

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

School district name	Date application filed with district <i>(To be filled in by school district)</i> Supplemented 6/18/10
Address	Phone (area code and number)

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

Step 1: Applicant name and address	Only entities to which Tax Code Chapter 171 applies are eligible for appraised value limitations on qualified property.		
	Applicant name:		
	Mailing address:		
	Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits): 17700599511	City, State:	ZIP code + 4:
	Name of person preparing this application:	Title:	
	Phone (area code and number):		

Step 2: Describe the property.	<p>(A) Attach the following items to this application:</p> <ol style="list-style-type: none"> 1. A specific description of all property for which you are requesting an appraised value limitation as defined by Tax Code §313.021(2). Include a description of the land, describe each proposed improvement, and each proposed item of personal property for which you are seeking a limitation. Include each existing appraisal district account number and the legal description of the land, attach a detailed map showing the actual or proposed location of the land and proposed improvements and showing the actual or proposed boundaries and size of the reinvestment zone or enterprise zone in which the property will be located. Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone (if applicable). Please see Attachment 1. 2. A fully detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. Please see Attachment 1. 3. A map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. Please see Attachment 1. <p>(B) Answer the following questions:</p> <ol style="list-style-type: none"> 1. What is the first tax year of your proposed qualifying time period (as defined by Tax Code §313.021(4))? 01/01/2011 2. What is the amount of qualified investment, as defined by Tax Code §313.021(1), that will be made during the 2-year qualifying time period? \$ _____ 3. What is the amount of appraised value limitation for which you are applying?. \$ _____ <p>NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the school district's property value. For assistance in determining these minimums, access the comptroller's Web site at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.</p>
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Step 3:
Answer these questions about property and job qualifications.

1. Do you propose to construct a new building or to erect or affix a new improvement after the date you submit this application? Yes No
2. Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the qualifying time period, and for the duration of the appraised value limitation? Yes No
3. Is the land on which you propose new construction or improvement currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
 - 3(a) If you answered "no" to the question above, are you seeking an agreement with a taxing unit that, prior to the first day of the qualifying time period, will result in a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvement? Yes No
 Date of anticipated agreement? _____
4. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category? Yes No
5. On the land and in connection with the new building or other improvement, do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts)? Yes No
6. Will at least 80 percent of all the new jobs created by the property owner be qualifying jobs as defined by Tax Code §313.021(3)? Yes No
 - 6(a) If you answered "yes" to the question above, attach documentation from the Texas Workforce Commission that the new qualifying jobs meet the requirements of Tax Code §313.021(3)(E) or 313.051(b). **Please see Attachment 2.** Wage requirements are provided per Tax Code Sec. 313.021(5)(B).
7. Do you intend to request that the governing body waive the minimum jobs creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 7(a) If you answered "yes" to the question above, attach evidence documenting that the job creation requirement (5) above exceeds the number of employees necessary for the operation, according to industry standards. **Please see Attachment 3.**
8. Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time
 - a) in or on the new building or other new improvement for which you are applying for an appraised value limitation, or
 - b) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement, and is the personal property on the same parcel of land as the building for which you are applying for an appraised value limitation? Yes No N/A
 ["First placed in service" means the first use of the property by the taxpayer.]
9. The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities as defined by Tax Code §313.024(b):
 - manufacturing; Yes No
 - research and development Yes No
 - a clean coal project; Yes No
 - an advanced clean energy project Yes No
 - renewable energy electric generation; Yes No
 - electric power generation using integrated gasification combined cycle technology; or Yes No
 - nuclear electric power generation Yes No
10. Are you an entity to which Tax Code, Chapter 171 applies? Yes No

Step 4:
Answer these questions about investment, property value and employment.

1. Will the investment in real or personal property you propose to be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? Yes No
2. Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? Yes No N/A
3. If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property described above? Yes No N/A
4. Will you own the property or lease the property under a capitalized lease? If leased, attach a copy of the lease agreement. Yes No
5. Are you including property that is owned by a person other than the applicant and that is pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

Step 5:
Economic Impact

Please answer the following questions.

1. Applicant's 6-digit North American Industry Classification System (NAICS) code: 518210
2. Is Schedule A completed for all years and attached? Yes No
3. Is Schedule B completed for all years and attached? Yes No
4. Is Schedule C completed for all years and attached? Yes No
5. Total number of new jobs that will have been created when fully operational: _____
6. Total number of new jobs identified in (5) above that will have wages greater than 110 percent of the county average weekly wage for manufacturing jobs*: _____
7. Total number of new jobs identified in (5) above that will meet all the criteria for "qualifying jobs" as specified in Tax Code §313.021(3):. 12 (100% of Full Time Employees)
8. Describe each type of benefits to be offered to qualifying jobholders. Explain.

- 8(a) Will the jobs created offer at least 80 percent of the premiums or other charges assessed for employee-only coverage under the group health benefit plan for qualifying jobholders? Yes No
9. Describe the ability of your company to locate or relocate in another state or another region of the state.

10. Describe the current economic condition of the region of the state where the property is located.

*Applicants to rural school districts that are not located in an SIA [see §313.051(a)(2)] must meet the regional wage standard described in 313.051(b).

<p>Step 6: Applicant sign and date application.</p>	<p>By signing this application, you certify that this information is true and correct to the best of your knowledge and belief. Also by signing this application, you agree to respond promptly to all information requests made by the comptroller under Tax Code §313.032 and to send updated contact information to the comptroller throughout the agreement period.</p>	
	<p>print here ▶ <u>Robert F. Johnson</u> <i>Name of authorized company officer</i></p>	<p><u>Vice President, Tax</u> <i>Title</i></p>
	<p>sign here ▶ <u><i>Robert F. Johnson</i></u> <i>Signature of authorized company officer</i></p>	<p><u>6/18/2010</u> <i>Date</i></p>
<p>On behalf of <u>Cisco Systems, Inc.</u> <i>Name of corporation/company</i></p>		

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.

<p>Step 7: School district official sign and date application.</p>	<p>By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.</p>	
	<p>print here ▶ <u>Mark J. Tarpley</u> <i>Name of authorized school district official</i></p>	<p><u>Assistant Supt. of Finance</u> <i>Title</i></p>
	<p>sign here ▶ <u><i>Mark J. Tarpley</i></u> <i>Signature of authorized school district official</i></p>	<p><u>06-18-10</u> <i>Date</i></p>
<p>On behalf of <u>Allen ISD</u> <i>Name of school district</i></p>		

ATTACHMENT:

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 it 1) 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 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.

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 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 if the governing body of the school district agrees to consider the application.

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.

Applicant name: Cisco Systems, Inc.

ISD Name: Allen

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.

**APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY –
ATTACHMENT 1**

Step 2(A)(1) – Description of the land and each proposed improvement and each proposed item of personal property for which a limitation is sought.

Cisco Systems, Inc. (“the Company”) intends to construct, and operate on the land a minimum 140,000 square foot state of the art computer center with a total electrical capacity of 10 Megawatts that will include high efficiency high security, hardening against natural disasters, sustainable design, and backup systems for Tier III Uptime Institute Classification, as well as a front office for employees and visitors, data hall areas for servers and network racks, spaces for mechanical and electrical support systems, fire protection systems and equipment, a service yard to house fuel tanks, water tanks, and cooling towers, and other ancillary facilities such as related infrastructure and required parking and landscaping.

The land purchase was completed prior to the submission of the Application for Appraised Value Limitation on Qualified Property. As such, the value of the land is not included as either qualified property or qualified investment.

Detailed Map Showing the Actual Boundaries and Size of the Reinvestment Zone:

Included in Exhibits A & B of the attached Ordinance establishing the Reinvestment Zone.

Detailed Map Showing the Proposed Improvements:

Included in Attachment 1.

Step 2(A)(2) – A fully detailed description of the scope of the proposed project, including, at a minimum, the type of 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 computer center will be a production data center (“PDC”) which is being specifically designed to study and advance process improvements, policy improvements, IT architecture requirements, and IT specific operational improvements. The facility will assist the Company in its primary directive to introduce new products and features in many areas including routers, switches, advanced technologies, and other product technologies globally. The PDC concept is integral to the Company’s ability to introduce, design, and improve new products for its customers.

Construction of the facility will begin in 2009. It is anticipated that the facility will be completed by December 31, 2011.

**APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY –
ATTACHMENT 1**

Step 2(A)(3) – A map of the reinvestment zone boundaries, certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor.

Included in Exhibits A & B of the attached Ordinance establishing the Reinvestment Zone.

**CHAPTER 313 APPLICATION ADDENDUM
PROJECT DESCRIPTION**

3. Please describe the general nature of the applicant's investment.

Cisco Systems, Inc. (the "Company") will be engaging in Research & Development at the facility. The correct NAICS code for the application is 541710.

The research and development ("R&D") activities discussed below will occur throughout the proposed facility. As a result of this disbursement of research function, one hundred percent of the capital and production costs will be used to support R&D. These R&D activities are integral to the Company's Business Transformation and Research Development Process internationally and are mutually dependent on one another. The Production Data Center ("PDC") is an integral component of a team of approximately 18,000 engineers who represent R&D for Cisco and are responsible for guiding and directing Cisco's R&D activities.

The fundamental purpose of the activities that will occur at the PDC relate directly to Cisco's desire to build a facility that will integrate Cisco's next generation of products to support future business needs, while constantly developing a process to improve business agility, availability, scalability and resiliency. Given the role the PDC plays in Cisco's R&D process the activities occurring at and the investments incorporated into the PDC are considered R&D functions or R&D expenses for the Company.

Clarification of R&D Functions:

Cisco competes in an industry that is subject to rapid technological developments, evolving standards, changes in customer requirements, and new product introductions and enhancements. In order to maintain a competitive edge in the industry, Cisco's success depends in part upon their ability to continue to enhance their existing products and to develop and introduce new products that improve performance and reduce total cost of ownership.

The principal competitive facts in the markets in which Cisco presently competes and may compete in the future include:

- ❖ The ability to provide a broad range of networking products and services;
- ❖ Product performance;
- ❖ The ability to introduce new products;
- ❖ The ability to reduce production costs;
- ❖ The ability to provide value-added features such as security, reliability, and investment.

As stated above, the vision and mission of the proposed PDC is to build a facility that supports future business needs, while improving business agility, availability, scalability and resiliency. The PDC is being specifically designed to study and advance:

- ❖ Process improvements
- ❖ Policy improvements
- ❖ IT architecture requirements
- ❖ IT specific operational improvements

The PDC is an integral component in Cisco's ability to introduce, design and improve these new products for its customers. Cisco is undertaking a radical computer center redesign with the goal of creating a single high-performance computer processing environment powering a wide range of applications and services, including security, application optimization, and management. In effect, the entire proposed PDC is an evolving facility to be continually reviewed and improved upon. This proposed facility will help Cisco in its primary directive to introduce new products and features in many areas including, routers, switches, advanced technologies, and other product technologies globally.

Overall Project Summary

Based on the information above, 100% of the production costs and capital investment are research and development costs. Furthermore, the property will be used primarily for research and development activities.

<p>Step 6: Applicant sign and date application.</p>	<p>By signing this application, you certify that this information is true and correct to the best of your knowledge and belief. Also by signing this application, you agree to respond promptly to all information requests made by the comptroller under Tax Code §313.032 and to send updated contact information to the comptroller throughout the agreement period.</p>	
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	<p>On behalf of <u>Cisco Systems, Inc.</u> <i>Name of corporation/company</i></p>	

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.

<p>Step 7: School district official sign and date application.</p>	<p>By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.</p>	
	<p>print here ▶ <u>Mark J. Tarpley</u> <i>Name of authorized school district official</i></p>	<p><u>Assistant Supt. of Finance</u> <i>Title</i></p>
	<p>sign here ▶ <u><i>Mark J. Tarpley</i></u> <i>Signature of authorized school district official</i></p>	<p><u>06-18-10</u> <i>Date</i></p>
	<p>On behalf of <u>Allen ISD</u> <i>Name of school district</i></p>	

12. What is the approximate date the proposed facility or new improvement is expected to be fully operational? January 1, 2012
13. What is the minimum required annual wage for each qualified job in this school district? [See new §§313.021(5)(A) or 313.021(5)(B) or 313.021(3)(B)(ii), or 313.051(b).] \$51,712.10 Please specify method of computation and attach documentation from TWC web site. (Note that applicants to school districts subject to Subchapter C because of demographic characteristics must meet the regional wage standard described in §313.051(b).)
\$47,011*110% = 51,712.10. The average weekly wage for manufacturing jobs in the region designated by the Council of Governments was utilized. Collin County is in the North Central Texas Council of Governments (see Attachment 2).
14. What is the minimum annual wage you will be paying for each qualified job in this school district? \$80,000 for full time employees
15. What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? (Use Schedule C-3676, Column F to indicate number of qualifying jobs in specific years.)
12 full time employees.

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

Robert F. Johnson
Name of authorized company officer
Robert F. Johnson
Signature of authorized company officer

Vice President, Tax
Title
6/18/2010
Date

On behalf of Cisco Systems, Inc.
Name of corporation/company

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code §37.10.

School district official sign and date application.

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Mark J. Tarpley
Name of authorized school district officer
Mark J. Tarpley
Signature of authorized school district official

Assistant Supt. of Finance
Title
06-18-10
Date

Name of school district Allen ISD

3. Documentation of Combined Group Membership

N/A

**CHAPTER 313 APPLICATION ADDENDUM
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Overall Project Summary

Based on the information above, 100% of the production costs and capital investment are research and development costs. Furthermore, the property will be used primarily for research and development activities.

Cisco Systems, Inc.
Allen, Texas PDC Construction Budget

2006 Project Management/Legal Fees	488,454
2007 Project Management/Legal Fees	416,756
2008 Project Management/Legal Fees	619,190

2009, January 1, 2010 - February 15, 2010 (Prior to Application Submission)

Project Management/Legal Fees	1,533,048
Design & Architect Fees	3,496,680
Land	10,176,000
Building Construction - Real Property	5,185,575
Building Construction - Personal Property	17,123,272
Concrete - 15 Year	1,956,983
Electrical & Electrical Equipment - 5 Year	12,647,522
Mechanical & Mechanical Equipment - 5 Year	2,518,767
Total Personal Property	17,123,272

Total Investment 2009, 1/1/10 - 2/15/10 **37,514,575**

(Subtotal - Investment Prior to Application Submission) 39,038,975

Project Completion (Excluding Soft Costs)

% of Project in 2009, 1/1/10 - 2/15/10
(Prior to Application Submission) 27.35%

February 16, 2010 - July 31, 2010

Project Management/Legal Fees	489,655
Design & Architect Fees	691,617
Building Construction - Real Property	450,886
Building Construction - Personal Property	43,973,198
Mechanical & Mechanical Equipment - 5 Year	23,634,006
Electrical & Electrical Equipment - 5 Year	15,691,204
Cabling - 5 Year	2,000,000
Concrete - 15 Year	1,777,160
Landscaping - 15 Year	710,000
Fencing - 15 Year	160,828
Total Personal Property	43,973,198

Total Investment 2/16/10 - 7/31/10 **45,605,356**

% of Project in 2010
(After Application Submission, Prior to Application Approval) 37.41%

August 1, 2010 - December 31, 2010

Project Management/Legal Fees	522,000
Design & Architect Fees	459,703
Building Construction - Real Property	19,120,511
Building Construction - Personal Property	18,213,757
Cabling - 5 Year	10,500,000
7 Year Property	6,200,000
15 Year Property	1,513,757
Total Personal Property	18,213,757

Total Investment 8/1/10 - 12/31/10 **38,315,971**

% of Project in 2010 Subsequent to Application Approval 31.44%

2011

Project Management/Legal Fees	174,000
Design & Architect Fees	0
Building Construction - Real Property	2,500,000
Building Construction - Personal Property	2,013,000
Cabling - 5 Year	2,013,000
Total Personal Property	2,013,000

Total Investment 2011 **4,687,000**

% of Project in 2011 3.80%

Total Project Management/Legal Fees	4,243,103
Total Design & Architect Fees	4,648,000
Land	10,176,000
Total Real Property Investment	27,256,972
Total Tangible Personal Property Investment	81,323,227

Total Budget **127,647,302**

Check Figure 127,647,301

Percent of Total Budget that is Soft Costs 6.97%

Total Project less Soft Costs - Check Figure 100%

5. Allocation of Project Between Districts

N/A

Cisco Systems, Inc.
Allen, Texas PDC Construction Budget

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Total Investment 2009, 1/1/10 - 2/15/10 **37,514,575**

(Subtotal - Investment Prior to Application Submission) 39,038,975

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Total Investment 2/16/10 - 7/31/10 **45,605,356**

% of Project in 2010
(After Application Submission, Prior to Application Approval) 37.41%

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Building Construction - Personal Property	18,213,757
Cabling - 5 Year	10,500,000
7 Year Property	6,200,000
15 Year Property	1,513,757
Total Personal Property	18,213,757

Total Investment 8/1/10 - 12/31/10 **38,315,971**

% of Project in 2010 Subsequent to Application Approval 31.44%

2011

Project Management/Legal Fees	174,000
Design & Architect Fees	0
Building Construction - Real Property	2,500,000
Building Construction - Personal Property	2,013,000
Cabling - 5 Year	2,013,000
Total Personal Property	2,013,000

Total Investment 2011 **4,687,000**

% of Project in 2011 3.80%

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Total Budget **127,647,302**

Check Figure 127,647,301

Percent of Total Budget that is Soft Costs 6.97%

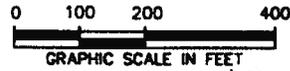
Total Project less Soft Costs - Check Figure 100%

EXHIBIT "A"



NIMBUS PARTNERS, L.P.
(INST. NO. 2004-0184521)
BROOKSIDE PARTNERS, LTD.
(INST. NO. 97-0109658)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)



N 89°40'47" E 1228.69'

884.86' 35.17' 709.81' L=360.92' L=309.61'

PROPOSED
RIGHT-OF-WAY
DEDICATION

MATCHLINE (SEE SHEET 1)

34,000 ACRES
(1,481,040 SF)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

A=36°59'59"
R=600.00'
L=387.46'
T=200.76'
CB=N 71°57'28" W
CD=380.76'

UTILITY EASEMENT
(CAB. L. SLIDE 680)
N 53°27'28" W
30.88'

25' WATER AND
SEWER EASEMENT
(VOL. 1714, PG. 405)

US HIGHWAY NO. 75
(VARIABLE WIDTH RIGHT-OF-WAY)

LEGEND	
	PROPERTY LINE
	EASEMENT LINE
	POINT FOR CORNER (UNLESS OTHERWISE NOTED)
	ABSTRACT LINE

SEE SHEET 3 FOR NOTES
AND DETAIL.

SHEET 2 OF 5

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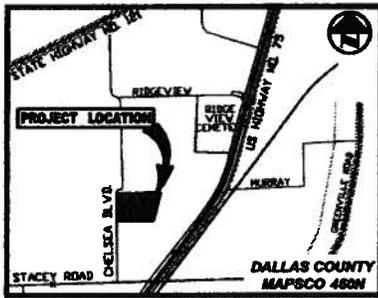
Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75208 972.235.3031

EXHIBIT
34,000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

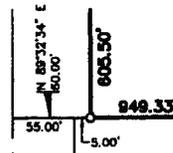
DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	1"=200'	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

EXHIBIT "A"



VICINITY MAP
(NOT TO SCALE)



1 **DETAIL**
NOT TO SCALE

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SHEET 3 OF 5

Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.235.3031

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34.000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	NONE	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

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**APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY –
ATTACHMENT 1**

Step 2(A)(1) – Description of the land and each proposed improvement and each proposed item of personal property for which a limitation is sought.

Cisco Systems, Inc. (“the Company”) intends to construct, and operate on the land a minimum 140,000 square foot state of the art computer center with a total electrical capacity of 10 Megawatts that will include high efficiency high security, hardening against natural disasters, sustainable design, and backup systems for Tier III Uptime Institute Classification, as well as a front office for employees and visitors, data hall areas for servers and network racks, spaces for mechanical and electrical support systems, fire protection systems and equipment, a service yard to house fuel tanks, water tanks, and cooling towers, and other ancillary facilities such as related infrastructure and required parking and landscaping.

The land purchase was completed prior to the submission of the Application for Appraised Value Limitation on Qualified Property. As such, the value of the land is not included as either qualified property or qualified investment.

Detailed Map Showing the Actual Boundaries and Size of the Reinvestment Zone:

Included in Exhibits A & B of the attached Ordinance establishing the Reinvestment Zone.

Detailed Map Showing the Proposed Improvements:

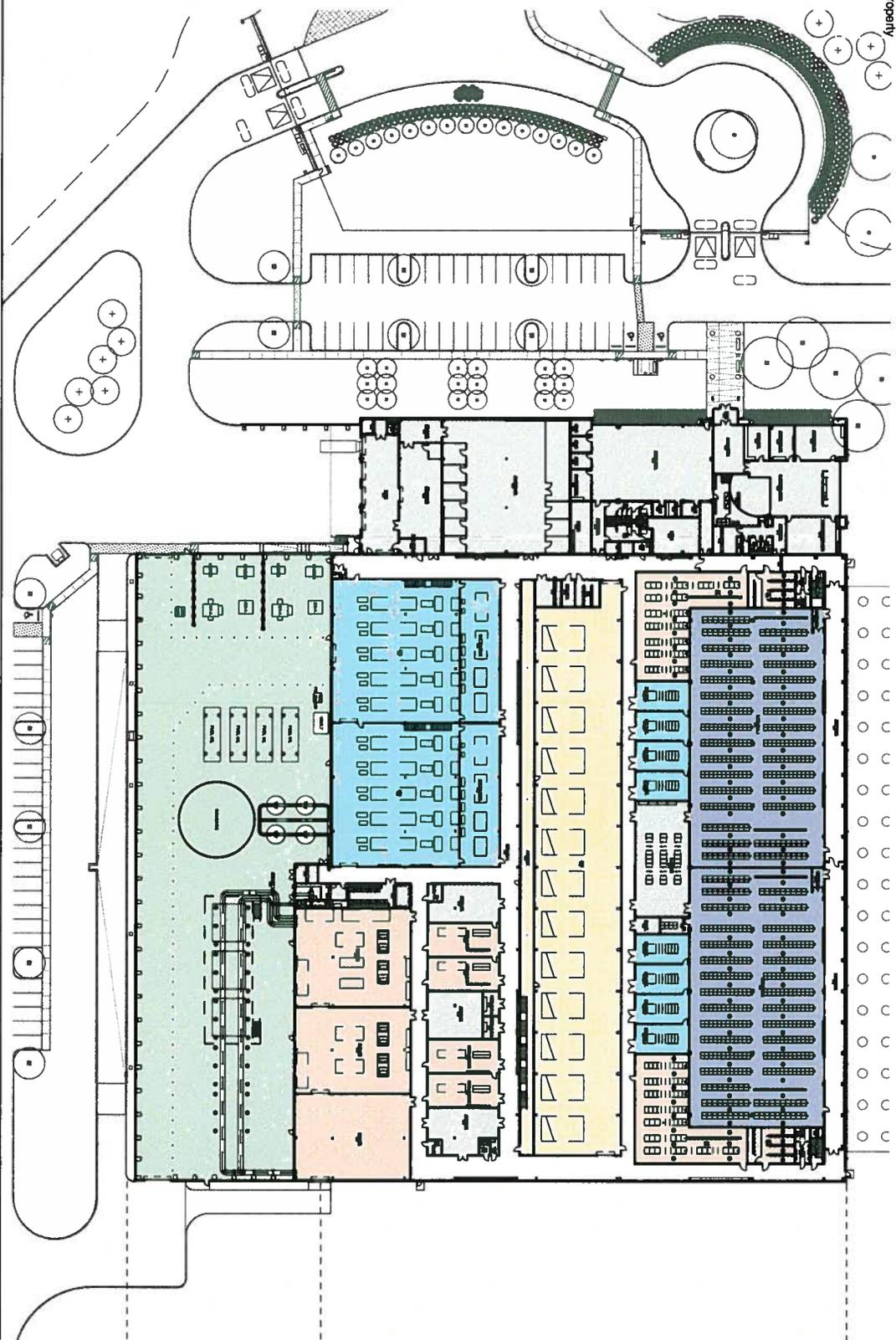
Included in Attachment 1.

Step 2(A)(2) – A fully detailed description of the scope of the proposed project, including, at a minimum, the type of 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 computer center will be a production data center (“PDC”) which is being specifically designed to study and advance process improvements, policy improvements, IT architecture requirements, and IT specific operational improvements. The facility will assist the Company in its primary directive to introduce new products and features in many areas including routers, switches, advanced technologies, and other product technologies globally. The PDC concept is integral to the Company’s ability to introduce, design, and improve new products for its customers.

Construction of the facility will begin in 2009. It is anticipated that the facility will be completed by December 31, 2011.

- DATA HALL
- MECH. SUBSTATION
- UPS
- AHU
- SUPPORT
- SERVICE YARD

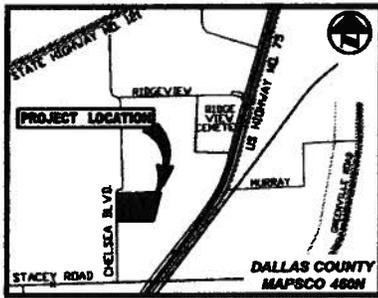


TX DC 2
Floor Plan

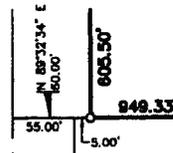


August 31, 2009

EXHIBIT "A"



VICINITY MAP
(NOT TO SCALE)



1 **DETAIL**
NOT TO SCALE

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SHEET 3 OF 5

Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.235.3031

EXHIBIT
34.000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	NONE	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

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Exhibit A
Legal Description for Zone 30
34.000 Acre Tract
Joseph Dixon Survey, Abstract No. 278
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 0061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

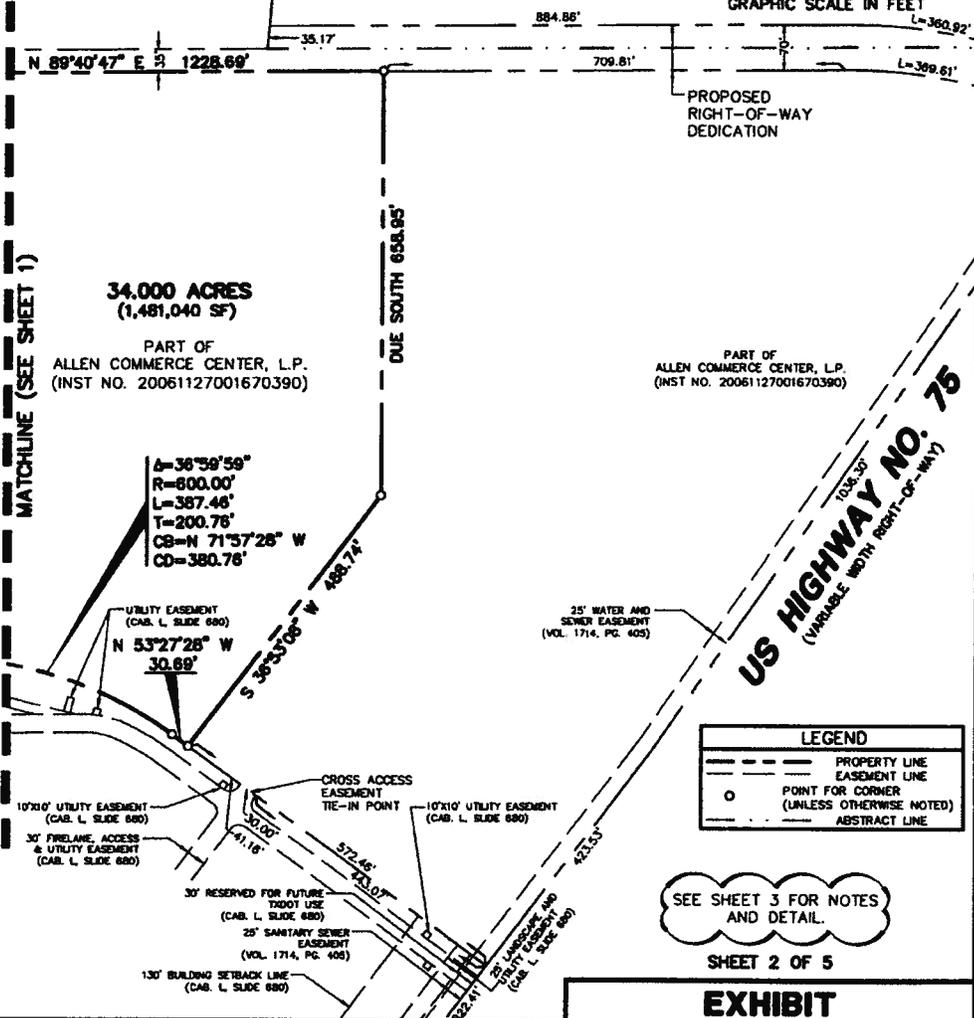
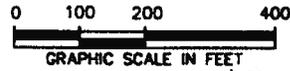
CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

EXHIBIT "A"



NIMBUS PARTNERS, L.P.
(INST. NO. 2004-0184521)
BROOKSIDE PARTNERS, LTD.
(INST. NO. 97-0109658)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)



MATCHLINE (SEE SHEET 1)

34,000 ACRES
(1,481,040 SF)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

US HIGHWAY NO. 75
(VARIABLE WIDTH RIGHT-OF-WAY)

LEGEND	
---	PROPERTY LINE
- - -	EASEMENT LINE
○	POINT FOR CORNER (UNLESS OTHERWISE NOTED)
---	ABSTRACT LINE

SEE SHEET 3 FOR NOTES AND DETAIL.

SHEET 2 OF 5

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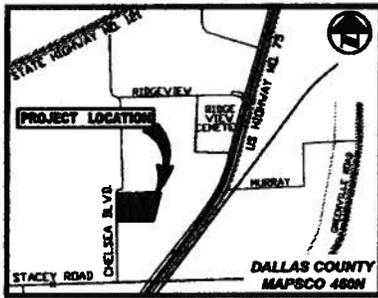
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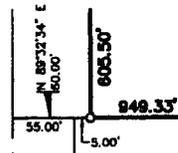
DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	1"=200'	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

EXHIBIT "A"



VICINITY MAP
(NOT TO SCALE)



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Cisco Systems, Inc.
Allen, Texas PDC Construction Budget

2006 Project Management/Legal Fees	488,454
2007 Project Management/Legal Fees	416,756
2008 Project Management/Legal Fees	619,190

2009, January 1, 2010 - February 15, 2010 (Prior to Application Submission)

Project Management/Legal Fees	1,533,048
Design & Architect Fees	3,496,680
Land	10,176,000
Building Construction - Real Property	5,185,575
Building Construction - Personal Property	17,123,272
Concrete - 15 Year	1,956,983
Electrical & Electrical Equipment - 5 Year	12,647,522
Mechanical & Mechanical Equipment - 5 Year	2,518,767
Total Personal Property	17,123,272

Total Investment 2009, 1/1/10 - 2/15/10 **37,514,575**

(Subtotal - Investment Prior to Application Submission) 39,038,975

Project Completion (Excluding Soft Costs)

% of Project in 2009, 1/1/10 - 2/15/10
(Prior to Application Submission) 27.35%

February 16, 2010 - July 31, 2010

Project Management/Legal Fees	489,655
Design & Architect Fees	691,617
Building Construction - Real Property	450,886
Building Construction - Personal Property	43,973,198
Mechanical & Mechanical Equipment - 5 Year	23,634,006
Electrical & Electrical Equipment - 5 Year	15,691,204
Cabling - 5 Year	2,000,000
Concrete - 15 Year	1,777,160
Landscaping - 15 Year	710,000
Fencing - 15 Year	160,828
Total Personal Property	43,973,198

Total Investment 2/16/10 - 7/31/10 **45,605,356**

% of Project in 2010
(After Application Submission, Prior to Application Approval) 37.41%

August 1, 2010 - December 31, 2010

Project Management/Legal Fees	522,000
Design & Architect Fees	459,703
Building Construction - Real Property	19,120,511
Building Construction - Personal Property	18,213,757
Cabling - 5 Year	10,500,000
7 Year Property	6,200,000
15 Year Property	1,513,757
Total Personal Property	18,213,757

Total Investment 8/1/10 - 12/31/10 **38,315,971**

% of Project in 2010 Subsequent to Application Approval 31.44%

2011

Project Management/Legal Fees	174,000
Design & Architect Fees	0
Building Construction - Real Property	2,500,000
Building Construction - Personal Property	2,013,000
Cabling - 5 Year	2,013,000
Total Personal Property	2,013,000

Total Investment 2011 **4,687,000**

% of Project in 2011 3.80%

Total Project Management/Legal Fees	4,243,103
Total Design & Architect Fees	4,648,000
Land	10,176,000
Total Real Property Investment	27,256,972
Total Tangible Personal Property Investment	81,323,227

Total Budget **127,647,302**

Check Figure 127,647,301

Percent of Total Budget that is Soft Costs 6.97%

Total Project less Soft Costs - Check Figure 100%

COLLIN CAD Property Information

COLLIN Short Account Number: 2658415 Long Account Number: R-9816-001-0010-1

Owner's Name and Mailing Address	CISCO SYSTEMS INC ATTN PROPERTY TAX DEPT 170 W TASMAN DR SAN JOSE, CA 95134		
Location	2260 CHELSEA BLVD , TX		
Legal Description	TX DC2, BLK 1, LOT 1, 34.0 ACRES		
Taxing Entities	Code	Name	2009 Tax Rate
	CAL	ALLEN CITY	0.555000000
	GCN	COLLIN COUNTY	0.242500000
	JCN	COLLIN CO COMMUNITY COLLEGE	0.086300000
	SAL	ALLEN ISD	1.540000000

EXEMPTION INFORMATION

Exemption Code	Exemption Description
----------------	-----------------------

Data up to date as of 2010-02-09.

PROPERTY		VALUE INFORMATION 2009 Certified	
Exemptions	(See Below)	Improvement Value Subject To Homestead	\$0
Land Acres	34	Other Improvement Value	\$0
Last Deed Date	06162009	Total Improvement Value	\$0
Last Deed Volume		Land Market Value	\$0
Last Deed Page		Land Ag. Productivity Value	\$0
Last Deed Inst. Num.		Total Market Value	New*
Agent Code	0		

* 'New' means that this property was added after the values were prepared.

MAPS and FORMS

- | | | |
|--|--|--|
| Plat Map Image (TIFF format) | New! Plat Map (PDF format) | GIS Digital Map |
| Homestead Exemption Application | Over 65 Exemption Application | Disabled Person Exemption Application |
| General Questions Request Form | Notice of Appraised Value | Appraisal Review Request |

IMPROVEMENT INFORMATION

Imp. ID	State Category	Descr
1843947	F6 COMMERCIAL	COMMERCIAL

SEGMENT INFORMATION

Imp ID	Seg ID	Description	Area	Actual Year Blt
1843947	1418574	MA MAIN AREA	28,294	2009
1843947	1418578	MA MAIN AREA	14,355	2009
1843947	1418579	MA MAIN AREA	119,351	2009
Total Living Area			162,000	

LAND INFORMATION

Land ID	State Category	Size-Acres	Size-Sqft
1942344	INDUSTRIAL	34.000000	0

DEED HISTORY

Deed ID	Seller Name	Buyer Name	Deed Date	Instrument	Deed Vol	Deed Page

CERTIFIED VALUE HISTORY

Tax Year	2008	2007	2006	2005
Improvements				
Land Market				
Ag. Land Market				
TOTAL MARKET				
Land Ag. Use				
10% Limited Adjustment				
APPRAISED				
Exemptions				
Taxing Entities				

For prior years' history, please [click here](#)

SB 541, effective September 1, 2005, provides that appraisal district websites cannot display photographs, sketches, or floor plans of an improvement to real property that is designed primarily for use as a human residence. Likewise, aerial photography of residential property will also be unavailable unless the photo depicts five or more separately owned buildings.

**APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY-
ATTACHMENT 3**

Step 3(5) and (3)(7) – On the land and in connection with the new building or other improvement, do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts.)?

All contract employees will be hired by the vendor supplying the contractors to Cisco. The vendor controls the hours, compensation and benefits. Cisco pays an agreed upon turnkey fee to the vendor. The fee is not based on a cost-plus arrangement.

As a result of this arrangement, although Cisco Systems, Inc. is relatively certain that 43 vendor jobs will be necessary to support its facility, Cisco does not retain the required “significant degree of control of the creation, job description, job characteristics or performance of the vendor” so as to consider them as a new job within the definition of Comptroller rules. The vendor jobs will not be performed by a subsidiary or affiliate of the Applicant.

Step 3(7) – Evidence documenting that the job creation requirement of 25 new jobs exceeds the number of employees necessary for the operation, according to industry standards.

House Bill 1470 altered the jobs requirement by adding Section 313.025 (f-1) to permit a school district’s board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Cisco requests that the Allen Independent School District’s Board of Trustees make such a finding and waive the job creation requirement. Based on the industry standard, the size and scope of this project will require less than twenty-five permanent jobs.

Due to ever-changing technology involved in the industry, it is standard practice for computer centers supporting research and development operations to employ contractors to perform many operational functions as opposed to directly hired employees. The contractors generally work for vendors whose technology is utilized in the computer center. The Applicant utilized unrelated vendors to ensure that the most qualified and technically proficient works are available to provide their expertise to the R&D operation within their particular technology. The Applicant customarily pays a turnkey contracted amount to the vendor for the contractor, without regard to the salary or benefits that are offered to the contractor through the vendor.

The Applicant will employ 12 full time qualified employees at the facility. Based on employment for similar sized R&D computer centers through Texas (see below), the standard employment for a computer center is two employees. The Applicant’s most similar computer center to the proposed facility is located in Richardson, Texas. The computer center at the Richardson facility operates with 1 full time employee and 50 contractors. Thus, the Applicant is exceeding the industry standard in Texas by employing 12 employees related to the proposed facility.

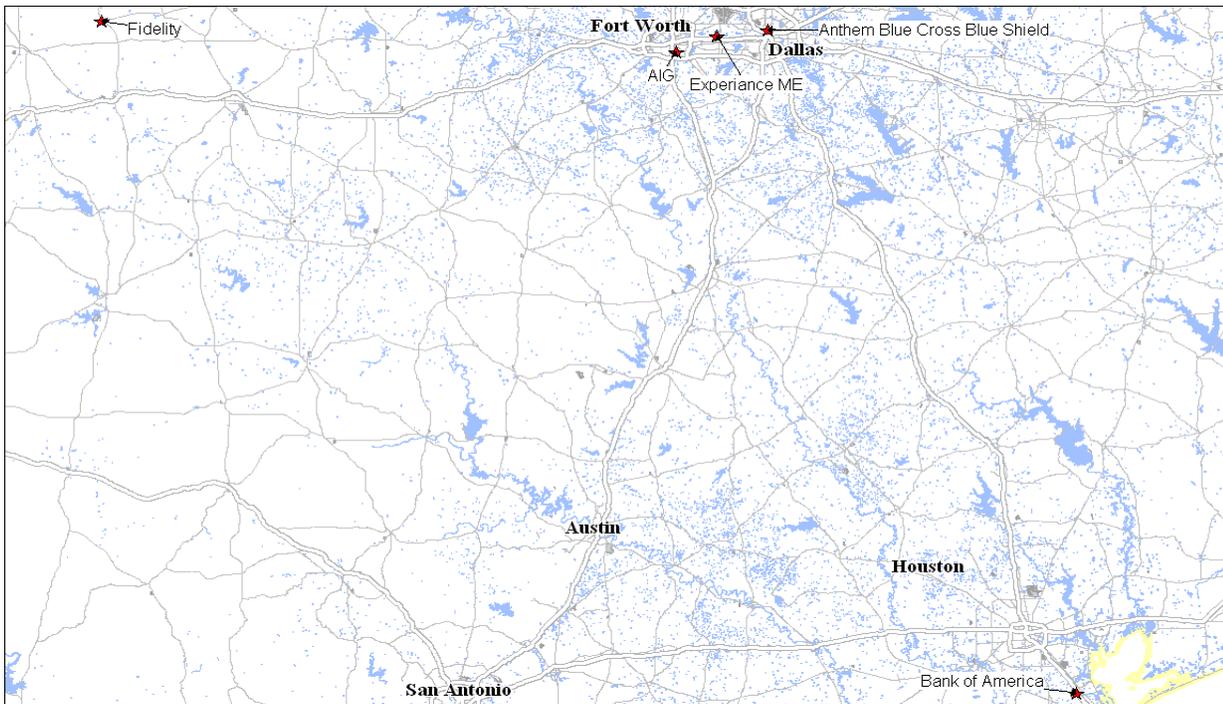
Company	Center Location	Number of Employees
AIG	Fort Worth, TX	2
Bank of America	Dickinson, TX	2
Blue Cross Blue Shield	Dallas, TX	2
Fidelity	Rotan, TX	2
Experience ME	Arlington, TX	1

**Attachment 3
Step 3(7)(a)**



Real value in a changing world

Name	City	State	Employees Here	Employee Total	Location Type	Sales Volume	SIC	Lat	Long
AIG	Fort Worth	TX	2	2	Single Location	\$140,000	63990000	32.69581	-97.2985
Bank of America	Dickinson	TX	2	2	Single Location	\$65,000	60990000	29.46475	-95.0931
Anthem Blue Cross Blue Shield	Dallas	TX	2	2	Single Location	\$240,000	63240000	32.8071	-96.7919
Fidelity	Rotan	TX	2	2	Single Location	\$57,000	73890900	32.85193	-100.467
Experiance ME	Arlington	TX	1	1	Single Location	\$53,000	87480000	32.77672	-97.0734



110% of Young County Average Weekly Wage for all Jobs

2009	1Q	\$ 1,061
2009	2Q	\$ 1,005
2009	3Q	\$ 994
2009	4Q	\$ 1,153
TOTAL:		\$1,053.25

\$1,053.25 average weekly salary
X 1.1 (110%)
\$1,158.58

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

2009	1Q	\$ 1,545
2009	2Q	\$ 1,451
2009	3Q	\$ 1,483
2009	4Q	\$ 1,614
TOTAL:		\$1,523.25

\$1,523.25 average weekly salary
X 1.1 (110%)
\$1,675.58

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

\$22.60 per hour

X 40 hr per week

\$ 904 average weekly salary

X 1.10 (110%)

\$994.40

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
2009	1st Qtr	Collin County	Private	00	0	10	Total, All Industries	\$1,061
2009	2nd Qtr	Collin County	Private	00	0	10	Total, All Industries	\$1,005
2009	3rd Qtr	Collin County	Private	00	0	10	Total, All Industries	\$994
2009	4th Qtr	Collin County	Private	00	0	10	Total, All Industries	\$1,153

Quarterly Employment and Wages (QCEW)

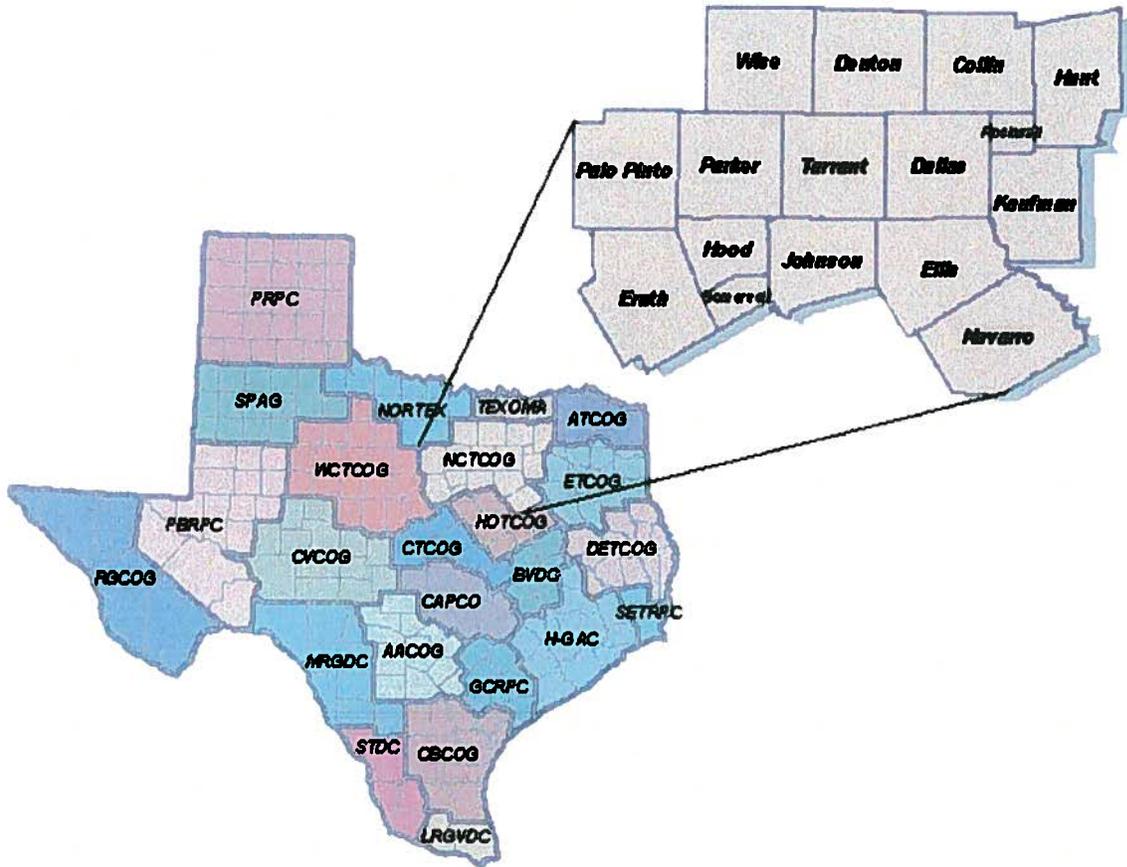
[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2009	1st Qtr	Collin County	Private	31	2	31-33	Manufacturing	\$1,545
2009	2nd Qtr	Collin County	Private	31	2	31-33	Manufacturing	\$1,451
2009	3rd Qtr	Collin County	Private	31	2	31-33	Manufacturing	\$1,483
2009	4th Qtr	Collin County	Private	31	2	31-33	Manufacturing	\$1,614



NCTCOG Region Map



**2008 Manufacturing Wages by Council of Government Region
 Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$20.61	\$42,872
1. Panhandle Regional Planning Commission	\$18.23	\$37,916
2. South Plains Association of Governments	\$14.81	\$30,799
3. NORTEX Regional Planning Commission	\$17.78	\$36,982
4. North Central Texas Council of Governments	\$22.60	\$47,011
5. Ark-Tex Council of Governments	\$15.50	\$32,239
6. East Texas Council of Governments	\$16.07	\$33,431
7. West Central Texas Council of Governments	\$16.30	\$33,904
8. Rio Grande Council of Governments	\$14.93	\$31,048
9. Permian Basin Regional Planning Commission	\$17.51	\$36,422
10. Concho Valley Council of Governments	\$14.07	\$29,274
11. Heart of Texas Council of Governments	\$17.19	\$35,749
12. Capital Area Council of Governments	\$24.50	\$50,969
13. Brazos Valley Council of Governments	\$14.93	\$31,052
14. Deep East Texas Council of Governments	\$15.42	\$32,066
15. South East Texas Regional Planning Commission	\$24.60	\$51,161
16. Houston-Galveston Area Council	\$21.80	\$45,353
17. Golden Crescent Regional Planning Commission	\$18.72	\$38,932
18. Alamo Area Council of Governments	\$16.50	\$34,330
19. South Texas Development Council	\$13.76	\$28,631
20. Coastal Bend Council of Governments	\$22.61	\$47,037
21. Lower Rio Grande Valley Development Council	\$13.05	\$27,145
22. Texoma Council of Governments	\$17.99	\$37,415
23. Central Texas Council of Governments	\$16.47	\$34,255
24. Middle Rio Grande Development Council	\$13.85	\$28,810

Source: Texas Occupational Employment and Wages

Data published: 9 June 2009

Data published annually, next update will be June 2010.

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.

15. Description of Benefits

The Company offers medical, dental, and vision plans, flexible spending accounts, insurance and short-term and long-term disability plans. The Company offers a 401(k) plan.

**CHAPTER 313 APPLICATION ADDENDUM
ATTACHMENT 6**

Item 5 – State and Local Economic Development Incentives

1. Reduced building inspection and building permit fees.
2. Reduced roadway impact fees.
3. Reduced water meter impact fees.
4. An Economic Development Grant of \$5.5 Million from the Allen Economic Development Corporation
5. The design and construction of the extension of Chelsea Boulevard as a four-lane roadway (including curb, gutter, turf, street lights, and a median) from Stacy Road to Commerce Parkway in accordance with plans approved by the City of Allen (the “City”), including the City’s acquisition of right-of-way necessary for such improvements.
6. The design and construction of Commerce Parkway as a two-lane roadway (including curb, gutter, turf, and street lights) from US 75 to Chelsea Boulevard in accordance with plans approved by the City, including the City’s acquisition of right-of-way necessary for such improvements.
7. The design and construction of the extension of water and sanitary sewer services and the installation of one sanitary tap, including the City’s acquisition of easements necessary for such improvements.

SCHEDULE B-3676 (Temporary - July 2009): ESTIMATED MARKET AND TAXABLE VALUE

All figures here are to be cumulative										
				Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value	
		Year	Tax Year (fill in actual tax year)	Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)
		pre- year 1	2010	0	20,553,100	0	0	0	20,553,100	20,553,100
	Complete tax years of qualifying time period	1	2011	0	23,227,100	54,324,369	0	0	77,551,469	77,551,469
		2	2012	0	23,227,100	87,429,162	0	0	110,656,262	110,656,262
		3	2013	0	23,227,100	88,572,860	0	0	111,799,960	80,000,000
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	4	2014	0	23,227,100	64,468,043	0	0	87,695,143	80,000,000
		5	2015	0	23,227,100	77,443,610	0	0	100,670,710	80,000,000
		6	2016	0	23,227,100	61,714,155	0	0	84,941,255	80,000,000
		7	2017	0	23,227,100	61,547,935	0	0	84,775,035	80,000,000
		8	2018	0	23,227,100	56,590,025	0	0	79,817,125	80,000,000
		9	2019	0	23,227,100	60,472,056	0	0	83,699,156	80,000,000
		10	2020	0	23,227,100	60,330,835	0	0	83,557,935	80,000,000
		Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2021	0	23,227,100	60,900,000	0	0
12	2022			0	23,227,100	59,150,000	0	0	82,377,100	82,377,100
13	2023			0	23,227,100	60,900,000	0	0	84,127,100	84,127,100
	Post- Settle-Up Period	14	2024	0	23,227,100	60,900,000	0	0	84,127,100	84,127,100
	Post- Settle-Up Period	15	2025	0	23,227,100	55,610,486	0	0	78,837,586	78,837,586

* *

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

Note: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

* * If projections are accurate and the taxable value drops below the value limitation agreement, the taxable value would be the lesser value of \$79,817,125

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

		Year	Tax Year (fill in actual tax year)	Existing Jobs	Construction		Permanent New Jobs		Qualifying Jobs	
				Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man- hours (specify)	Column C: Average annual wage rates for construction workers	Column D: Total number of permanent full- time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column G: Avg. annual wage of qualifying jobs
		pre- year 1	2009	0	192,000 manhours	\$52,000	0	0	0	0
	Complete tax years of qualifying time period	1	2010	0	448,000 manhours	\$52,000	0	0	0	0
		2	2011	0	0	0	6	\$80,000	6	\$80,000
	Value Limitation Period	3	2012	0	0	0	12	\$80,000	12	\$80,000
		4	2013	0	0	0	12	\$80,000	12	\$80,000
		5	2014	0	0	0	12	\$80,000	12	\$80,000
		6	2015	0	0	0	12	\$80,000	12	\$80,000
		7	2016	0	0	0	12	\$80,000	12	\$80,000
		8	2017	0	0	0	12	\$80,000	12	\$80,000
		9	2018	0	0	0	12	\$80,000	12	\$80,000
		10	2019	0	0	0	12	\$80,000	12	\$80,000
	Credit Settle-Up Period	11	2020	0	0	0	12	\$80,000	12	\$80,000
		12	2021	0	0	0	12	\$80,000	12	\$80,000
		13	2022	0	0	0	12	\$80,000	12	\$80,000
	Post- Settle-Up Period	14	2023	0	0	0	12	\$80,000	12	\$80,000
	Post- Settle-Up Period	15	2024	0	0	0	12	\$80,000	12	\$80,000

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

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

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

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

1. Applicant name Cisco Systems, Inc.

2. ISD Name Allen Independent School District

3. Please describe the general nature of the applicant's investment:
The Company will construct and operate a state-of the-art computer center primarily used in connection with, and to facilitate, internal company research and development. The computer center will include a front office for employees and visitors, data hall areas for servers and network racks, space for mechanical and electrical support systems, a service yard to house fuel tanks, water tanks, and cooling towers, and such other ancillary facilities such as related infrastructure and required parking and landscaping.

4. Taxing entities that have jurisdiction for the property:
 - a. County Collin
Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).
No

 - b. City Allen

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

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

Yes, an abatement on real and tangible personal property has been granted by the City. The abatement is 40% for Years 1-4, 30% for Years 5-7, and 20% for Years 8-10.

c. Hospital District None

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

Not applicable.

Other (describe) Collin County Community College

Other (describe) _____

Other (describe) _____

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

No.

5. Are you seeking any other state or local economic development incentives? Examples could include road or public infrastructure improvements, job training grants, loan guarantees, special financing, etc.) Yes. If yes, please describe, attaching documentation as necessary. **Please see Attachment 6.**
6. The locally collected sales tax rate is: 2.0%
7. Will the land upon which the new building or new improvement be built be part of the qualified property described by §313.021(2)(A)? No If yes, please attach complete documentation: legal description, parcel ID, current taxable value, owner, etc.
8. Will the project be on leased land? No
9. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation. N/A
10. What is the anticipated date of application approval? August 1, 2010
11. What is the anticipated date of beginning of the qualifying time period? August 1, 2010

12. What is the approximate date the proposed facility or new improvement is expected to be fully operational? January 1, 2012

13. What is the minimum required annual wage for each qualified job in this school district? [See new §§313.021(5)(A) or 313.021(5)(B) or 313.021(3)(E)(ii), or 313.051(b).] \$51,712.10 Please specify method of computation and attach documentation from TWC web site. (Note that applicants to school districts subject to Subchapter C because of demographic characteristics must meet the regional wage standard described in §313.051(b).)

\$47,011*110% = 51,712.10. The average weekly wage for manufacturing jobs in the region designated by the Council of Governments was utilized. Collin County is in the North Central Texas Council of Governments (see Attachment 2).

14. What is the minimum annual wage you will be paying for each qualified job in this school district? \$80,000 for full time employees

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

12 full time employees.

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

Robert F. Johnson
Name of authorized company officer
Robert F. Johnson
Signature of authorized company officer

Vice President, Tax
Title
6/18/2010
Date

On behalf of Cisco Systems, Inc.
Name of corporation/company

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code §37.10.

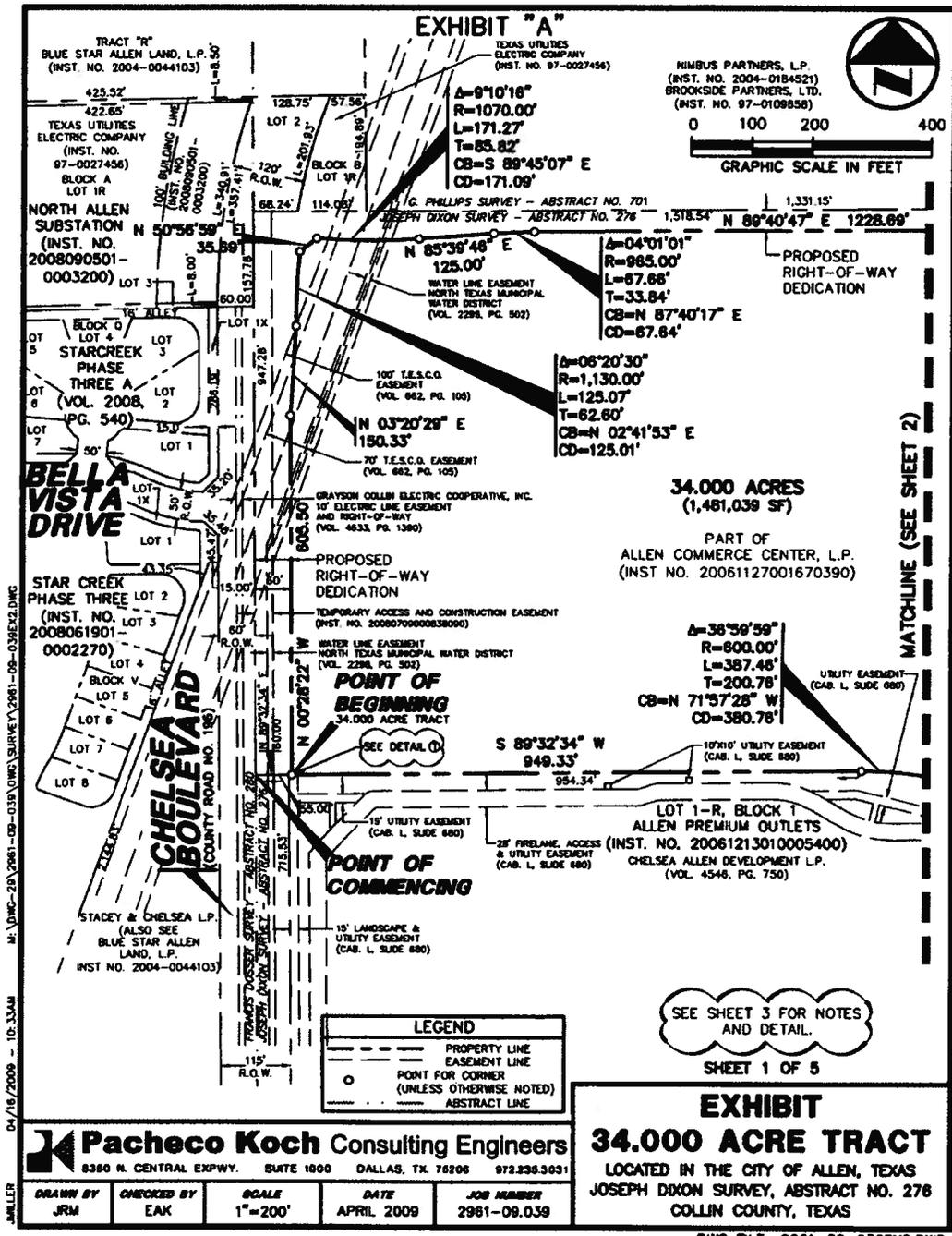
School district official sign and date application.

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

Mark J. Tarpley
Name of authorized school district officer
Mark J. Tarpley
Signature of authorized school district official

Assistant Supt. of Finance
Title
06-18-10
Date

Name of school district Allen ISD



04/16/2009 - 10:33AM
 M:\DWG-20\2961-09-039\UNITS\SURVEY\2961-09-039EX2.DWG
 MILLER

LEGEND	
	PROPERTY LINE
	EASEMENT LINE
	POINT FOR CORNER (UNLESS OTHERWISE NOTED)
	ABSTRACT LINE

SEE SHEET 3 FOR NOTES AND DETAIL.

SHEET 1 OF 5

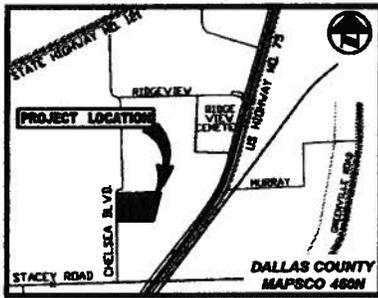
Pacheco Koch Consulting Engineers
 8350 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.236.3031

EXHIBIT
34.00 ACRE TRACT
 LOCATED IN THE CITY OF ALLEN, TEXAS
 JOSEPH DIXON SURVEY, ABSTRACT NO. 276
 COLLIN COUNTY, TEXAS

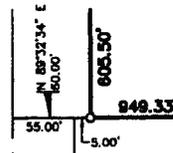
DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	1"=200'	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

EXHIBIT "A"



VICINITY MAP
(NOT TO SCALE)



1 DETAIL
NOT TO SCALE

NOTES

1. It is not the intent of this exhibit to render a professional opinion as to the location or condition of the boundary of the real property shown hereon. This exhibit was not prepared for use in any real estate transaction, conveyance or title insurance proceedings. Any depiction that may appear hereon of bearings, distances, courses, areas or monumentation are not necessarily supported by field recovered evidence and shall be interpreted as being based on record information or conceptual renderings only.
2. Subject property is shown on the National Flood Insurance Program Flood Insurance Rate Map for Dallas County, Texas, Map No. 48085C0295 G, Community-Panel No. 480131 0295 G, Effective Date: January 19, 1996. All of the subject property is shown to be located in Zone "X" on said map. Relevant zones are defined on said map as follows:

Zone "X" - Other Areas: Areas determined to be outside 500-year floodplain.
3. This exhibit is based on deeds, easements and/or recorded plats and other records. However, this exhibit shall not represent warranty of title or guarantee of ownership. The surveyor did not abstract the subject property. This exhibit was performed without the benefit of a current title abstract.
4. This exhibit does not provide a determination or opinion concerning the location or existence of wetlands, faultlines, toxic or hazardous waste areas, subsidence, subsurface and environmental conditions or geological issues. No statement is made concerning the suitability of the subject tract for any intended use, purpose or development.
5. Except as specifically stated or shown, this exhibit does not purport to reflect any of the following which may be applicable to the subject tract: easements; building setback lines; restrictive covenants; subdivision restrictions; zoning or other land-use regulations; Agreements; Lease Agreements; and ownership title evidence.
6. Any declaration made hereon or herein is made to the original purchaser of the exhibit. It is not transferable to additional institutions or subsequent owners.
7. The distances shown hereon for adjoining and adjacent properties have been compiled from recorded plats and deeds, and do not necessarily represent field verified or monumented distances.
8. The survey abstract lines shown hereon are approximate and are not located on the ground.

SHEET 3 OF 5

Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.235.3031

EXHIBIT
34.000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	NONE	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

04/19/2009 - 10:33AM M:\DWG-29\2961-09-039.DWG SURVEY\2961-09-039EX2.DWG



06/15/2009 03:35:50 PM OR 1/22

ORDINANCE NO. 2839-6-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, DESIGNATING REINVESTMENT ZONE NO. 30 (CISCO SYSTEMS, INC. DATA CENTER); PROVIDING ELIGIBILITY OF THE ZONE FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT; CONTAINING FINDINGS THAT THE AREA QUALIFIES TO BE DESIGNATED AS A REINVESTMENT ZONE AND THE IMPROVEMENTS SOUGHT ARE FEASIBLE AND PRACTICABLE AND OF BENEFIT TO THE LAND AND THE CITY; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALING CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE OF SAID ORDINANCE.

WHEREAS, the City Council of the City of Allen, Texas, has caused notice to be published in a newspaper having general circulation in the City and has delivered such notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property described herein; and,

WHEREAS, the City Council of the City of Allen, Texas, has conducted a public hearing on the designation of the area described herein as a reinvestment zone; and,

WHEREAS, the proposed Tax Abatement Agreement by and between the City of Allen, Texas, and Cisco Systems, Inc., attached hereto as Exhibit "B," has been presented to the City Council; and the City Council is of the opinion and finds that the terms and conditions thereof should be approved and that the Mayor should be authorized to execute the Agreement on behalf of the City of Allen.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City Council of the City of Allen, Texas, finds that the area described herein will, if designated as a reinvestment zone, be reasonably likely to contribute to the rendition or expansion of primary employment, or to attract major investment in the zone that will be of benefit to the property and contribute to the economic development of the City. The City Council further finds that the improvements sought are feasible and practicable and would be of benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement.

SECTION 2. Pursuant to the provisions of Section 312.201 of the Texas Tax Code, the real property described in Exhibit "A" and made a part hereof for all purposes is hereby designated as a reinvestment zone and for identification is assigned the name "Reinvestment Zone No. 30" or "CISCO Data Center Zone."

SECTION 3. The property within Reinvestment Zone No. 30 is eligible for commercial-industrial tax abatement effective on January 1, 2010.

SECTION 4. The Agreement attached hereto as Exhibit "B" having been reviewed by the City Council and found to be acceptable and in the best interests of the City and its citizens, is hereby approved, and the Mayor is hereby authorized to execute the Agreement on behalf of the City of Allen, Texas.

SECTION 5. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or as amended hereby, which shall remain in full force and effect.

SECTION 6. All ordinances of the City of Allen in conflict with the provisions of this ordinance shall be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict herewith shall remain in full force and effect.

SECTION 7. This ordinance shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Allen, and it is accordingly so ordained.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 9TH DAY OF JUNE, 2009.



APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

Peter G. Smith, CITY ATTORNEY

Exhibit A
Legal Description for Zone 30
34.000 Acre Tract
Joseph Dixon Survey, Abstract No. 278
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 0061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

EXHIBIT B
TAX ABATEMENT AGREEMENT

STATE OF TEXAS §
 § **Tax Abatement Agreement**
COUNTY OF COLLIN §

This Tax Abatement Agreement (the "Agreement") is entered into by and among the City of Allen, Texas (the "City"), and Cisco Systems, Inc., a California corporation ("Owner"), acting by and through their respective authorized officers and representatives. This Agreement will become effective upon the Owner closing on its purchase of the Land (hereinafter defined.)

WITNESSETH:

WHEREAS, on April 28, 2009, the City Council of the City, passed an Ordinance (the "Ordinance") establishing Tax Abatement Reinvestment Zone No. 30 (the "Zone"), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended (the "Tax Code"); and

WHEREAS, on April 28, 2009, the City adopted updated guidelines for tax abatement (the "Tax Abatement Guidelines"); and

WHEREAS, the Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Tax Code; and

WHEREAS, on April 28, 2009, the City adopted a resolution stating that it elects to be eligible to participate in tax abatements; and

WHEREAS, Owner is under contract to purchase approximately 34 acres of land within the City and being further described in Exhibit "A" (the "Land"); and

WHEREAS, the Owner intends to construct, and operate on the Land, a minimum 140,000 square foot state of the art data center with initial total electrical capacity of 10 Megawatts that will include high efficiency high security, hardening against natural disasters, sustainable design, and backup systems for Tier III Uptime Institute Classification, as well as a front office for employees and visitors, data hall areas for servers and network racks, spaces for mechanical and electrical support systems, fire protection systems and equipment, a service yard to house fuel tanks, water tanks, and cooling towers, and other ancillary facilities such as related infrastructure and required parking and landscaping as more fully described in the submittals to be filed by Owner with the City from time to time in order to obtain a building permit(s) and other required permits (hereinafter defined as the "Improvements"); and

WHEREAS, the City Council finds that the contemplated use of the Premises (hereinafter defined) and the other terms hereof are consistent with encouraging

development of the Zone in accordance with the purposes for its creation and in compliance with the Tax Abatement Guidelines, the Ordinance adopted by the City, the Tax Code and all other applicable laws and legal requirements; and

WHEREAS, the City Council finds that the Improvements sought are feasible and practicable and would be of benefit to the land to be included in the Zone and to the City after expiration of this Agreement; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic and employment base of the Allen area, it is in the best interests of the taxpayers for the City to enter into this Agreement; and

WHEREAS, this Agreement has been approved by the affirmative vote of a majority of the City Council of the City at a regularly scheduled City Council meeting, and has been executed in the same manner as the City contracts; and

WHEREAS, a copy of this Agreement has been furnished, and notices have been provided, in the manner prescribed by Section 312.2041 of the Tax Code, to the presiding officers of the governing bodies of each of the taxing units (as defined by the Tax Code) in which the Improvements will be located.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which are hereby acknowledged, including the expansion of primary employment, the attraction of major investment, which contributes to the economic development of the City, and the enhancement of the tax base within the City, the parties agree as follows:

Article I Definitions

Whenever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Bankruptcy or Insolvency” shall mean the dissolution or termination (other than a dissolution or termination by reason of Owner merging with an affiliate of Owner) of a party’s existence as a going business, insolvency, appointment of receiver for any part of a party’s property and such appointment is not terminated within one hundred eighty (180) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Owner and such pleadings is not dismissed within one hundred (180) days after the filing thereof.

“Base Year” shall mean the calendar year in which this Agreement is fully executed by the parties.

“Commencement of Construction” shall mean that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Improvements on the Land; (ii) all necessary permits for the construction of the Improvements of the Land pursuant to the respective plans therefore have been issued by all applicable governmental authorities; and (iii) grading of the Land and the construction of the building elements of the Improvements has commenced, whether such elements are located above or below ground.

“Completion of Construction” shall mean that (i) substantial completion of the Improvements on the Land has occurred; and (ii) a final permanent certificate of occupancy has been issued by the City for Owner’s occupancy of the Improvements.

“Effective Date” shall mean the earlier of the date the Owner closes its purchase of the Land or September 1, 2009.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of Owner, as applicable, including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the Owner), fires, explosions or floods, strikes, slowdowns or work stoppages or shortage of materials or labor. “Force Majeure” shall also include Owner’s inability or delay in obtaining permits or other approvals required by a governmental agency in order to begin Commencement of Construction or achieve Completion of Construction through no fault of Owner.

“First Year of Abatement” shall mean January 1 of the calendar year immediately following Completion of Construction, unless otherwise agreed by the parties.

“Freeport Goods” shall have the same meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution and located on the Property. Freeport Goods does not include “Goods in Transit” as defined by Tax Code, Section 11.253.

“Goods in Transit” shall have the same meaning assigned by Tax Code, Section 11.253.

“Improvements” shall mean a minimum 140,000 square foot state of the art data center to be constructed on the Land with initial total electrical capacity of 10 Megawatts that will include high efficiency, high security, hardening against natural disasters, sustainable design, and backup systems for Tier III Uptime Institute Classification, as well as a front office for employees and visitors, data hall areas for servers and network racks, spaces for mechanical and electrical support systems, fire protection systems and equipment, a service yard to house fuel tanks, water tanks, and cooling towers, and other ancillary facilities such as related infrastructure and required parking and landscaping as more fully described in the submittals to be filed by Owner with the City from time to time in order to obtain a building permit(s) and other required permits.

“Land” shall mean the real property described in Exhibit “A”, excluding the Improvements.

“Owner” shall mean Cisco Systems, Inc.

“Period” shall mean Period 1, Period 2 or Period 3 as those terms are defined in Section 4.4.

“Premises” shall mean collectively, the Land and Improvements following construction thereof, but excluding any Tangible Personal Property.

“Related Agreements” shall mean any agreement between the Owner and the City, and/or the Allen Economic Development Corporation.

“Rolling Average” shall mean the average of the combined Taxable Value of the Improvements and the Tangible Personal Property for a given year with the prior years’ combined Taxable Value for the Improvements and Tangible Personal Property during a given Period, except that for the first year of each Period, the Rolling Average shall be equal to the combined Taxable Value of the Improvements and the Tangible Personal Property for that given year.

“Tangible Personal Property” shall mean tangible personal property, equipment and fixtures, including supplies and inventory (but excluding Freeport Goods and Goods in Transit) owned or leased by Owner that is added to the Improvements subsequent to the execution of this Agreement.

“Taxable Value” means the appraised value, as certified by the Collin County Appraisal District as of January 1 of a given year.

Article II General Provisions

2.1 Owner owns or is under contract to purchase the Land, which Land is located within the City and within the Zone. Owner intends to construct the Improvements on the Land and intends to locate and maintain Tangible Personal Property.

2.2 The Premises are not an improvement project financed by tax increment bonds.

2.3 This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.

2.4 The Owner represents that, upon and following Owner’s acquisition of the Land, the Land and the Improvements will not be owned or leased by any member of the City Council or the Planning and Zoning Commission for the City.

2.5 Owner shall, prior to May 1 of each calendar year during the term of this Agreement, certify in writing to the City that it is in substantial compliance with each term of this Agreement.

2.6 The Owner shall develop and use the Premises at all times during the term of this Agreement in a manner that: (i) is consistent with the City's Comprehensive Zoning Ordinance, as amended, and (ii) that is consistent with the general purposes of encouraging development or redevelopment within the Zone during the period of abatement under this Agreement.

Article III Tax Abatement Authorized

3.1 City represents that this Agreement is authorized by the Tax Code, is in accordance with the Tax Abatement Guidelines, and has been approved by the governing body of the City.

3.2 Subject to the terms and conditions of this Agreement, the City hereby grants Owner an abatement of the Taxable Value of the Improvements, and of the Taxable Value of the Tangible Personal Property, for a period of ten (10) consecutive years commencing the First Year of Tax Abatement in accordance with the schedule below. The actual percentage of taxes subject to abatement for the Improvements shall apply only to that portion of the Taxable Value of the Improvements that exceeds the Taxable Value of the Improvements for the Base Year. The actual percentage of Taxable Value of the Tangible Personal Property subject to abatement for each year this Agreement is in effect will apply only to the Tangible Personal Property that is added to the Improvements subsequent to the execution of this Agreement.

<u>Abatement Year</u>	<u>Percentage</u>
Year 1	40%
Year 2	40%
Year 3	40%
Year 4	40%
Year 5	30%
Year 6	30%
Year 7	30%
Year 8	20%
Year 9	20%
Year 10	20%

3.3 The period of tax abatement herein authorized shall be ten (10) consecutive years, beginning the First Year of Tax Abatement. The term of this Agreement shall begin on the Effective Date and shall continue until February 2 of the calendar year immediately following the 11th anniversary of the First Year of Abatement.

3.4 During the period of tax abatement herein authorized, Owner shall be subject to all City taxation not abated under this Agreement, including but not limited to, sales tax and ad valorem taxation.

Article IV Improvements

4.1 The Owner intends to construct or cause to be constructed the Improvements on the Land. Nothing in this Agreement shall obligate Owner to construct the Improvements on the Land but said action is a condition precedent to tax abatement pursuant to this Agreement.

4.2 As a condition precedent to the initiation of tax abatement pursuant to this Agreement, Owner will, subject to events of Force Majeure, diligently and faithfully, in a good and workmanlike manner, cause Commencement of Construction of the Improvements to occur no later than December 31, 2009 and, subject to events of Force Majeure, cause Completion of Construction thereof to occur on or before December 31, 2011, as good and valuable consideration for this Agreement, and that all construction of the Improvements will be in substantial accordance with all applicable state and local laws, codes, and regulations, (or valid waiver thereof).

4.3 Subject to events of casualty, condemnation, or Force Majeure, Owner agrees to maintain the Premises in substantial accordance with all applicable state and local laws, codes, and regulations for a period of not less than ten (10) years beginning with the First Year of Abatement.

4.4 (a) The Rolling Average for the Improvements and the Tangible Personal Property for each year beginning with the First Year of Abatement shall be equal to or exceed the minimum combined Taxable Values for the respective Period set forth in the schedule in Section 4.4 (c) below (the "Minimum Combined Taxable Value"). The failure to achieve the Minimum Combined Taxable Value for the Improvements and the Tangible Personal Property for a given year shall result in a forfeiture of the abatement for the respective tax year but will not be considered an event of default subject to termination and repayment of the abated taxes as provided in Sections 5.1-5.4, except as provided in this Section 4.4. The failure to achieve the Rolling Average for the Improvements and the Tangible Personal Property for year 4, 7 or 10 shall be not be considered an event of default subject to termination and repayment of all of the abated taxes as provided in Sections 5.1-5.4, provided the Owner pays a sum to the City equal to the sum of all abated taxes for the respective Period ending year 4, 7 or 10, as the case may be. The failure of the Company to pay such sum to the City within thirty (30) days after written demand for the same from the City shall be considered an event of default subject to termination and repayment of all abated taxes as provided in Sections 5.1-5.4.

(b) Period 1 shall begin with the First Year of Abatement and include the next three (3) consecutive years. Period 2 shall mean and include the next three (3) consecutive tax years and Period three (3) shall mean include the next three (3) consecutive tax years. For

illustration purposes only, assume the combined Taxable Value for the Improvements and the Tangible Personal Property for the First Year of Abatement is \$119,000,000. The Rolling Average for the First Year of Abatement would have been satisfied, and the Owner would be entitled to the tax abatement granted pursuant to Section 3.2, above. Further assume that the combined Taxable Value for the Improvements and the Tangible Personal Property for the second (2nd) year of abatement is \$122,000,000 in which event the Rolling Average for such year becomes \$120,500,000. Thus, the Rolling Average for the second year exceeded the Minimum Combined Taxable Value of \$118,200,000 and the Owner is entitled to the tax abatement for the second (2nd) year of abatement available under Section 3.2, above. Further assume that the combined Taxable Value of the Improvements and the Tangible Personal Property for third (3rd) year of abatement is \$110,000,000. Then, in such event the Rolling Average for the third (3rd) year becomes \$117,000,000 which is below the Minimum Combined Taxable Value of \$118,200,000. As a result the Owner forfeits the entitlement to the tax abatement for the third (3rd) year of abatement available under Section 3.2 above, but such failure is not considered an event of default subject to termination and repayment of abated taxes pursuant to Sections 5.1-5.4 unless the Rolling Average for the Improvements and Tangible Personal Property for the fourth (4th) year of abatement is below the Minimum Combined Taxable Value for Period 1 in the amount of \$118,200,000. Finally, assume that the combined Taxable Value of the Improvements and the Tangible Personal Property for the fourth (4th) year of abatement is \$100,000,000. Then, in such event the Rolling Average for the fourth (4th) year becomes \$113,880,000 which is below the Minimum Combined Taxable Value of \$118,200,000. As a result the Owner forfeits the entitlement to the tax abatement for the fourth (4th) year of abatement available under Section 3.2 above, and such failure is considered an event of default and is subject to termination and repayment of all of the abated taxes pursuant to Sections 5.1-5.4, unless the Owner pays a sum equal to the sum of all abated taxes for Period 1 (the abated taxes for the first and second year of abatement) to the City within thirty (30) days after receipt of written demand for the same. The failure of the Owner to pay such sum within thirty (30) days after receipt of a written demand for the same shall be considered an event of default subject to termination. Upon termination following notice as provided by Sections 5.1-5.4 the Owner would be obligated to pay an amount to the City equal to all prior abated taxes prior to such termination and not just for the Period of such uncured default.

(c) Combined Minimum Taxable Value Schedule

<u>Period</u>	<u>Minimum Combined Taxable Value</u>
Period 1 Years 1-4	\$118,200,000
Period 2 Years 5-7	\$ 92,500,000
Period 3 Years 8-10	\$ 84,100,000

4.5 The City, and its agents and employees, shall have the right of reasonable access to the Land and Improvements to inspect the Improvements and Tangible Personal Property at reasonable times during normal business hours and with reasonable notice to Owner in accordance with visitor access and security policies of the Owner in order to

insure that the construction is in substantial accordance with this Agreement and all applicable state and local laws and regulations (or valid waiver thereof).

Article V

Default; Recapture of Abated Taxes

5.1 In the event that Owner (i) fails to construct the Improvements in substantial accordance with this Agreement or in substantial accordance with applicable State or local laws, codes or regulations; (ii) has delinquent ad valorem or sales taxes owed to the City (provided Owner retains the right to timely and properly protest and/or contest such taxes or assessment); (iii) commits any breach of this Agreement or any Related Agreement; or (iv) suffers an event of Bankruptcy or Insolvency then Owner, after the expiration of the notice and cure periods described herein, shall be in default of this Agreement.

5.2 Upon breach by Owner of any obligations under this Agreement or any Related Agreements, or upon any event described by Subsections 5.1(i), (ii), (iii) or (iv), the City shall notify Owner in writing. The Owner shall have ninety (90) days from receipt of the notice of breach in which to cure any such default. If the default cannot reasonably be cured within a ninety (90) day period, and Owner has diligently pursued such remedies as shall be reasonably necessary to cure the default, then the City may, in its discretion, extend the period in which the breach must be cured.

5.3 If the Owner fails to cure the default within the time provided herein or, as such time period as may be extended, the City shall, at its sole option, have the right to terminate this Agreement by written notice to Owner (such termination, a "default termination").

5.4 As liquidated damages in the event of a default termination, the Owner shall, within thirty (30) days after written notice of termination is provided to the Owner pay to the City all taxes (less any taxes previously repaid pursuant to Section 4.4 hereof) which otherwise would have been paid to the City for the Improvements and the Tangible Personal Property without benefit of the tax abatement with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code, as amended, but without penalty. The parties acknowledge that the actual damages in the event of a default termination would be speculative and difficult to determine. The parties further agree that any abated tax (less any taxes previously repaid pursuant to Section 4.4 hereof), including interest as a result of this Agreement, at the statutory rate for delinquent taxes, shall be recoverable against Owner, and shall constitute a tax lien against the Premises and the Tangible Personal Property, and shall become due and owing, and shall be paid to the City within thirty (30) days after termination. The City shall have all remedies for the collection of the abated tax provided generally in the Tax Code for the collection of delinquent property tax. The City at its sole discretion has the option to provide a repayment schedule. The computation of tax abated for the purposes of the Agreement shall be based upon the full Taxable Value of the Improvements and Tangible Personal Property without tax abatement, for the years in which tax abatement hereunder was received by Owner, as determined by the Collin County Appraisal District, multiplied by the tax rate for the years in question, as calculated by the

City Tax Assessor-Collector. The liquidated damages shall incur penalties as provided for delinquent taxes and shall commence to accrue thirty (30) days after notice of termination is provided to the Owner.

Article VI Annual Application for Tax Exemption

It shall be the responsibility of Owner pursuant to the Tax Code to file an annual exemption application form with the Chief Appraiser for Collin County Appraisal District, or its successor, in which the eligible taxable property has situs. A copy of the exemption application shall be submitted to the City upon request.

Article VII Annual Rendition

Owner shall annually render the value of the Land, Improvements and Tangible Personal Property to the Collin County Appraisal District and provide a copy of the same to the City upon written request. The failure of the Owner to render the value of the Land, Improvements and Tangible Personal Property to the Collin County Appraisal District shall not be an event of default subject to termination and recapture pursuant to Sections 5.1-5.4 below.

Article VIII Miscellaneous

8.1 Assignment. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by Owner to any person or entity without the prior written consent of the City, except as otherwise permitted by this Section 8.1. Owner has the right (from time to time without the consent of the City, but upon sixty (60) days prior written notice to the City) to assign this Agreement to any person or entity that is controlled by or under common control with Owner (an "Affiliate"). Each assignment shall be in writing executed by Owner and Affiliate and shall obligate the Affiliate to be bound by this Agreement in a form reasonably approved by the City. A copy of each permitted assignment shall be provided to the City within 15 days after execution. From and after such permitted assignment, the City agrees to look solely to the Affiliate for the performance of this Agreement and agrees that Owner shall be released from subsequently performing the Agreement and from any and all liability that results from the Affiliate's failure to perform this Agreement provided, however, if a copy of the permitted assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such permitted assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the permitted assignment unless City approves the release in writing. Owner shall maintain written records of all permitted assignments made by Owner to Affiliates, including a copy of each executed permitted assignment and the

Affiliate's notice information as required by this Agreement and, upon written request from the City, shall provide a copy of such records to the City.

8.2 Notice. All notices required by this Agreement shall be addressed to the following, or such other party or address as the parties designate in writing, by certified mail, postage prepaid, return receipt requested, or by hand delivery:

If intended for City, to:

City of Allen
Attn: City Manager
One Allen Civic Plaza
305 Century Parkway
Allen, Texas 75013

With a copy to:

Peter G. Smith
Nichols, Jackson, Dillard,
Hager and Smith
1800 Lincoln Plaza
500 N Akard Plaza
Dallas, Texas 75201

If intended for Owner, to:

Cisco Systems, Inc.
Attn: Director, Worldwide Real Estate
170 West Tasman Drive
San Jose, California 95134

With a copy to:

Misty M. Ventura
K & L Gates
1717 Main Street, Suite 2800
Dallas, Texas 75201

Cisco Systems, Inc.
Attn: General Counsel
170 West Tasman Drive
San Jose, California 95134

Cisco Systems, Inc.
Attn: Tax Department
170 West Tasman Drive
San Jose, California 95134

Cisco Systems, Inc.
Attn: Tax Department
12515 Research Boulevard, Building Four
Austin, Texas 78759

8.3 Authorizations. This Agreement was authorized by ordinance of the City Council authorizing the Mayor to execute this Agreement on behalf of the City.

8.4 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement, shall be enforceable and shall be enforced as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word; and such invalid,

illegal, unconstitutional or unenforceable section, subsection, paragraph, sentence, phrase or word shall be substituted by a section, subsection, paragraph, sentence, phrase or word as near in substance thereto as may be valid, legal, constitutional and enforceable.

8.5 Applicable Law. This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Collin County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

8.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

8.7 Entire Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to the matters in this Agreement, and except as otherwise expressly provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement, which modification shall be in compliance with Section 312.208 of the Tax Code, as amended and all other applicable law.

8.8 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

8.9 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes, whatever reference is made to the same.

8.10 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

8.11 Employment of Undocumented Workers. During the term of this Agreement, the Owner agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Owner shall repay the taxes abated herein and any other funds received by the Owner from the City as of the date of such violation within 120 business days after the date the Owner is notified by the City of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. The Owner is not liable for a violation of this Section by a subsidiary, affiliate, or franchisees of the Owner or by a person with whom the Owner contracts.

8.12 Contingencies. This Agreement and the obligations of the City hereunder are expressly contingent upon and subject to the Owner closing its purchase of the Land on or before September 1, 2009.

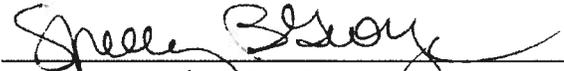
(Signature page to follow)

EXECUTED in duplicate originals the 9th day of June, 2009.

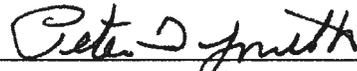
City of Allen, Texas

By: 
Stephen Terrell, Mayor

ATTEST:

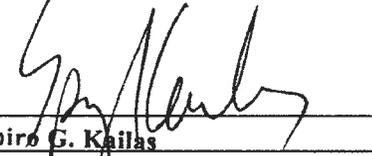
By: 
Shelley George, City Secretary

APPROVED AS TO FORM:

By: 
Peter G. Smith, City Attorney

EXECUTED in duplicate originals the 2 day of June, 2009.

Cisco Systems, Inc.

By: 
Name: Spiro G. Kailas
Title: Director, Americas Real Estate

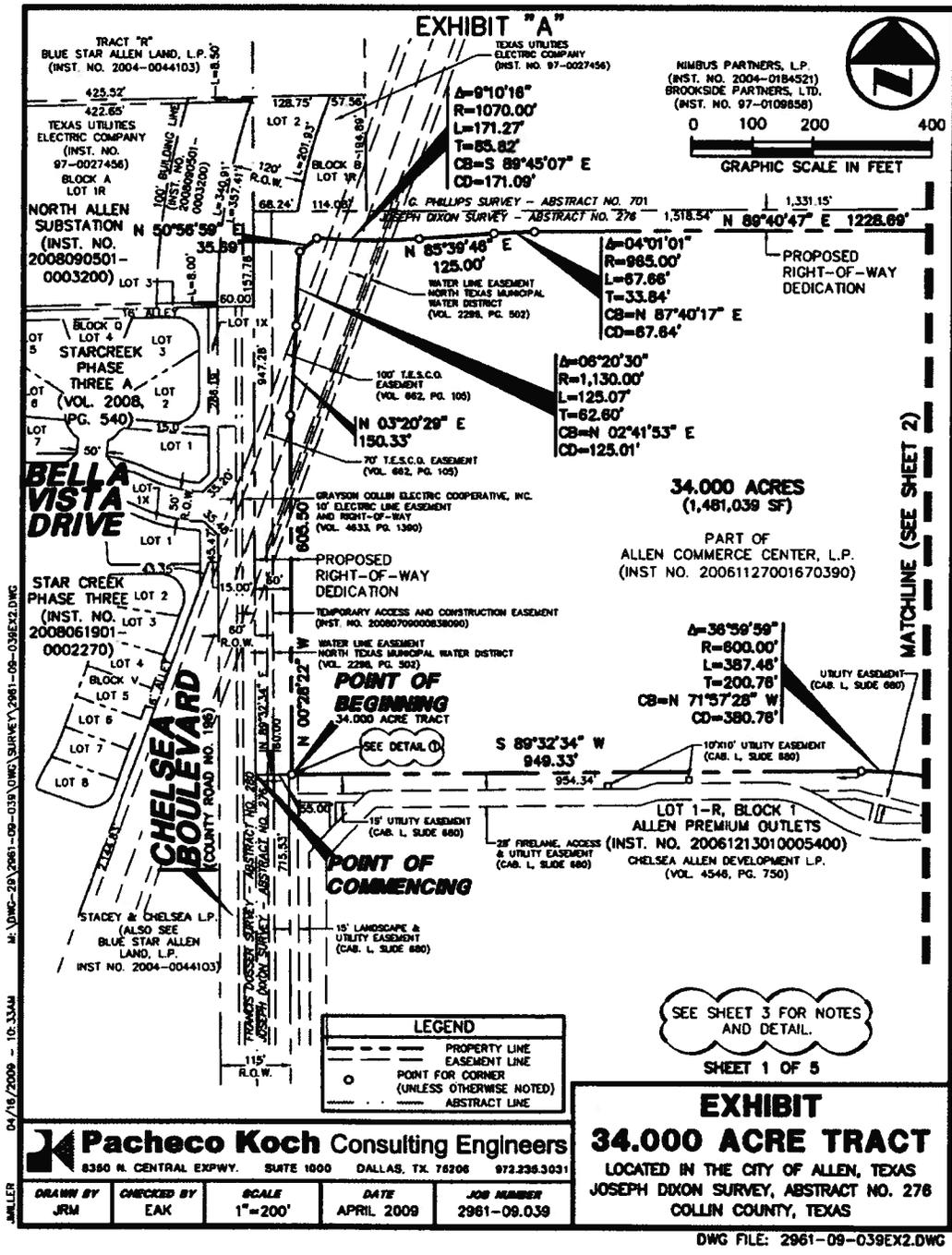
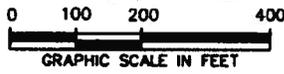


EXHIBIT "A"



LEGEND

	PROPERTY LINE
	EASEMENT LINE
	POINT FOR CORNER (UNLESS OTHERWISE NOTED)
	ABSTRACT LINE

SEE SHEET 3 FOR NOTES AND DETAIL.

SHEET 1 OF 5

Pacheco Koch Consulting Engineers
 8350 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.236.3031

EXHIBIT
34.00 ACRE TRACT
 LOCATED IN THE CITY OF ALLEN, TEXAS
 JOSEPH DIXON SURVEY, ABSTRACT NO. 276
 COLLIN COUNTY, TEXAS

DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	1"=200'	APRIL 2009	2961-09.039

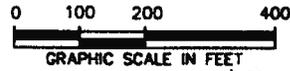
DWG FILE: 2961-09-039EX2.DWG

EXHIBIT "A"



NIMBUS PARTNERS, L.P.
(INST. NO. 2004-0184521)
BROOKSIDE PARTNERS, LTD.
(INST. NO. 97-0109658)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)



N 89°40'47" E 1228.69'

884.86' 709.81' L=360.92' L=309.61'

PROPOSED
RIGHT-OF-WAY
DEDICATION

MATCHLINE (SEE SHEET 1)

34,000 ACRES
(1,481,040 SF)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

PART OF
ALLEN COMMERCE CENTER, L.P.
(INST. NO. 20061127001670390)

A=36°59'59"
R=600.00'
L=387.46'
T=200.76'
CB=N 71°57'28" W
CD=380.76'

UTILITY EASEMENT
(CAB. L. SLIDE 680)
N 53°27'28" W
30.88'

25' WATER AND
SEWER EASEMENT
(VOL. 1714, PG. 405)

US HIGHWAY NO. 75
(VARIABLE WIDTH RIGHT-OF-WAY)

LEGEND	
---	PROPERTY LINE
- - -	EASEMENT LINE
o	POINT FOR CORNER (UNLESS OTHERWISE NOTED)
---	ABSTRACT LINE

SEE SHEET 3 FOR NOTES
AND DETAIL.

SHEET 2 OF 5

04/16/2009 - 10:33AM M:\DWG-29\2961-09-039\DWG\SURVEY\2961-09-039EX2.DWG

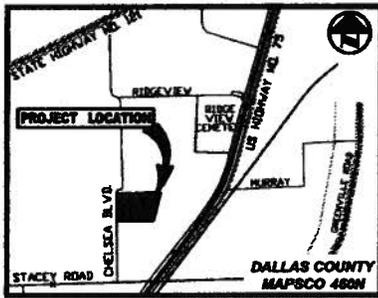
Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75208 972.235.3031

EXHIBIT
34,000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

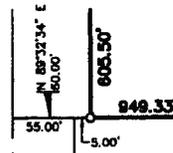
DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	1"=200'	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

EXHIBIT "A"



VICINITY MAP
(NOT TO SCALE)



1 DETAIL
NOT TO SCALE

NOTES

1. It is not the intent of this exhibit to render a professional opinion as to the location or condition of the boundary of the real property shown hereon. This exhibit was not prepared for use in any real estate transaction, conveyance or title insurance proceedings. Any depiction that may appear hereon of bearings, distances, courses, areas or monumentation are not necessarily supported by field recovered evidence and shall be interpreted as being based on record information or conceptual renderings only.
2. Subject property is shown on the National Flood Insurance Program Flood Insurance Rate Map for Dallas County, Texas, Map No. 48085C0295 G, Community-Panel No. 480131 0295 G, Effective Date: January 19, 1996. All of the subject property is shown to be located in Zone "X" on said map. Relevant zones are defined on said map as follows:

Zone "X" - Other Areas: Areas determined to be outside 500-year floodplain.
3. This exhibit is based on deeds, easements and/or recorded plats and other records. However, this exhibit shall not represent warranty of title or guarantee of ownership. The surveyor did not abstract the subject property. This exhibit was performed without the benefit of a current title abstract.
4. This exhibit does not provide a determination or opinion concerning the location or existence of wetlands, faultlines, toxic or hazardous waste areas, subsidence, subsurface and environmental conditions or geological issues. No statement is made concerning the suitability of the subject tract for any intended use, purpose or development.
5. Except as specifically stated or shown, this exhibit does not purport to reflect any of the following which may be applicable to the subject tract: easements; building setback lines; restrictive covenants; subdivision restrictions; zoning or other land-use regulations; Agreements; Lease Agreements; and ownership title evidence.
6. Any declaration made hereon or herein is made to the original purchaser of the exhibit. It is not transferable to additional institutions or subsequent owners.
7. The distances shown hereon for adjoining and adjacent properties have been compiled from recorded plats and deeds, and do not necessarily represent field verified or monumented distances.
8. The survey abstract lines shown hereon are approximate and are not located on the ground.

SHEET 3 OF 5

Pacheco Koch Consulting Engineers
8360 N. CENTRAL EXPWY. SUITE 1000 DALLAS, TX. 75206 972.235.3031

EXHIBIT
34.000 ACRE TRACT
LOCATED IN THE CITY OF ALLEN, TEXAS
JOSEPH DIXON SURVEY, ABSTRACT NO. 276
COLLIN COUNTY, TEXAS

DRAWN BY	CHECKED BY	SCALE	DATE	JOB NUMBER
JRM	EAK	NONE	APRIL 2009	2961-09.039

DWG FILE: 2961-09-039EX2.DWG

04/19/2009 - 10:33AM M:\DWG-29\2961-09-039.DWG SURVEY\2961-09-039EX2.DWG

EXHIBIT "A"
34.000 ACRE TRACT
Joseph Dixon Survey, Abstract No. 276
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 20061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

EXHIBIT "A"
34.000 ACRE TRACT
(continued)

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

Exhibit A
Legal Description for Zone 30
34.000 Acre Tract
Joseph Dixon Survey, Abstract No. 278
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 0061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

**CITY OF ALLEN
TAX ABATEMENT POLICY**

I. GENERAL PURPOSE AND OBJECTIVES:

The City of Allen is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Allen will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development. It is the policy of the City of Allen that said consideration will be provided in accordance with the guidelines presented in this document. Nothing herein shall imply or suggest that the City of Allen is under any obligation to provide tax abatement to any applicant. All applicants shall be considered on a case-by-case basis, and any tax abatement agreements are subject to approval by the Allen City Council.

II. ALLEN ECONOMIC DEVELOPMENT CORPORATION ON TAX ABATEMENT:

Requests for tax abatement shall be reviewed by the Board of Directors of the Allen Economic Development Corporation (AEDC). The AEDC Board will review each request. Deliberation by the AEDC Board relative to the potential impact of a requested abatement will be based on information prepared by the requesting party in conjunction with the AEDC Economic Development Director. Further, the AEDC Economic Development Director shall collaborate with the Allen City Manager on any tax abatement requests. On judging the potential impact of a request, the AEDC Board shall consider the degree to which the project furthers the economic development and general goals of local taxing entities in support of the Allen community.

The AEDC Board of Directors is responsible for (1) reviewing all information submitted by the applicant with officials representing local taxing entities, (2) communicating with and updating these officials as to the status of all applications, and (3) developing a recommendation for consideration by the respective governing bodies. Also, the AEDC Board along with the Economic Development Director are responsible for communicating to the citizens of Allen as to the status of tax abatement within the community, creation of reinvestment zones and individual tax abatement agreements.

III. GUIDELINES FOR TAX ABATEMENT:

The primary factor determining whether or not tax abatement will be approved is the value of structure and/or business personal property to be added. The creation of jobs, financial implications and community development projections will also be considered in a request for tax abatement.

Figure 1 presents general guidelines regarding the level of value added, the years of abatement and the percent of abatement. However, other criteria may also be applied in determining the length and amount of abatement, which may be granted to support local business growth.

FIGURE 1

Value of Structure Added	Years of Abatement	Percent of Abatement
\$ 5,000,000 - 15,000,000	5	40%
\$ 15,000,000 - 100,000,000	10	40%
\$ 100,000,000+	10	50%

IV. TAX ABATEMENT PROCEDURES:

The procedures as hereinafter delineated shall be utilized in the implementation of the tax abatement program of the City of Allen.

Tax abatement applicants shall complete and submit an application for tax abatement as prescribed by the Economic Development Director for the City of Allen. While the specific contents of application may vary, it is expected that the information requested will reveal the precise location of the property, provide a complete legal description (if the property is described by metes and bounds), provide projected job growth, and provide estimations for the projected capital investment.

Applicants shall complete all information detailed in this document or other material as may be required and submit them to the Allen Economic Development Corporation, care of the Economic Development Director, at the address listed on the AEDC website, www.allentx.com.

Application Review Steps:

- A. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
- B. The application may be distributed to the appropriate City departments for internal review and comments. Additional information may be requested as needed.
- C. Copies of the complete application package and staff comments will be provided to the AEDC Board of Directors.
- D. The AEDC Board will consider the application at a regular or called meeting(s).
- E. The findings of the AEDC Board will be forwarded, with all relevant materials, to the chief administrative officer of each taxing entity.
- F. The City Council of Allen may call a public hearing to consider establishment of a tax abatement reinvestment zone. The amount and length of abatement may vary among tax abatement reinvestment zones approved by the City Council.

- G. The City Council of Allen may hold a public hearing to determine whether the project is feasible and would be of benefit to the land to be included in the zone and to the municipality.
- H. The City Council of Allen may consider adoption of an ordinance designating the area in the legal description of the proposed project as a commercial/industrial tax abatement reinvestment zone.
- I. The City Council may consider adoption of a resolution or ordinance approving the terms and conditions of a contract between the City and the applicant governing the provision of tax abatement.
- J. The governing bodies of Allen Independent School District, Collin County, and Collin County Community College may consider ratification of and participation in the tax abatement agreement between the City of Allen and the applicant.