Board of Trustees

Duke Energy Renewables Wind, LLC

1. Application for Tax Abatement

2. Tax Abatement Agreement between South Texas College and Duke Energy Renewables Wind, LLC

3. A Resolution and Order Approving Tax Abatement Agreement between Duke Energy Renewables Wind, LLC and South Texas College – Starr County, TX

SOUTH TEXAS COLLEGE

1. Application for Tax Abatement

Application for Tax Abatement
South Texas College

Please submit the answers to the following questions and attach any additional pages as needed.

Applicant name:	Duke Energy Renewables Wind, LLC
Applicants address and phone number:	400 South Tryon St., Mail Code: Nascar Charlotte, NC 28202-1007
Applicant organization:	Duke Energy Renewables Wind, LLC
Type of Business:	Wind powered generation of electricity
Organization address and phone:	400 South Tryon Street, Mail Code: Nascar Charlotte, NC 28202-1007
Organization Contact:	Graham Furlong Renewables Development Executive
Contact address and phone:	400 South Tryon St., Mail Code: Nascar Charlotte, NC 28202-1007
Proposed project or facility address:	700 FM 490, Rio Grande City, TX

1. Brief description of project or facility for which tax abatement is sought:

The improvements will consist of a proposed wind power generation facility, comprised of three phases, Los Vientos III, IV and V, expected to comprise 510 megawatts ("MW") of nameplate capacity located in the Reinvestment Zone (the "Project"), to begin construction no later than December 31, 2013 and it is currently anticipated that construction will be complete by June, 2016.

The improvements are expected to have an estimated value of at least $400,000,000 upon completion, depending on the size of the project, although the actual value will be determined by an appraisal by the Starr County Appraisal District. The Project is expected to include approximately 255 wind turbines and towers, although the exact number may vary substantially depending on factors such as the type of turbines used and site wind characteristics. The projection regarding the number of turbines is based on the use of 2.0 megawatt turbines. The improvements shall also include any other property in the Reinvestment Zone meeting the definition of "Eligible Property" contained in the Tax Abatement Guidelines and criteria for South Texas College that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

Does this property fall under the definition of "eligible property" provided in the South Texas College Guidelines & Criteria?

X__Yes
___ No

2. This application is for (choose one):

X__ new plant
___ Expansion
___ Modernization

3. Please list all the taxing jurisdictions in which the proposed project or facility is located.

Starr County, Starr County Hospital District, Rio Grande City Independent School District, and Roma Independent School District. Applications and abatement / limitation agreements have been approved by all the above named taxing entities.

4. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Renewables Wind seeks an abatement of taxes effective for ten (10) full calendar years, for each project phase, beginning on January 1 of the next tax year after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction, of each Project phase, outlining the Improvements included in the Project phase, and stipulating the overall turbine capacity.

The estimated taxable value of the Project when completed, including all the three phases, is expected to be $462,000,000 although the actual value will depend upon annual appraisal by the Starr County Appraisal District and specific decisions to be made by Renewables Wind in the future.

5. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement?

Renewables Wind estimates the project will have an estimated taxable value of approximately $150,000,000 in the first year after expiration of the proposed abatement although the value will be determined by appraisals by the Starr County Appraisal District and other factors.

6. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

See Attachment 1

7. Please attach information on the following aspects of the proposed project or facility:

(1) current value of land and existing improvements, if any;
(2) type, value and purpose of proposed improvements;
(3) productive life of proposed improvements;
(4) impact of proposed improvements and other expenditures on existing jobs;
(5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
(6) costs to be incurred by Starr County, if any, to provide facilities or services directly resulting from the new improvements;
(7) types and values of public improvements, if any, to be made by applicant seeking abatement;
(8) estimation of the amount of ad valorem property taxes to be paid to Starr County after expiration of the abatement agreement;
(9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
(10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
(11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Starr County.

See Attachment 1

8. Please attach the following information to this application:

(1) A map and description of the property for which abatement is sought;
(2) A time schedule for completing the planned improvements; and
(3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.

See Attachment 1

9. Please describe the Reinvestment Zone in which this project will be located.

Renewables Wind has received the County's approval of the Reinvestment Zone attached as Exhibit A. The Project will be located in the approximate area of North FM 755 & FM 490. Although the Project could expand north and northwest into other areas inside the zone boundary shown on the attached Exhibit A & B.

I attest that the information provided in this application is true and correct to the best of my knowledge.

Applicant Signature:

_____

Authorized Representative

Name of Applicant: Duke Energy Renewables Wind, LLC

Date of application submission:

Attachment 1

Part 7: Minimum Requirements

The Project will contribute to the expansion of employment, attract major investment to Starr County, benefit the property on which it is constructed, and contribute to the economic development of the County.

Renewables Wind intends to construct a wind powered electric generating facility with an expected value greater than $400,000,000 in Starr County. At a minimum, the Project will result in a wind power facility with an estimated 200 megawatt nameplate capacity.

Renewables Wind estimates that installing the wind turbines will create 75 to 100 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve to fourteen months, per phase of construction. Renewables Wind further anticipates the creation of four to five full-time jobs by the operator of the Project for the operation and maintenance of the Project. Continuing operations and maintenance activities in Starr County will create opportunities for purchase of contracting services and supplies from Starr County businesses. Over the course of construction of the Project, Renewables Wind will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development, but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Renewables Wind. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Starr County.

Part 8: Information about specific aspects of the project

(1) <u>Value of land and existing improvements, if any</u>;

Based on information supplied by Starr County, the current value of the land included in the proposed wind farm site is approximately $55,900,000, based upon approximately 84,000 acres valued at $665 per acre. There are no existing industrial improvements on the land.

(2) Type, value and purpose of proposed improvements;

The improvements will consist of a wind power facility, comprised of Los Vientos III, IV and V (3 phases) expected to be approximately 510 megawatts of nameplate capacity located in the Reinvestment Zone. It is currently anticipated that the wind farm will consist of approximately 255 – 2.0 megawatt wind turbines.

The improvements are expected to have a value of in excess of $400,000,000, although the actual value will be determined by an appraisal by the Starr County Appraisal District. This projection regarding the number of turbines is based upon the use of 2.0MW turbines, and over the course of developing the project, Renewables Wind may elect to use another size turbine, or a combination of turbine types, however, the nameplate capacity of the facility is estimated to be 510 megawatts. The improvements also shall include any other property in the Reinvestment Zone meeting the contractual definition of "Eligible Property" that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

Productive life of proposed improvements; The Project is estimated to have a useful life of 30 years.

(3) Impact of proposed improvements and other expenditures on existing jobs; The Project is not expected to negatively affect any existing jobs. Based on Renewables Wind experience with existing wind projects in Texas, Renewables Wind investments in Starr County will create new jobs and result in increased local economic activity.

(4) Number and type of new jobs, if any, to be created by proposed improvements and expenditures; According to preliminary estimates, the direct effect of Renewables Wind's investment will be the creation of approximately 75 to 100 temporary construction jobs in Starr County during the construction phase of the wind power facility, which is estimated to last twelve to fourteen months "per phase of the project". The operations and maintenance of the wind power facility will provide at least four to five full-time jobs.

(5) Cost to be incurred by South Texas College, if any, to provide facilities or services directly resulting from the new improvements; Renewables Wind expects that South Texas College will incur no new costs as a result of the project.

(6) Types and values of public improvements, if any, to be made by applicant seeking abatement; Because almost all development will take place on private land, Renewables Wind does not anticipate constructing any public improvements other than the possible upgrade of county roads to a level sufficient to support construction needs.

(7) The amount of ad valorem property taxes to be paid to South Texas College after expiration of the abatement agreement; It is difficult to estimate the exact amount

of ad valorem taxes to be paid after expiration of the agreement, given the present uncertainty about future tax rates, appraisals, depreciation schedules, and final figures regarding the taxable value of the wind farm.

(8) Renewables Wind estimates that at the end of the abatement (yr. 11), based on current tax rates and a value of $150,000,000, the proposed project would produce in excess of $200,000 in annual property taxes to South Texas College. The College would receive tax revenues during the first 10 years of the abatement in addition to the payments in lieu of taxes and then would receive post-abatement taxes in years 11-30 of the projected full useful life of the project.

(9) The impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any; Over the course of construction of the project, Renewables Wind will make an effort to use local businesses to provide services and materials to the Project where practicable. Continuing operations and maintenance activities in Starr County will create opportunities for obtaining services and supplies from County businesses for the duration of the Project. The increased economic activity in Starr County resulting from the development and operation of the Project may result in attraction of new businesses to the area.

(10) The overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; Not applicable. Starr County does not have a zoning ordinance or a comprehensive plan.

(11) Whether the applicant's proposed facility or improvement or modernization is in an industry which is new to Starr County; The Project will contribute to the growth of a new industry in Starr County and should have significant economic benefits for Starr County.

Part 9 (1): A map and descriptions of the property for which abatement is sought.

Exhibits A and B depict and describe the Project.

Part 9 (2): Time schedule for completing project.

Renewables Wind contemplates that construction will begin no later than December 31, 2013 and will be completed on or about June, 2016.

Part 9 (3): Basic financial Information.

Duke Energy Corporation (Duke Energy) is one of the largest electric power holding companies in the United States. Headquartered in Charlotte, N.C., Duke Energy is a Fortune 250 company traded on the New York Stock Exchange under the symbol DUK. More information about the company is available at www.duke-energy.com.

Duke Energy Renewables (Renewables), part of Duke Energy's Commercial Portfolio, is a leader in developing innovative wind and solar energy generation

projects for customers throughout the United States. The company's growing portfolio of commercial renewable assets include 16 winds farms and 22 solar farms in operations in 12 states, totaling more than 2 gigawatts in electric-generating capacity. Learn more at www.duke-energy.com/renewables.

Investment Ratings

As a subsidiary of Duke Energy, Renewables Wind has the ability to utilize the financial strength of the parent company in the structuring and financing of its projects. The following are Duke Energy's Investment Ratings as of May, 2015:

Duke Energy Corporation	**Fitch Report**	**Moody's Report**	**S&P Report**
Outlook	Stable	Stable	Stable
Issuer Rating / Corporate Credit Rating	BBB+	A3	A-
Senior Unsecured	BBB+	A3	BBB+

Annual Reports

The latest Duke Energy 10-Ks can be found at www.duke-energy.com/investors

Exhibit A
Legal Description of Reinvestment Zone
Containing Proposed Project

EXHIBIT "A"

LOS VIENTOS REINVESTMENT ZONE #1
Legal Descriptions
Starr County, Texas

Abstract 257
Abstract 966
Abstract 256
Abstract 956
Abstract 383
Abstract 1015
Abstract 226
Abstract 199
Abstract 382
Abstract 60
Abstract 955
Abstract 255
Abstract 969
Abstract 258
Abstract 967
Abstract 253
Abstract 957
Abstract 968
Abstract 1094
Abstract 940
Abstract 939
Abstract 374
Abstract 372
Abstract 334
Abstract 645
Abstract 644
Abstract 72
Abstract 1053
Abstract 188
Abstract 921
Abstract 242
Abstract 923
Abstract 935
Abstract 250
Abstract 920
Abstract 365
Abstract 366
Abstract 361
Abstract 363
Abstract 922
Abstract 1056
Abstract 367
Abstract 937
Abstract 364

EXHIBIT "A"

Abstract 1016
Abstract 238
Abstract 1027
Abstract 938
Abstract 1054
Abstract 236
Abstract 682
Abstract 656
Abstract 73
Abstract 844
Abstract 845
Abstract 1051
Abstract 1119
Abstract 1069
Abstract 1130
Abstract 1133
Abstract 1113
Abstract 1153
Abstract 1115
Abstract 1118
Abstract 1117
Abstract 1116
Section 923
Abstract 1074
Abstract 359
Abstract 651
Abstract 1059
Abstract 148 (Porcion 85) to US Hwy 83
Abstract 151 (Porcion 86) to La Puerta Lower Rio Grande Valley USFWS Refuge
Abstract 182 (Porcion 87) to La Puerta Lower Rio Grande Valley USFWS Refuge
Abstract 105 (Porcion 88) to US Hwy 83
Abstract 80 (Porcion 89) to US Hwy 83
Abstract 178 (Porcion 90) to US Hwy 83
Abstract 41 (Porcion 91) to US Hwy 83
Abstract 846
Abstract 847
Abstract 128 (Porcion 92) to US Hwy 83
Abstract 1058
Abstract 369
Abstract 1057
Abstract 1060
Abstract 1055
Abstract 370
Abstract 1123
Abstract 1150
Abstract 1151
Abstract 1145
Abstract 1146

EXHIBIT "A"

Abstract 1124
Abstract 934
Abstract 1144
Abstract 1055
Abstract 370
Abstract 1142
Abstract 1143
Abstract 129 (Porcion 93) to US Hwy 83
Abstract 127 (Porcion 94) to US Hwy 83
Abstract 145 (Porcion 95) to Old Military Rd
Abstract 273 (Porcion 96) to Old Military Rd
Abstract 272 (Porcion 97) to Old Military Rd
Abstract 271 (Porcion 98) to Old Military Rd
Abstract 270 (Porcion 99) to Old Military Rd
Abstract 269 (Porcion 100) to US Hwy 83
Abstract 280 (Porcion 38) to US Hwy 83
Abstract 279 (Porcion 39) to the Starr/ Hidalgo County Line
Abstract 282 (Porcion 40) to the Starr/ Hidalgo County Line
Abstract 699 (Porcion 41) to the Starr/ Hidalgo County Line
Abstract 936
Abstract 247
Abstract 787
Abstract 248
Abstract 805
Abstract 904
Abstract 14
Abstract 388
Abstract 201
Abstract 901
Abstract 513
Abstract 1139
Abstract 1112
Abstract 1100
Abstract 1167
Abstract 1101
Abstract 1108
Abstract 1098
Abstract 1111
Abstract 1099
Abstract 1166
Abstract 1155
Abstract 1154
Abstract 1148
Abstract 1149
Abstract 1147
Abstract 389
Abstract 391
Abstract 807

EXHIBIT "A"

Abstract 730
Abstract 1052
Abstract 1045
Abstract 762
Abstract 747
Abstract 1161
Abstract 827
Abstract 59
Abstract 649
Abstract 512
Abstract 751
Abstract 853
Abstract 43
Abstract 44
Abstract 750
Abstract 856
Abstract 40
Abstract 154
Abstract 1097
Abstract 1083
Abstract 200
Abstract 1014
Abstract 1066
Abstract 1068
Abstract 1162
Abstract 184 (Porcion 84) to El Tanque Rd
Abstract 130 (Porcion 83) to N FM 755
Abstract 179 (Porcion 82) to N FM 755
Abstract 75 (Porcion 81) to N FM 755
Abstract 74 (Porcion 80) to E Eisenhower St/ N FM 755
Abstract 66 (Porcion 79) to W Eisenhower St
Abstract 254
Abstract 368
Abstract 669
Abstract 212
Abstract 688
Abstract 806
Abstract 16
Abstract 38
Abstract 777
Abstract 1011
Abstract 1090
Abstract 1093
Abstract 244
Abstract 239
Abstract 1005
Abstract 1105
Abstract 1104

EXHIBIT "A"

Abstract 1106
Abstract 9
Abstract 10
Abstract 568
Abstract 8
Abstract 6
Abstract 1107
Abstract 863
Abstract 415 (Porcion 42) to the Starr/ Hidalgo County Line
Abstract 890

Exhibit B

Map of Reinvestment Zone

Energy Renewal PARTNERS, LLC

Legend

- Reinvestment Zone Boundary
- Reinvestment Zone Section
- Other Section
- County Line
- City / Town
- US Highway
- Major Road
- Railroad

Duke Energy Renewables Los Vientos Expansion

Starr County Reinvestment Zone

N

0 4,000 8,000 Feet

SCHEDULE I

"Buy Local" Annual Reports

The following information shall be reported to the College on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local).

2. Dollar amount spent for materials* (total).

3. Dollar amount spent for labor** (local).

4. Dollar amount spent for labor** (total).

5. Number of jobs created in the construction of the Facility (local).

6. Number of jobs created in the construction of the Facility (total).

7. Number of jobs created on a permanent basis (local).

8. Number of jobs created on a permanent basis (total).

* The term "materials" is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term "labor" is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Hidalgo County or Starr County.

SCHEDULE II

ADDITIONAL INFORMATION REQUIRED OF APPLICANT FOR TAX ABATEMENT

Section 1. Eligibility Criteria

1. To be eligible for consideration by College for a tax abatement under these Guidelines, an Owner of the Facility must meet or exceed all of the criteria described below:

   - The Facility must be one that will generate renewable energy;

     The Los Vientos Wind Power Project team, which include Los Vientos phase III, phase IV, and phase V, are located in Starr County, Texas and are 100% wind energy generation facilities.

   - The minimum amount of new real and/or personal property capital investment shall exceed $400 million (at start of project or by year 2017);

     Total amount of investment of new & personal property for the Los Vientos Wind Power Project team will exceed $460 million.

   - Shall exceed minimum levels of full-time job creation;

     Yes, the Los Vientos Wind Power Project team will exceed the minimum levels of full-time job creation as stated in the abatement agreement (4 to 5 full-time jobs).

   - Provide employee and dependent access to health care benefits;

     All full-time Duke Energy employees at the Los Vientos Wind Power Project team will be offered medical, dental, life insurance, retirement/401K, and paid leave & holidays.

   - Provide a minimum living and all-industry wage requirements for new and existing employees at project site;

     Salaries of Wind turbine technicians at the Los Vientos Wind Power Project team will exceed minimum living wage requirements.

Section 2. Amount and Terms of Tax Abatement Subject to Additional Commitments

2.1 The amount and term of the tax abatement offered will be dependent upon the Owner's commitment to exceed the minimum eligibility criteria, consideration of other public incentives offered for the same project and the overall benefit to the College and the community.

2.2 What resources will the Owner commit to the following:

(a) Sponsorship of scientific events, teacher research grants to the College; materials and equipment, teaching materials to the College; R&D collaboration with local college;

Los Vientos Wind Power Project team has committed to an annual contribution of $65,000 per year throughout the term of the abatement, which can be used at the College's discretion for items such as those listed above.

(b) Total number of jobs created and maintained in the area;

Per the Abatement agreement, the Los Vientos Wind Power Project team will create and maintain more than 5 full-time jobs.

(c) Number of high-wage jobs

The Los Vientos Wind Power Project team will hire full-time wind turbine technicians, which will exceed the "high wage" standard as set for the by the U.S. Bureau of Labor & Statistics (see attached). Starting pay for a wind turbine technician is approximately $21/hour and technicians work a minimum of 2080 hours a year which is full time status.

Section 3. Wage Requirements

Companies receiving a tax abatement from the College must meet certain minimum wage requirements for all new and existing (i.e., retained) jobs at the project site.

3.1 Living Hourly Wage Requirement: In order to be eligible for a tax abatement, one hundred percent (100%) of the company's new and existing employees ***at the project location*** must earn no less than a "living wage" throughout the full term of the Tax Abatement Agreement. This wage is based on the poverty level for a family of four, as determined annually (January) by the U.S. Department of Health and Human Services (HHS). As of January 22, 2015, the living wage requirement is $11.66 per hour.

3.2 All Industries Median Hourly Wage Requirement: In addition to the "Living Wage" requirement, after one year of initiating full operations at the project location, but not more than two years after execution of the Tax Abatement Agreement with the College, at least seventy percent (70%) of all new and existing employees, with at least one year of full employment with the company at the project location, must earn a cash wage at or exceeding the annual Edinburg, Pharr McAllen Metropolitan Statistical Area (MSA) Median Hourly Wage for All Industries (Companies) for the most recent year available. This wage is compiled by the Bureau of Labor Statistics (BLS) Occupational Employment Survey and published annually by the Texas Workforce Commission (TWC). This wage is updated annually, and for 2014 the current applicable wage is $11.32 per hour.

· High-Wage Jobs: High-wage jobs are either: (I) Qualified professional jobs reported in high-wage industries (e.g., advanced business services, aerospace, life sciences, renewable energy, high-tech/IT); or (2) Jobs for which earnings are above the Starr County average weekly wage (average for the most recent four quarters) as reported quarterly by the Bureau of Labor Statistics (currently $31,941 in 2014).

3.3 If the company does not meet and maintain these wage requirements for all new and existing employees at the project location, the company will be in default of its Tax Abatement Agreement, which could result in termination of the Agreement and the recapture of all or a portion of the previously abated property taxes.

Per Section VI, Paragraph B of the tax abatement agreement, The Los Vientos Wind Power Project team, within 90 days of the beginning of each Calendar year, will certify annually to the College its compliance with this agreement by providing written certification to the College Board of Trustees.

Section 4. Targeted and Qualifying Industries/Business Activities or Project team

The majority of the company's business at the project location must be engaged in one of the following qualifying industries, business activities, or Project team:

Targeted Industries:

- Energy

  The Los Vientos Wind Power Project team in Starr County, Texas are 100% wind energy generation facilities.

  The improvements are expected to have an estimated value of at least $400,000,000 upon completion, depending on the size of the project, although the actual value will be determined by an appraisal by the Starr County Appraisal District. The Project is expected to include approximately 255 wind turbines and towers, although the exact number may vary substantially depending on factors such as the type of turbines used and site wind characteristics. The projection regarding the number of turbines is based on the use of 2.0 megawatt turbines.

Section 5. Local Assessment: County and Community:

5.1 Describe how has the company's plan been prepared in consultation with the local community, property owners and local political leaders?

(a) Local Community: The Los Vientos Wind Power Project team consists of approximately 60 landowners on approximately 100,000 acres in rural Starr County. The Project area is often utilized by oil and gas companies in the area. The Los Vientos Wind Power Project team worked with the local landowners and others that use the properties to be a responsible development partner in the area through coordinated activities, notification of local police and fire departments as well as US Border Patrol, and others that use the area related to planned activities. A job fair was held at the beginning of the project to encourage local community members to participate in the construction of the project. In addition, various meetings were held with local community members by the Los Vientos Wind Power Project team to determine appropriate utilization of local goods and/or services required for the project. Local businesses have been used to purchase many supplies and food for onsite activities and meetings. Concerns brought to the attention of the Los Vientos Wind Power Project team have been quickly addressed by the onsite team.

(b) Property Owners: During lease negotiations and execution, Los Vientos Wind Power Project team and their consultants met with each landowner to review the development process and work that would be ongoing at the sites. Prior to initiation of work, the Los Vientos Wind Power Project team held a kickoff event for landowners to review the development schedule and what to expect during the development cycle. During construction activities, the Los Vientos Wind Power Project team maintain a landowner contact on site to be able to respond to any landowner questions or concerns. Input from landowners was included in the evaluation of turbine and road locations and siting of project infrastructure

(c) Local Political Leaders: The Los Vientos Wind Power Project team met with the County Judge and County Commissioners to discuss the project and the Company′s plans to develop and construct the project. The Project team has worked with County officials, Starr County Hospital, Starr Industrial Foundation, USDA Soil and Water Conservation, and Rio Grande ISD and Roma ISD for economic development opportunities to incentivize the project to be constructed in Starr County. The Project team has worked to support the local community.

5.2 Identify the local, state and federal bodies that have jurisdiction over the design, construction, licensing, regulation and operation of the Facility and here any public records of review of the Facility may be accessed by the College and the public:

a. Local: The Los Vientos Wind Power Project team coordinated with County government on building permits, septic permit, reinvestment zoning designation, and county road use. The public may obtain these documents from the county via public records request to Starr County.

b. State: The Los Vientos Wind Power Project team have coordinated with Texas Parks & Wildlife (TPW) regarding state listed species at the site. A meeting was held with TPW in July 2013 and periodic updates have been submitted to TPW officials. In addition, construction work is coordinated to comply with Storm Water Pollution, Prevention Plan (SWPPP) under the Texas Commission of Environmental Quality (TCEQ) general permit. The Los Vientos Wind Power Project team has also worked with Texas Department of Transportation (TXDOT) on construction road use as well as the State Historical Society. TCEQ was also involved in the issuance of a permit for the batch plant.

c. Federal: The Los Vientos Wind Power Project team has coordinated work at the site with the U.S. Fish and Wildlife Service (USFWS), U.S. Army Corps of Engineers (USACE), and Federal Aviation Association (FAA). The Los Vientos Wind Power Project team has held in person meetings with USFWS beginning in July 2013 and has kept agencies informed on site progress through personal communications and written summaries of findings. In addition, the Project team maintain compliance with the EPA Spill Prevention Control and Countermeasure Plan (SPCC) regulations through their active SPCC Plans during construction and operations.

5.3 Outline what processes, if any, were followed for community consultation for the Facility's development.

As detailed in the question above, Los Vientos Wind Power Project team engaged the local community leaders and landowners early in the process of development. The Project team held various meetings with local community leaders, County Judge, County Commissioners, and school districts related to the benefits of the project development. Continuous engagement and communications with landowners has allowed the Project team to site turbines in locations that are preferred for optimal output as well as take into consideration landowner preferences. The Project team has worked with local fire departments, police departments, and Border Patrol to promote a safe work environment for its team and the surrounding community.

5.4 Is there an Environmental Impact Statement and Clearance required for the Facility? If so, identify where any public records of environmental review may be assessed by the College and members of the public.

The Los Vientos Wind Power Project team do not trigger a National Environmental Protection Agency (NEPA) requirement that would include an EIS. As stated above, the Project team has complied with federal requirements and there is not a federal nexus.

5.5 If the Facility is a wind farm, did the assessment of the Facility by any governmental agency measure and assess potential environmental noise impacts from wind turbines? If so, please provide copies of any records with the Application.

The Project team do not trigger a requirement for a noise impact study. A more detailed

response is provided in Section 7 below.

5.6 Identify the Texas agency, if any, which has on-going regulatory authority over the Facility. Describe any approval process which has taken place in connection with locating the Facility.

State agencies that have been involved in locating of the facility are described in question 2 above. The project must maintain compliance with the interconnection agreement and the Texas Utility Commission. If a state protected species was killed or injured during operation of the facilities, the TPWD would require notification. The Project team has implemented Best Management Practices to avoid any impacts to protected species. In addition, the Texas General Land Office is a participating landowner in the project with approximately 1,000 acres leased to the Los Vientos Wind Power Project in accordance with their mission "constitutionally charged with the responsibility of managing our state resources for the benefit of public education".

5.7 Please state whether any of the following were considered in the assessment and location of wind turbines, and if so, how any negative impacts have/or will be addressed:

- landscape and visual amenity: The Project team are located in rural areas with minimal residential homes. A significant amount of oil and gas activities are currently located on the landscape. Between the rural location and the existing oil and gas activities, visual impacts from the project are considered minimal.

- noise impacts (have noise guidelines been developed to assess regulate noise): The project area is located in a rural area with minimal residential homes. There are no existing noise ordinances or requirements in the project areas. Based on the rural nature of the area and limited noise receptors in the project area, noise is not anticipated to an issue from the Project team. See detailed response in Section 7 below. (Additional Reference: *Wind Turbine Sound and Health Effects, An Expert Panel Review*, by Colby, Dobie, Leventhall, Lipscomb, McCunney, Seilo, and Sondergaard; Dec 2009.)

- health issues (what health issues, if any, have been identified and what guidelines or policies have been adopted to address potential health impacts, if any: Many studies have been completed to assess potential impacts from wind turbines. Evidence does not exist that demonstrates a clear connection between any health impacts and wind turbines. (Reference: *Wind Turbine Sound and Health Effects, An Expert Panel Review*, by Colby, Dobie, Leventhall, Lipscomb, McCunney, Seilo, and Sondergaard; Dec 2009.)

- economic issues, including potential impacts on property values: *A Spatial Hedonic Analysis of the Effects of Wind Energy Facilities on the Surrounding Property Values in the United States* (Ernest Orlando Lawrence Berkley National Laboratory, August 2013) analyzed more than 50,000 home sales near 67 wind facilities across nine U.S. states and did not uncover any impacts to nearby home property values.

- ecological issues, including potential impacts on threatened species: As discussed above,

an assessment of habitat on the sites has been conducted and biological monitoring has taken place both pre-construction and during construction. Impacts to protected species have not been identified.

- decommissioning and rehabilitation: The easement agreement with landowners ensures proper decommissioning of the wind power project. See Section 6 below for additional details.

The College will rely on the review of the applicable County and on state agencies with regulatory responsibility over the compatibility of the Facility site(s) with the surrounding uses, to include noise impacts, visual amenity and ecological issues.

Section 6. Life of Facility and Decommissioning

Include life projections for the Facility, depreciation schedules for income tax purposes and the decommissioning plan. If the Owner on the Application is a "pass-through" owner or intends to assign its interest in the Facility and the Abatement Agreement, include proposed contractual language that obligates Owner and any future assignee to comply with the decommissioning plan. To assure the College that the Owner, or Owner's assignee, will perform the decommissioning plan, what financial security, bond or enforceable pledge does the Owner propose.

The useful life of the project is approximately 30 years, and the project qualifies for 5 year MACRS for income tax purposes. The decommissioning plan is covered in the easement with each landowner, and contractual language exists requiring the owner to decommission the facilities at the end of the easement. Since the decommissioning plan is covered in the easement and financial security for decommissioning is included in the easement, the Los Vientos Wind Power Project team do not propose any additional financial security for decommissioning of the Project team.

Section 7. Noise Auditing and compliance:

Has applicant developed a plan on procedure to undertake compliance monitoring and auditing. If so, please describe and submit relevant documents.

For the Los Vientos Wind Power Project team, there are no federal, state, or local regulations that require monitoring or auditing of noise levels. Therefore, there are no applicable noise regulations with which Duke Energy must demonstrate compliance. The Los Vientos Wind Power Project team utilize industry best management practices when siting wind turbines to minimize noise levels at participating and non-participating landowners. Additionally, the Los Vientos Wind Power Project team' wind turbines will be monitored 24 hours per day 7 days a week (either onsite or remotely). If a turbine experiences a problem that requires maintenance, and is possibly causing the turbine to operate at an increased noise level than the manufacturer's warranty, an onsite technician is available to assess problem and perform the necessary maintenance quickly.

- Does Owner propose to maintain noise monitoring facilities? Will Special audible characteristics such as excessive amplitude modulation (including the van den Berg

effect) together with cumulative impacts be considered.

For the Los Vientos Wind Power Project team, there are no federal, state, or local regulations that require monitoring or auditing of turbine noise levels. The Project team do not propose to maintain noise monitoring facilities.

- What noise standards and reporting of noise records have been developed? Does Owner propose to prepare and submit a noise compliance report on a regular basis? If so, to whom? Will Owner make noise compliance reports publicly available.

  For the Los Vientos Wind Power Project team, there are no federal, state, or local regulations that require monitoring or auditing of noise levels. Therefore, there are no applicable noise regulations with which the Project team must demonstrate compliance.

  The Los Vientos Wind Power Project team will utilize the Vestas V110-2.0MW wind turbine with a 95 meter hub height, which has a total height of 492 feet. For the Los Vientos Wind Power Project team, turbines have been sited at least 1100 feet from the nearest residence, which equates to more than twice the total height of the wind turbine.

  Should noise become an issue for a particular landowner, the Project team will carefully evaluate whether the complaint has merit and should be addressed. Los Vientos Wind Power Project team do not intend to make records related to turbine noise publicly available.

2. Tax Abatement Agreement between South Texas College and Duke Energy Renewables Wind, LLC

Tax Abatement Agreement
between
South Texas College and
Duke Energy Renewables Wind, LLC

State of Texas

County of Starr

This Tax Abatement Agreement (this "Agreement") is made and entered into by and between South Texas College (the "College"), acting through its duly elected officers, and Duke Energy Renewables Wind, LLC, a Texas limited liability company, formerly known as DEGS Wind I, LLC, owner of Eligible Property (as hereinafter defined) to be located on the tract of land comprising Los Vientos Reinvestment Zone #1, more specifically described in Attachment A to this Agreement, and this Agreement becomes effective upon final signature by both parties. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the College Tax Abatement Guidelines and Criteria.

II. Definitions

A. As used in this Agreement, the following terms shall have the meaning set forth below: "Abatement" means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein, and in no event will the duration of the Abatement period exceed 10 years, commencing on the date of Final Completion of Construction of the Eligible Property.

B. "Act" Act shall mean Chapter 312 of the Texas Tax Code.

C. "Calendar Year" means each year beginning on January 1 and ending on December 31.
"Certificate" means a letter, provided by the Owner to the College, certifying that Owner has completed construction of the wind power project or any phase thereof described herein (the "Project"), outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the Project. Upon receipt of the Certificate, the College may inspect the Site in accordance with this Agreement to determine that the Improvements are in place as certified.

D. "Certified Appraised Value" means the appraised value, for property tax purposes, of the property within Los Vientos Reinvestment Zone #1 as certified by the Starr County Appraisal District for each taxable year.

E. "Eligible Property" means property eligible for Abatement under the College Tax Abatement Guidelines and Criteria, including: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed

improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria. Taxes on Real Property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the Agreement is executed. Tangible personal property eligible for Abatement shall not include inventory or supplies.

F. "Improvements" means Eligible Property as defined herein and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land. Improvements specifically include the Owner's substation and switching station if located within the taxing jurisdiction of the College.

G. "Owner" means Duke Energy Renewables Wind, LLC, the entity that owns or holds under one or more easements the Real Property for which Abatement is being granted, and any assignee or successor in interest of Duke Energy Renewables Wind, LLC. The term "Duke Energy Renewables Wind, LLC" means and includes Owner.

H. "Real Property" means Eligible Property meeting the description for real property provided by .

I. "Reinvestment Zone" means Los Vientos Reinvestment Zone #1, the reinvestment zone (as that term is defined in Chapter 312 of the Texas Tax Code) created by Starr County Commissioners Court and described in Attachment A to this Agreement.

J. "Site" means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.

K. "Turbine Nameplate Capacity" means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall generating capacity.

L. "Force Majeure" means any contingency or cause beyond the reasonable control of the party claiming Force Majeure including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of such party), fires, explosions, floods, tornadoes, and strikes.

III. Improvements in Reinvestment Zone

Owner agrees to make the following Improvements in consideration for the Abatement set forth herein:

A. The Owner anticipates that it will complete the construction of Phase III of the Improvements shall be completed on or about August 2015 and that upon completion Phase III will have an estimated appraised value of $200 million. The owner anticipates that Phase IV of the Improvements shall be completed on or about June 2016 and that upon completion Phase IV will have an appraised value of $210 million. The Owner anticipates that Phase V of the Improvements shall be completed on or about December 2015 and that upon completion Phase V will have an estimated appraised value of $52 million.

B. Improvements also shall include any other property in the Reinvestment Zone owned by Owner and meeting the definition of "Eligible Property" that is used to produce wind power and perform other functions related to the production, distribution and transmission of electric power. The College agrees, without limitation, that the wind turbines, towers, transmission lines, substations, operations & maintenance buildings and other related materials and equipment affixed to the land will constitute Improvements under this Agreement.

C. Owner shall complete construction of the Improvements no later than December 31, 2017.

IV. Term and Portion of Tax Abatement; Taxability of Property

A. The College and Owner specifically agree and acknowledge that the property in the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:

1. Property not eligible for Abatement, if any, shall be fully taxable at all times;

2. Prior to commencement of the Abatement period designated in Paragraph IV(B), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Reinvestment Zone will be owed and payable by Owner;

3. College property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts provided for by Paragraph IV(B) below; and

4. 100% of the Certified Appraised Value of Eligible Property existing in the Reinvestment Zone shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B), including during the remainder of the Term.

B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all College property taxes as follows:

1. There shall be granted and allowed hereunder to Company by the College a property tax abatement on the Property and Improvements constructed, expanded, or acquired hereunder on the Property at a rate of eighty-five percent (85%) for ten years, commencing on January 1 of the next tax year after the date that College Administrator (i.e. President) receives the Certificate of Completion for Los Vientos III, IV, & V Wind Project.

2. The foregoing percentage of property taxes on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place in the Reinvestment Zone) are abated in the respective period designated above.

D. A portion or all of the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Improvements.

E. As partial consideration for the granting of tax abatement in Paragraph IV(B) hereof, the Company agrees to make the following payments to the College. On December 31 of each year of the first ten years of tax abatement the Company shall pay the College the following payments as annual payment in lieu of taxes:

Year 1- 10 - $ 65,000

In the event the amounts due under this Paragraph IV(D) are not paid by December 31 of the year in which they are due, the College shall notify the Company that such payments are due and owing by January 15 of the following year. Delinquent payments shall accrue penalty and interest as provided in the Texas Tax Code commencing thirty days after receipt of notice of such delinquency from the College.

E. Owner agrees that the Improvements described in Paragraph III hereof, once constructed, will remain in place until at least twenty (20) Calendar Years after the date the Certificate for such Improvements is provided to the College by the Owner ("Term"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements. In the event that Owner removes Improvements (comprising in the aggregate not more than 10% of all Improvements), the Owner's removal shall not be deemed a default under this Agreement if Owner pays to the College as liquidated damages for such removal from the Abatement in this Agreement, within thirty (30) days after demand, all taxes for such removed Improvements (which otherwise would have been paid to the College through the date of such removal without benefit of a tax abatement) with interest at the statutory rate under the Texas Tax Code, as amended, but without penalty. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), THE SOLE REMEDY OF THE COLLEGE, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COLLEGE THE FULL AMOUNT OF

ACTUAL TAXES ABATED DURING THE YEAR OF DEFAULT UNDER THIS AGREEMENT. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

V. Representations

The College and Owner make the following respective representations:

A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Paragraph III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns' use of the property in the Reinvestment Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.

B. The College represents that (i) this Agreement has been entered into in accordance with Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria as both exist on the effective date of this Agreement; (ii) no interest in the Improvements or the land on which they are located is held or subleased by an officer of the College or a member of the College Board of Trustees, (iii) the property within the Reinvestment Zone is located within the legal boundaries of the College; and (iv) the College has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement**.**

C. At least 24 hours prior to Owner issuing the press release relating to the Project announcing the commencement of commercial operation, Owner shall email or fax a copy of such press release to the College. The College shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.

D. Owner represents and agrees that, if built, the Project will (i) add at least Five Hundred Thousand Dollars ($500,000.00) to the tax roll of Eligible Property, (ii) create no fewer than five (5) new, permanent, full-time jobs Starr County, and (iii) lead to a positive net economic benefit to Starr County of at least One Million Dollars ($1,000,000.00) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.

VI. Access to and Inspection of Property by College Employees

A. Owner shall allow the College employees or designees of the College access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.

B. Owner shall, within ninety (90) days of the beginning of each Calendar Year, certify annually to the College its compliance with this Agreement by providing written testament to the same to the College Board of Trustees.

VII. Default, Remedies and Limitation of Liability

A. No party may terminate this Agreement unless (i) such party provides written notice in accordance with Paragraph X hereof (a "Notice") to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after Notice thereof, or if such failure cannot be cured within a sixty (60)-day period, the other party shall have such additional time to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continued to diligently and timely pursue the completion of such remedial action. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law, or a change in the interpretation or enforcement of law, by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to cure such default prepared by such defaulting party and delivered to the other party. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default which remains uncured after all applicable notice and cure periods, the College may pursue the remedies provided for in Paragraph VII(D) below or the preceding Paragraph IV(E), as applicable.

B. The College shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure.

C. The College shall notify Owner and any Owner lender of which the College has notice of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the College Board of Trustees. The notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified above to cure any default. Any Owner lender of which the College has notice shall have the right to cure any defect or default, including any defect caused by an assignee or contractor of Owner, during the same cure periods provided for Owner under this Agreement.

D. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement, the College shall be entitled to cancel the Agreement and all future tax abatements under this Agreement shall be void. .

E. LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VII(D) OF THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN PARAGRAPH IV(E) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH IV(E), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COLLEGE'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND THE COLLEGE AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE FROM OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

F. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COLLEGE. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the College, Starr County, or the State of Texas.

IX. Assignment of Agreement

A. Owner may assign its rights and responsibilities hereunder; provided however, that Owner shall give College written notice prior to any such assignment.

B. Any assignment of this Agreement shall require that all conditions and obligations in this Agreement shall apply to and be binding upon assignee. Upon such assignment and assumption, Owner shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee.

C. No assignment shall be allowed if (a) the College has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of any amount required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Starr County. The parties hereto agree that a transfer of all or a portion of ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the College. However, Owner shall notify the College President at least 24 hours before the transfer of any ownership interest in Owner.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices") given shall be given in accordance with this Paragraph. All Notices shall be in writing and delivered, by commercial delivery service, to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading; or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Paragraph VII, such notice shall be given by at least two (2) methods of delivery and consistent with Paragraph VII(F). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Duke Energy Renewables Wind, LLC
Graham Furlong, Development Executive
400 South Tryon St., Mail Code: NASCAR
Charlotte, NC 28202-1007

With Copies to: Duke Energy Renewables Wind, LLC
Theodore D. Matula, Deputy General Counsel
2801 Via Fortuna, Suite 100
Austin, TX 78746-7568

Duke Energy Renewables Wind, LLC
550 South Tryon Street, Mail Code: DEC 41B
Charlotte, NC 28202-1007
Attention: Property Tax

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, TX 78501
Attention: Dr. Shirley Reed, President

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any paragraph or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the College Tax Abatement Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the College Tax Abatement Guidelines and Criteria, those Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the College and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

Owner shall use reasonable commercial efforts to maximize its use of Starr County labor and services and supplies purchased from Starr County businesses in the course of performing under this Agreement.

XVII. Provision of Health Insurance

As of the date this Agreement becomes effective, and until the earlier to occur of (i) the end of the tenth (10th) year of Abatement or (ii) the date this Agreement is terminated as provided herein, Owner shall provide health insurance to its full-time employees working in Starr County. Owner also agrees to use commercially reasonable efforts to require that the prime engineering, procurement and construction contractor working on the Project provides health insurance to its full time employees.

XVIII. Attorney Fees

The Owner agrees to reimburse the College for its reasonable attorneys' fees incurred in the negotiation and preparation of this Agreement.

(Signature Page Follows)

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the College as authorized by the College Board of Trustees and executed by the Owner on the respective dates shown below.

South Texas College

DATED: _____, 2015

South Texas College Board of Trustees

_____
Mr. Roy de Leon, Chair

_____
Dr. Alejo Salinas, Vice Chair

Attest:

_____
Mr. Paul R. Rodriguez, Secretary

Duke Energy Renewables Wind, LLC

By:_____
Greg Wolf, President

Attachment A

Attached is the Resolution Designating Reinvestment Zone by Starr County Commissioners Court.

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

The Commissioners' Court of Starr County, Texas, meeting in regular session on July 8, 2013, considered the following resolution:

WHEREAS, Starr County Texas considered the creation of the Los Vientos Reinvestment Zone No. 1 (the "Zone");

WHEREAS, the County has determined that the designation of the Zone will contribute to the retention or expansion of primary employment and will attract major investment in the Zone that will benefit the Zone and will contribute to the economic development of the County;

BE IT ORDERED BY THE COMMISIONERS' COURT OF STARR COUNTY, TEXAS AS FOLLOWS:

1. That the County designates the property located in Starr County, having the boundary description in Exhibit "A" and shown on the map in Exhibit B, both attached to this Order, as the Los Vientos Reinvestment Zone No. 1 ("the Zone"), under the Starr County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the Zone and will contribute to the economic development of the County, and

2. That the County declare eligible for property tax abatement all property eligible for commercial-industrial development, now or thereafter located in that Zone as authorized by the Starr County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.

3. That the zone shall be called "Los Vientos Reinvestment Zone No. 1"

PASSED AND APPROVED at this public hearing of the Starr County Commissioners' Court, at which a quorum was present, on the 8th day of July, 2013.

Date: 7/26/13

Hon. Eloy Vera
County Judge

ORIGINAL

Date: 7/26/13

Hon. Abel Cantu
Commissioner Precinct 1

Date: 7/26/13

Hon. Raul Peña, Jr.
Commissioner Precinct 2

Date: 7/26/13

Hon. Eloy Garza
Commissioner Precinct 3

Date: 7/26/13

Hon. Ruben D. Saenz
Commissioner Precinct 4

ATTESTED: Date: 7/26/13,
Dennis D. Gonzalez, County Clerk

ORIGINAL

3. Resolution and Order Approving Tax Abatement Agreement between Duke Energy Renewables Wind, LLC and South Texas College – Starr County, TX

A Resolution and Order Approving Tax Abatement Agreement
Between DUKE ENERGY RENEWABLES WIND, LLC and SOUTH TEXAS COLLEGE
- Starr County, TX

WHEREAS, Starr County, Texas ("the County") designated the Los Vientos Reinvestment Zone No. 1 ("the Zone") by order of the Commissioners' Court of Starr County, Texas dated July 8th, 2013;

WHEREAS, Duke Energy Renewables Wind, LLC Contemplates making certain improvements to the real property located within the Zone consisting of a wind powered electric power generating facility (the "Wind Power Project")

WHEREAS, a request for the tax abatement has been submitted with the College and that the request meets the requirements of the Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zone in the Starr County, Texas;

WHEREAS, the Board of Trustees of South Texas College has elected to become eligible to participate in tax abatements; and

WHEREAS, Duke Energy Renewables Wind, LLC and South Texas College have agreed upon the terms of a Tax Abatement Agreement;

NOW THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES of SOUTH TEXAS COLLEGE:

1. That the tax abatement agreement in substantially the form attached hereto as Exhibit A ("Tax Abatement Agreement") and made a part hereof is hereby approved pursuant to the South Texas College Guidelines and Criteria for Granting Tax Abatements, and
2. That the Chairman of the Board and the Secretary of the Board are herby authorized to enter into, Execute and deliver the Tax Abatement Agreement on behalf of South Texas College.

PASSED AND APPROVED at this public hearing of the Board of Trustees, at which a quorum was present, on the ____st day of May, 2015.

_____ Date: _____
Mr. Roy de Leòn, Chairman

ATTESTED: _____ Date: _____
Mr. Paul R. Rodriguez, Secretary