination of the public notice, the posted agenda for the July 8, 2010 Commissioners' Court meeting, the Order Designating the Reinvestment Zone dated July 13, 2009, the Order Approving the Tax Abatement Agreement dated July 13, 2009, both passed and approved by the Court on July 13, 2009, the Abatement Agreement dated July 13, 2009, and the Orders Nunc Pro Tunc for Ratification, Correction, Confirmation and Designation of the Reinvestment Zone and Tax Abatement Agreement dated August 10, 2009, both passed and approved by the Court on August 10, 2009, and after conducting a public hearing regarding the expansion of the Reinvestment Zone and the First Amendment to the Tax Abatement Agreement, the Court finds as follows:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF WILLACY COUNTY, TEXAS, AS FOLLOWS:

1. THAT by order of this Commissioners' Court dated July 13, 2009, the County previously designated the Reinvestment Zone located in Willacy County to be called the "Magic Valley Reinvestment Zone No. 1", under the Willacy County Tax Abatement Guidelines and Criteria, having determined that the designation will contribute to the retention and expansion of primary employment or will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT by Order of this Commissioners' Court dated July 13, 2009, the County previously approved that certain Tax Abatement Agreement between Willacy County, Texas and EC&R Development LLC dated July 13, 2009,
3. THAT the Willacy County Commissioners' Court did find the Abatement Agreement dated July 13, 2009 complies with Chapter 312 of the Texas Property Tax Code, and the Willacy County Tax Abatement Guidelines and Criteria for Granting Tax Abatements adopted and in force by the Willacy County Commissioners' Court.
4. THAT the Willacy County Commissioners' Court authorized the Presiding Officer of the Court to execute and does hereby ratify the execution of the Abatement Agreement on behalf of the County and passed a resolution or order dated July 13, 2009 to that effect.
5. THAT by Orders Nunc Pro Tunc dated August 10, 2009, the Willacy County Commissioners' Court corrected certain inconsistencies and clerical errors with respect to the real property description of the Reinvestment Zone as contained in the public notice and the posted agenda for the July 13, 2009

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Commissioners' Court meeting, and did further ratify and confirm the designation of property described in the Order Designating the Reinvestment Zone and the Tax Abatement Agreement, attached as Exhibit A to said Order Nunc Pro Tunc.

6. THAT this Commissioners' Court hereby amends and expands the Reinvestment Zone to include all real property located in Willacy County as described in the attached Exhibit A, having determined that the amendment, expansion and designation will contribute to the retention and expansion of primary employment or will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County.
7. THAT the County declare eligible for property tax abatement all eligible property for commercial-industrial development, now or thereafter located in that Reinvestment Zone as authorized by the Willacy County Tax Abatement Guidelines and Criteria in reinvestment zones and Chapter 312 of the Texas Tax Code.
8. THAT the Commissioners' Court hereby ratifies and confirms the designation of property described in this Resolution and attached as Exhibit A hereto, and that such Reinvestment Zone, as herein amended, shall be called the "Magic Valley Reinvestment Zone No. 1."
9. THAT the Willacy County Commissioners' Court finds EC&R Development, LLC is not in breach of the Tax Abatement Agreement.
10. THAT the Willacy County Commissioners' Court hereby ratifies, confirms and approves the prior Order Approving the Tax Abatement Agreement dated July 13, 2009, and the Order Nunc Pro Tunc dated August 10, 2009.
11. THAT the Willacy County Commissioners' Court hereby amends the Tax Abatement Agreement to include the real property added to the Reinvestment Zone as described in the attached Exhibit A, having determined that the First Amendment complies with the Tax Abatement Agreement, Chapter 312 of the Texas Property Tax Code, and the Guidelines and Criteria for Granting Tax Abatements adopted and in force by the Willacy County Commissioners' Court.
12. THAT the Willacy County Commissioners Court authorizes the Presiding Officer to execute the First Amendment to the Tax Abatement Agreement on behalf of Willacy County effective July 8, 2010.

July 8, 2010
Special Meeting

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Exhibit A
Legal Description of Reinvestment Zone

Magic Valley Reinvestment Zone No. 1 to include the following real property in Willacy County, Texas, except any such real property currently located within the incorporated city limits of the City of Raymondville, Texas, as seen in the attached Exhibit:

- All of the Lots in the Withers Tract Subdivision out of Share #60, San Juan De Carricitos Grant;
- Lots 1, 2, 7, 8, 9, 10, and 16 of Block 47 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Blocks 48 through 63 and 68 through 83 (inclusive) of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 5, 6, 7, 8, 13, and 14 of Block 64 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 66 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 67 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Harding & Gill Subdivision out of Share #16, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Subdivision out of Share #61, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Farm Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. F. Hubmer Subdivision;
- All of the Lots in Share #64, San Juan De Carricitos Grant;
- All of the Lots in Share #36, San Juan De Carricitos Grant;
- All of the Lots in the El Sombrero Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. H. Beise Subdivision;
- All of the Lots in Blocks 1, 2, 3, and 4 of the Raymond Subdivision;
- All of the Lots in the Engelman Subdivision Number One;
- All of the Lots in the Engelman Subdivision Number Two;
- All of the Lots in the Nile Orchard Subdivision;
- All of the Lots of the Wetzel Subdivision;
- All of the Lots in Block 5 of the Raymond Hallam Subdivision;
- All of the Lots in Blocks 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of the Santa Rosa Subdivision;
- All of the Lots in the Maneado Ranch Subdivision;
- All of the Lots in the Sorenson's Number 1 Subdivision;
- All of the Lots in the C.E. Craig Subdivision;
- All of the Lots in the Sorenson's Number 2 Subdivision;
- All of the Lots in Share #45, San Juan De Carricitos Grant;
- Lots 1, 2, 3, 4, 5, 6, and 7 of the Garcia Property Subdivision out of Share #34, San Juan De Carricitos Grant;
- All of the Lots in Share #14, San Juan De Carricitos Grant, North of Farm to Market Road 498; and
- All of the Lots in the Quantanilla Subdivision.

July 8, 2010
Special Meeting

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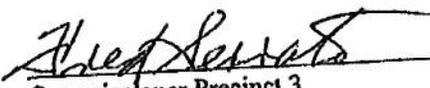
Passed and approved at this public hearing of the Willacy County Commissioners' Court
at which a quorum was present on the 8th day of July, 2010.



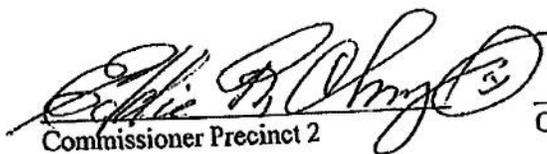
Willacy County Judge



Commissioner Precinct 1



Commissioner Precinct 3

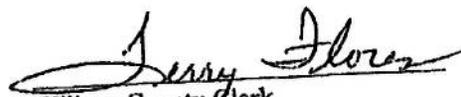


Commissioner Precinct 2



Commissioner Precinct 4

The foregoing Resolution is a true and correct copy of the actual Resolution passed by
the Willacy County Commissioners' Court in open and regular session at the Willacy
County Courthouse at _____.m. on the 8th day of July, 2010.



Willacy County Clerk
Willacy County, Texas

July 8, 2010
Special Meeting

VOL. 139 PAGE . 275

Exhibit A
Legal Description of Reinvestment Zone

Magic Valley Reinvestment Zone No. 1 to include the following real property in Willacy County, Texas, except any such real property currently located within the incorporated city limits of the City of Raymondville, Texas, as seen in the attached Exhibit:

- All of the Lots in the Withers Tract Subdivision out of Share #60, San Juan De Carricitos Grant;
- Lots 1, 2, 7, 8, 9, 10, and 16 of Block 47 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Blocks 48 through 63 and 68 through 83 (inclusive) of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 5, 6, 7, 8, 13, and 14 of Block 64 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 66 of the Gulf Coast Irrigation Company's Subdivision;
- Lots 1, 2, 3, 4, 5, 6, 7, and 8 of Block 67 of the Gulf Coast Irrigation Company's Subdivision;
- All of the Lots in Harding & Gill Subdivision out of Share #16, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Subdivision out of Share #61, San Juan De Carricitos Grant;
- All of Lots in Harding & Gill Farm Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. F. Hubmer Subdivision;
- All of the Lots in Share #64, San Juan De Carricitos Grant;
- All of the Lots in Share #36, San Juan De Carricitos Grant;
- All of the Lots in the El Sombrero Subdivision out of Share #64, San Juan De Carricitos Grant;
- All of the Lots in Blocks 1, 2, 3, and 4 of the E. H. Beise Subdivision;
- All of the Lots in Blocks 1, 2, 3, and 4 of the Raymond Subdivision;
- All of the Lots in the Engelman Subdivision Number One;
- All of the Lots in the Engelman Subdivision Number Two;
- All of the Lots in the Nile Orchard Subdivision;
- All of the Lots of the Wetzel Subdivision;
- All of the Lots in Block 5 of the Raymond Hallam Subdivision;
- All of the Lots in Blocks 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 of the Santa Rosa Subdivision;
- All of the Lots in the Maneado Ranch Subdivision;
- All of the Lots in the Sorenson's Number 1 Subdivision;
- All of the Lots in the C.E. Craig Subdivision;
- All of the Lots in the Sorenson's Number 2 Subdivision;
- All of the Lots in Share #45, San Juan De Carricitos Grant;
- Lots 1, 2, 3, 4, 5, 6, and 7 of the Garcia Property Subdivision out of Share #34, San Juan De Carricitos Grant;
- All of the Lots in Share #14, San Juan De Carricitos Grant, North of Farm to Market Road 498; and
- All of the Lots in the Quantanilla Subdivision.

Resolution re Eligibility to	§	Commissioners' Court
Participate In Tax Abatement	§	
Agreements and Adopting	§	Willacy County, Texas
Guidelines and Criteria	§	

RESOLUTION

**Declaring Willacy County, Texas Eligible to Participate in Tax Abatement
Agreements and Adopting Tax Abatement Guidelines and Criteria**

The Commissioners' Court of Willacy County, Texas, meeting in regular session on the 8th day of June, 2009, considered the following resolution:

WHEREAS the Willacy County Commissioners' Court desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in the County and to provide employment to residents of such area, and

WHEREAS, tax abatement is an accepted and proven tool for economic development which can result in long-term positive economic impacts for the community, and

WHEREAS, it is necessary and in the best interest of the County to offer abatement to qualified owners or lessees of new, expanded, or modernized buildings and structures.

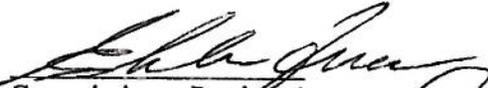
WHEREAS, pursuant to section 312.002 (a) of the Texas Tax Code, Willacy County intends to establish Guidelines and Criteria to provide a uniform procedure for the review and approval of tax abatements.

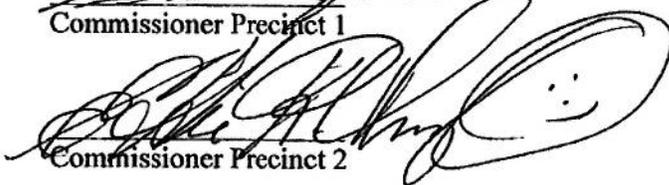
NOW THEREFORE, BE IT RESOLVED, AS FOLLOWS:

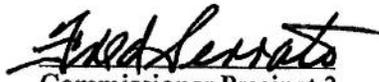
THAT the Commissioners' Court of Willacy County, Texas elects to become eligible to participate in tax abatement agreements as authorized by section 312 of the Texas Tax Code, and

THAT Willacy County adopts the Tax Abatement Guidelines and Criteria in substantially the form of Exhibit A attached hereto and incorporated herein by reference.

OFFERED AND ADOPTED this 8th day of June, 2009


Commissioner Precinct 1

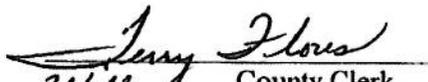

Commissioner Precinct 2


Commissioner Precinct 3


Commissioner Precinct 4

The foregoing Resolution is a true and correct copy of the actual Resolution passed by the Commissioner's Court in open and regular session at the Willacy County Courthouse at _____ on the 8th day of June 2009.




_____, County Clerk
Willacy County, Texas

**WILLACY COUNTY
STATE OF TEXAS
TAX ABATEMENT GUIDELINES AND CRITERIA**

The purpose of this document is to establish guidelines, criteria, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property. Except as otherwise provided, all contracts will be identical.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Willacy County of at least \$100,000.00 over the life of the abatement, computed to include (but is not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) of new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Willacy County to another without a super-majority vote of approval from the Commissioners' Court.

In addition to the criteria set forth above, the Willacy County Commissioners' Court reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be no longer than allowed by law.

This policy is effective as of _____, 2009 and shall at all times be kept current with regard to the needs of Willacy County and reflective of the official views of the County Commissioners' Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Willacy County Commissioners' Court does not:

- (1) limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;

(2) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or

(3) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

DEFINITIONS-SECTION 1

- (a) **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Willacy County for economic development purposes.
- (b) **"Agreement"** means a contractual agreement between a property owner and/or lessee and Willacy County.
- (c) **"Base year value"** means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.
- (d) **"Deferred maintenance"** means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- (e) **"Eligible Facilities"** means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Willacy County, but does not include Facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Willacy County such as, but not limited to, restaurants and retail sales establishments.
- (f) **"Expansion"** means the addition of buildings, structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- (g) **"Facility"** means property improvement completed or in the process of construction which together comprise an interregional whole.
- (h) **"Modernization"** means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.
- (i) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

- (j) **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.

ABATEMENT AUTHORIZED - SECTION 2

(a) **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

(b) **Creation of New Values.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Willacy County and the property owner or lessee, subject to such limitations as Willacy County may require.

(c) **New and Existing Facilities.** Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Willacy County and the property owner or lessee, subject to such limitations as Willacy County may require.

(d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the Facility.

(e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for Tax Abatement: land; supplies; tools; furnishings, and other forms of movable personal property; housing; Deferred Maintenance; property to be rented or leased except as provided in Section 2(f); property which has a productive life of less than 10 years.

(f) **Owned/Leased Facilities.** If a leased Facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

(g) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

(1) Must be reasonably expected to have an increase in positive net economic benefit to Willacy County of at least \$100,000.00 over the life of the abatement, computed to include (but is not limited to) new sustaining payroll and/or capital improvement.. The creation of (number and type) of new jobs will also factor into the decision to grant an abatement; and

(2) Must not be expected to solely or primarily have the effect of transferring employment from one part of Willacy County to another without a super-majority vote of approval from the Commissioners' Court.

(h) Standards for Tax Abatement. The following factors, among others, shall be considered in determining whether to grant Tax Abatement:

- (1) Value of existing improvements, if any;
- (2) Type and value of proposed improvements;
- (3) Productive Life of proposed improvements;
- (4) Number of existing jobs to be retained by proposed improvements;
- (5) Number and type of new jobs to be created by proposed improvements;
- (6) Amount of local payroll to be created;
- (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdictions;
- (8) Amount of local sales taxes to be generated directly;
- (9) Amount which property tax base valuation will be increased during term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$100,000;
- (10) The costs to be incurred by Willacy County to provide facilities or services directly resulting from the new improvements;
- (11) The amount of ad valorem taxes to be paid to Willacy County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;
- (12) The population growth of Willacy County that occurs directly as a result of new improvements;
- (13) The types and values of public improvements, if any, to be made by applicant seeking Abatement;
- (14) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
- (15) The impact on the business opportunities of existing business;
- (16) The attraction of other new businesses to the area;

(17) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(18) Whether the project obtains all necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

(i) **Denial of Abatement.** Neither a reinvestment zone nor Abatement Agreement shall be authorized if it is determined that:

(1) There would be substantial adverse affect on the provision of government services or tax base;

(2) The applicant has insufficient financial capacity;

(3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;

(4) Violation of other codes or laws; or

(5) Any other reason deemed appropriate by Willacy County.

(j) **Taxability.** From the execution of the Abatement to the end of the Agreement period, taxes shall be payable as follows:

(1) The value of ineligible property as provided in Section 2(e) shall be fully taxable; and

(2) The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the Abatement period.

APPLICATION - SECTION 3

(a) Any present or potential owner of taxable property in Willacy County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.

(b) The application shall consist of: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map

and property description; a time schedule for undertaking and completing the proposed improvements. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee should be made payable to Willacy County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00). For abatement requests for improvements with a planned value of \$999,999.00 or less, the fee shall be FIVE HUNDRED AND 00/100 DOLLARS (\$500.00).

(c) Willacy County shall give notice as provided by the Property Tax Code, *i. e.*, written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located not later than the seven days before the public hearing and (2) publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon the application, Willacy County shall through public hearing, afford the applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the Abatement should or should not be granted.

(d) If a city within Willacy County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an Abatement Agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request Tax Abatement by Willacy County by following the same application process described in Section 3 (a) hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners' Court deems them necessary in a particular case.

AGREEMENT - SECTION 4

(a) After approval, the Commissioners' Court of Willacy County shall formally pass a resolution and execute an Agreement with the owner of the Facility and lessee as required which shall:

- (1) include a list of the kind, number, and location of all proposed improvements to the property;
- (2) provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
- (3) limit the use of the property consistent with the taxing unit's development goals;

(4) provide for recapturing property tax revenues that are lost if the owner fails to make the improvements as provided by the agreement;

(5) include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit; and

(6) allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement.

(b) Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners' Court.

RECAPTURE - SECTION 5

(a) In the event that the company or individual (1) allows its ad valorem taxes owed Willacy County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure within sixty (60) days from the date of notice of the violation ("Cure Period") the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

(b) Should Willacy County determine that the company or individual is in default according to the terms and conditions of its Agreement, Willacy County shall notify the company or individual in writing at the address stated in the Agreement, and if such is not cured within the Cure Period, then the Agreement may be terminated.

ADMINISTRATION - SECTION 6

(a) The Chief Appraiser of the Willacy County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of Willacy County of the amount of the assessment.

(b) Willacy County may execute a contract with any other jurisdiction(s) to inspect the Facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of Willacy County will have access to the reinvestment zone during the term of the Abatement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All

inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) Upon completion of construction, the designated representative of Willacy County shall annually evaluate each Facility receiving Abatement to ensure compliance with the agreement, a formal annual report shall be made to the Commissioners' Court.

ASSIGNMENT - SECTION 7

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same Facility upon the approval by resolution of the Commissioners' Court of Willacy County subject to the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of a new contractual Agreement with Willacy County. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld.

SUNSET PROVISION - SECTION 8

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters vote of the Commissioners' Court of Willacy County, at which time all reinvestment zones and Tax Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed, or eliminated.

Adopted JUNE 8 , 2009
Willacy County Commissioners' Court