

Biennial Progress Report for Texas Economic Development Act

Form 50-773 (May 2010)

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| <p>Instructions:</p> <ul style="list-style-type: none"> • This form must be filled out by each applicant that is party to a limitation agreement. • If the original application was made by a group of two or more companies, each company must complete this form. • If the original applicant split into two or more applicants after the original agreement, all current agreement holders must complete this form. • Applicants should only complete the information for their years as an agreement holder, noting what year they were formed after the original agreement was approved. • Each agreement holder should respond as a current applicant on Line 9 below. • Applicants should report their proportionate share of required employment and investment information. • If the original applicant is still the only agreement holder, please do not complete Lines 31 and 32 below. <p><i>In addition to the Biennial Progress Report required from each applicant that is a party to an agreement, a separate Biennial Progress Report summarizing the combined applicant's data for the entire agreement must be completed.</i></p> <ul style="list-style-type: none"> • If one of the applicants cannot provide this information, a summarization report must be completed by the school district. | <ul style="list-style-type: none"> • Projects spanning more than one school district must complete forms for each school district. • Please return signed hard copy forms and electronic spreadsheets to the school district before May 15 of each even-numbered year. <p>Note:</p> <ul style="list-style-type: none"> • The school district that is a party to the Chapter 313 agreement is collecting the data required by Chapter 313.008 on this form for the Comptroller of Public Accounts (CPA). • The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an <i>unsigned electronic version</i> and a <i>signed hard copy version</i> of the spreadsheet (with any attachments) to the district. Please contact CPA if you have questions about the form. The spreadsheet version of this form can be downloaded at: www.window.state.tx.us/taxinfo/proptax/hb1200/index.html. • After ensuring that all forms are complete, the school district will forward that data to the CPA for inclusion in a statutorily required report to the Texas Legislature. |
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| 1 | Name of school district | CLYDE ISD |
| 2 | Name of CAD appraising the qualified property in this school district | CALLAHAN AND SHACKELFORD COUNTY APPRAISAL DISTRICTS |
| 3 | Name of project on original application (or short description of facility) | MESQUITE WIND FARM |
| 4 | Name of applicant on original application | MESQUITE WIND, LLC |
| 5 | Date original application filed with school district | 8/31/2005 REV. 12/15/2005 |
| 6 | Name of company entering into original agreement with district | MESQUITE WIND, LLC |
| 7 | Date original limitation agreement approved by school district | 11/23/2005 |
| 8 | Date of final signing of agreement (if different from board approval date) | 11/30/2005 AMENDED JULY 26, 2006 |
| 9 | Name of current agreement holder(s) | MESQUITE WIND, LLC & POST OAK WIND, LLC |
| 10 | Complete mailing address of current agreement holder | 808 TRAVIS ST., STE 700, HOUSTON, TX 77002 |
| 11 | Name of company contact person for agreement holder | JOHN TAYLOR |
| 12 | Title of company contact person | PROPERTY TAX MANAGER |
| 13 | Phone number of company contact person | 713-356-2531 |
| 14 | E-mail address of company contact person | JOHN.TAYLOR@EDPR.COM |
| 15 | Texas franchise tax ID number of current agreement holder: | 17531995078 & 15625535719 |
| 16 | If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity. | HORIZON WIND ENERGY LLC-32003192591 |
| 17 | NAICS Code of current agreement holder (6 Digit): | 221119 |
| 18 | Name of authorized company representative (if different from above): | Brian Hayes |
| 19 | Title of authorized company representative (if different from above): | Chief Asset Operation Officer |
| 20 | Phone of authorized company representative (if different from above): | 713.265.0245 |
| 21 | E-mail of authorized company representative (if different from above): | BRIAN.HAYES@EDPR.COM |
| 22 | Complete mailing address of authorized company representative (if different from above): | |
| 23 | First (complete) year of Qualifying Time Period – after the date the application is approved. See Tax Code §313.021[4]: | 2006 |
| 24 | First year of property value limitation (generally the third complete year of the agreement): | 2008 |
| 25 | Original Limitation Amount (for entire agreement): | 5,000,000.00 |
| 26 | Amount of qualified investment during the qualifying time period the recipient committed to spend or allocate for this project on application (Not Total Investment): | \$285,000,000 |
| 27 | Date of construction commencement (estimate if in the future): | 2/26/2006 |
| 28 | Date construction completed (actual or estimate if in the future): | 12/26/2007 (MESQUITE) & 4/30/2008 (POST OAK) |

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| 29 | Has the description of the qualified property changed from that in the application? If so, please describe on an attachment how the actual qualified property - for which you are providing actual and estimated market values on subsequent pages - differs from that property described in the agreement. Include only property located in this school district. | QUALIFIED PROPERTY WAS EXPANDED IN JULY 26, 2006 AMENDED AGREEMENT TO INCLUDE PROPERTY OF POST OAK WIND, LLC. THE QUALIFIED PROPERTY ADDED TO THE AGREEMENT IS THE QUALIFIED PROPERTY REPORTED ON POST OAK WIND LLC'S FORM 50-773 |
| 30 | What was the number of permanent existing jobs at this facility prior to application? | 0 |
| 31 | If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. (Use attachments if necessary.) | N/A |
| 32 | If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. (Use attachments if necessary.) | MESQUITE WIND, LLC & POST OAK WIND, LLC (PROJECT COMPANIES OWNED BY HORIZON WIND ENERGY LLC TO DEVELOP AND OPERATE WIND FARMS) |
| 33 | If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), please provide the definition of "new job" as used in the agreement. (Use attachments if needed.) | N/A |

Form continues on second tab

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Project Name MESQUITE WIND FARM AND POST OAK WIND FARM
 1st Yr. of Qualifying Time Period 2006

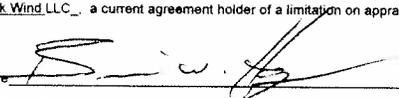
| | | Qualifying Time Period | | | | | Limitation Period | | | | | |
|----|--|--|----------------------------------|----------------|------------------|----------------|-------------------|----------------|---------------|---------------|---------------|---------------|
| | | From application approval date to Jan. 1 of next tax year ¹ | Year 1 (First Complete Tax Year) | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| | Please enter tax years (YYYY) here (starting in "Year 1"). --> | | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| 34 | Number of qualifying jobs ² applicant committed to create on application (cumulative)** | | 0 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 35 | Number of qualifying jobs ² applicant actually created (cumulative)** | | 0 | 67 | 68 | 69 | 69 | 52 | 52 | 52 | 52 | 52 |
| 36 | Number of new jobs ² created (cumulative)** | | 0 | 67 | 68 | 69 | 69 | 52 | 52 | 52 | 52 | 52 |
| 37 | Number of new jobs ² created that provide health benefits for employees (cumulative)** | | \$0 | 67 | 68 | 69 | 69 | 52 | 52 | 52 | 52 | 52 |
| 38 | Median annual wage of new jobs each applicant created** | | \$0 | \$40,000 | \$40,800 | \$57,715 | \$58,859 | \$60,046 | \$61,247 | \$62,472 | \$63,721 | \$64,995 |
| 39 | Average annual wage of new jobs each applicant created** | | \$0 | \$43,117 | \$43,979 | \$55,350 | \$56,547 | \$57,678 | \$58,832 | \$60,009 | \$61,209 | \$62,443 |
| 40 | Total investment for this project (per year or time period, not cumulative)** | | \$0 | \$43,117 | \$43,979 | \$55,350 | \$56,547 | \$57,678 | \$58,832 | \$60,009 | \$61,209 | \$62,443 |
| 41 | Amount of qualified investment applicant actually spent or allocated for this project ³ (per year or time period, not cumulative)** (See also Note #1.) | 0 | \$232,803,008 | \$358,960,155 | \$109,085,760.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 42 | Market value of qualified property on January 1 before any exemptions** | 0 | \$232,803,008 | \$358,960,155 | | | | | | | | |
| 43 | Market value of qualified property (amount shown in #42) less any exemptions, but before the limitation on value authorized by Tax Code Chapter 313** | | \$0 | \$100,188,397 | \$396,660,432 | \$385,034,740 | \$395,995,210 | \$340,853,530 | \$307,000,000 | \$276,000,000 | \$248,000,000 | \$223,000,000 |
| 44 | Limitation amount in each of years 1-10, ⁷ -- | | \$0 | \$0 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| 45 | Taxable value of qualified property certified by the county appraisal district for the purposes of school M&O taxes** | | \$100,188,397 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 | \$5,000,000 |
| 46 | School District M&O tax rate (per hundred dollars of value)* | | 1.0400 | 1.0400 | 1.0400 | 1.0400 | 1.04 | 1.04 | | | | |
| 47 | School district I&S tax rate (per hundred dollars of value)* | | 0.078 | 0.078 | 0.3597 | 0.3597 | 0.3597 | 0.3597 | | | | |
| 48 | Total school district ad valorem tax levy (M&O and I&S) on qualified property* | | \$0.00 | \$1,120,096.20 | \$1,480,341.93 | \$1,447,985.75 | \$1,424,395.00 | \$1,226,050.00 | | | | |

* Actual data only. **Actual and projected data. Use actual data for prior years. Estimates are required for current and future years.

- Notes
- Only projects with agreements executed after June 19, 2009 may have any qualified investment between the time of application approval and Jan. 1 of subsequent tax year.
 - Jobs meeting all of the requirements of Tax Code §313.021(3). Each qualifying job is a new job that meets the wage standard for that school district, and is covered by a group health benefits plan for which the employer offers to pay at least 80 percent of the employee-only premium. Do not include construction jobs in counts of qualifying jobs.
 - For new job definition see TAC §9.1051(14).
 - Total investment is all investment at original cost, including land acquired after filing of application. Investments made in one year should be reflected in the subsequent year's market value.
 - The investment made during the qualifying time period meeting the requirements of Tax Code §313.021(1). Fill in amounts for the time between the application approval and Jan. 1 of first tax year, Year 1 and Year 2 only (See also Note #1).
 - For all values, use those from CAD as available. For future years, use market value that the entity estimates will approximate the market value for ad valorem tax purposes in that year.
 - This amount may vary annually for agreements with multiple agreement-holders. Subentities should enter their share of original limitation amount. Limitation amounts of all subentities should sum to that of the original limitation amount originally approved by the school district.

By signing below, I, Brian Hayes, certify that I am the authorized representative of Mesquite Wind, LLC & Post Oak Wind, LLC, a current agreement holder of a limitation on appraised value, and the contents of this form and the attached documentation are true and correct to the best of my knowledge and belief.

The CPA requests companies complete the electronic spreadsheet version of the form. Please submit both an *unsigned electronic version* and a *signed hard copy version* of the spreadsheet (with any attachments) to the district.

Authorized Official Sign Here 
 Print Name/Title Brian Hayes, Chief Asset Operation Officer

Date 5/14/2012
 Phone (Area Code and Number) 713.265.0245