RESOLUTION 914

A RESOLUTION AUTHORIZING THE CITY OF WEST BRANCH TO AGREE TO THE TERMS AND CONDITIONS SET FORTH IN HIGH QUALITY JOB CREATION PROGRAM (HQJCP) MASTER CONTRACT NUMBER P0904M02005 AND HQJCP FUNDING AGREEMENT NUMBER 09-HQJC-021.

WHEREAS, the Iowa Department of Economic Development (Department) has found the application of Acciona Windpower North America, LLC (Acciona) to be consistent with the requirements of the Act and the administrative rules adopted by the Department for the HQJCP – 261 Iowa Administrative Code, Chapter 68, and

WHEREAS, Acciona has been approved by the Department to receive certain tax incentives and assistance, and

WHEREAS, these certain tax incentives and assistance are to be provided by the State of Iowa, and

WHEREAS, the City of West Branch has not pledged any local financial assistance for HQJCP Funding Agreement Number 09-HQJC-021.

NOW, THEREFORE, BE IT RESOLVED, by the City of West Branch City Council, that,

1. The City of West Branch accepts the terms and conditions of HQJCP Master Contract Number P0904M02005 AND HQJCP Funding Agreement Number 09-HQJC-021.
2. The Mayor, Don Kessler, is hereby authorized to execute the HQJCP Funding Agreement on behalf of the City.

Passed and approved this 9th day of November, 2010.

Don Kessler

Don Kessler, Mayor

Attest:

Matt Muckler

Matt Muckler, City Clerk

IOWA
life | changing

May 28, 2010

Ms. Emilie Beavers, Asst. General Counsel
Acciona Energy North America Corporation
333 W. Wacker Drive, Suite 1500
Chicago, IL 60606

RE: Financial Assistance Program Awards
Award Date: April 16, 2009
Contract: P0904M02005

Dear Ms. Beavers:

The High Quality Job Creation Program (HQJC) contract between Acciona Windpower North America, LLC, the City of West Branch and the Department are enclosed.

Please take a moment to review thoroughly, sign and forward to Mayor Don Kessler with the City of West Branch (address below) for execution. The City, upon signing the aforementioned documents will return the original contract to the Department. We will then sign and return executed copies to you and the City of West Branch.

Should you have questions, please feel free to contact me at 515/725-3043.

Sincerely,

Katie Rockey/mm

Katie Rockey, Project Manager
Compliance Team

KR/mm

cc: Mayor Don Kessler (letter only)
City of West Branch
PO Box 218
110 North Poplar Street
West Branch, IA 52358-0218
IDED

HQJCP FUNDING AGREEMENT

BUSINESS:	Acciona Windpower North America, LLC
COMMUNITY:	City of West Branch
MASTER CONTRACT NUMBER:	P0904M02005
FUNDING AGREEMENT NUMBER:	09-HQJC-021

THIS HIGH QUALITY JOB CREATION PROGRAM (HQJCP) FUNDING AGREEMENT is made by and among the IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT, 200 East Grand Avenue, Des Moines, Iowa 50309 ("IDED"), the business identified above ("Business"), and the community identified above ("Community"), effective as of the Contract Effective Date stated in the Master Contract identified above.

WHEREAS, the Department has found the Business' application to be consistent with the requirements of the Act and the administrative rules adopted by the Department for the HQJCP – 261 Iowa Administrative Code, Chapter 68; and

WHEREAS, the Business has been approved by the Department to receive certain tax incentives and assistance; and

WHEREAS, the Business has executed the Master Contract described above with the IDED pursuant to an Award on the Award Date stated in the Master Contract to the Business for the Project; and

WHEREAS, the Master Contract specifies that for each program funding source the IDED and the Business shall enter into a Funding Agreement; and

WHEREAS, this HQJCP Funding Agreement contains additional terms and conditions for the award of HQJCP benefits; and

NOW, THEREFORE, the Business and Community accept the terms and conditions set forth in this HQJCP Funding Agreement and the Master Contract for the funding of the Project. In consideration of the mutual promises contained in the Master Contract and this HQJCP Funding Agreement and other good and valuable consideration, it is agreed as follows:

1.0 Master Contract. Unless otherwise specified in this HQJCP Funding Agreement, the definitions, terms, conditions, and provisions contained in the Master Contract are applicable to this HQJCP Funding Agreement. The following provisions in the Master Contract do not apply to this HQJCP Funding Agreement:

Article 3.1(b) – Definition of "Project Completion Date" and "Job Maintenance Period." [The HQJC program has different time periods for these activities.]

Article 4.3 - Repayment obligation. [No promissory note required for tax credits.]
Article 5.1(c) – Promissory Notes. [Execution of note is not a condition precedent to receipt of tax credit benefits]

Article 5.1(g) – Security Documents. [Execution of Security Documents is not a condition precedent to receipt of tax credit benefits].

Article 5.1(m) – Requests for disbursement. [Not required for tax credit program benefits.]

Article 5.2 – Prior costs. [Not applicable to tax credit program benefits.]

Article 5.3 – Cost variation. [Not applicable to tax credit program benefits.]

Article 5.5 – Investment of Award Proceeds. [No proceeds in tax credit programs.]

Article 6 – Security, Cross-collateralization. . [Not applicable to tax credit program benefits.]

Article 9.1(a) – Nonpayment as an Event of Default. [Not applicable because there are no loan payments in tax credit programs].

Article 9.1(c) – Noncompliance with Security Documents as an Event of Default. [Not applicable because there are no Security Documents required in tax credit programs].

Article 9.1(g) – Lien Deficiencies as an Event of Default. [Not applicable because there are no Security Documents required in tax credit programs.]

2.0 Definitions. As used in this HQJCP Funding Agreement, the following terms shall apply:

2.1 Agreement Expiration Date. Expiration of this HQJCP Funding Agreement occurs upon the happening of one of the following events, whichever occurs first:

(a) IDED's determination that the Business has fully met the requirements of the HQJCP Funding Agreement, including meeting its job creation and maintenance requirements, and IDED closes out this HQJCP Funding Agreement.

(b) An Event of Default occurs that is not remedied within the time period allowed under the Master Contract.

(c) This HQJCP Funding Agreement is terminated upon mutual, written agreement of the Business, the Community and IDED.

2.2 HQJCP. "HQJCP" means the High Quality Job Creation Program. The HQJCP is authorized by 2007 Iowa Code section 15.226 to 15.337.

2.3 HQJCP Award. "HQJCP Award" means IDED's approval of the Business's Financial Assistance Application for the Project. This HQJCP Award authorizes the Business to receive HQJCP Program benefits.

2.4 "Annual Base Rent". "Annual Base Rent" means the Business' annual lease payment minus taxes, insurance, and operating or maintenance expenses.

2.5 Project Completion Date. "Project Completion Date" means, for purposes of reporting to the Iowa Department of Revenue that the Project has been completed, (1) for new manufacturing facilities, the first date upon which the average annualized production of finished product for the preceding ninety-day period at the manufacturing facility operated by the Business is at least fifty percent of the initial design capacity of the facility; or (2) for existing or non-manufacturing facilities, the date of completion of all improvements necessary for the start-up, location, expansion or modernization of business. This definition of "Project Completion Date" is only used for purposes of claiming the refund of sales, service and use taxes or the corporate tax credit for certain sales taxes paid, if applicable.

3.0 High Quality Job Creation Program Benefits.

3.1 *Benefits Available.* The following High Quality Job Creation Program benefits are available to the Business under this HQJCP Funding Agreement:

(a) *Investment Tax.*

(i) The Business may claim an investment tax credit as provided in Iowa Code section 15.333. An investment tax credit may be claimed up to 1% of the qualifying expenditures, as defined below in subparagraph (iv), directly related to new jobs created by the start-up, location, expansion, or modernization of the approved business under the program. The Business shall not claim an investment tax credit in excess of $80,452 or as reflected in the final award amount that is approved by the Department at the conclusion of the Project. The credit is to be taken in the year the qualifying asset is placed in service. Any credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

(ii) The tax credit shall be amortized equally over a five-year period which the Department will, in consultation with the eligible business, define. The five-year amortization period is specified below:

Amortization Schedule

July 1, 2008 – June 30, 2009	$16,090
July 1, 2009 – June 30, 2010	$16,090
July 1, 2010 – June 30, 2011	$16,090
July 1, 2011 – June 30, 2012	$16,090
July 1, 2012 – June 30, 2013	$16,090

(iii) HQJCP Funding Agreement Exhibit A, "Investment Tax Credit Amortization Schedule Examples," illustrates how the 5-year amortization requirement will be applied.

(iv) The qualifying expenditures eligible for the investment tax credit are:

1. The purchase price of real property and any buildings and structures located on the real property.
2. The cost of improvements made to real property which is used in operation of the Business.
3. The costs of machinery and equipment, as defined in Iowa Code section 427A.1(1) "e" and "j," purchased for use in the operation of the approved Business and which the purchase price have been depreciated in accordance with generally accepted accounting principles.

4. The Annual Base Rent paid to a third-party developer by an approved Business for a period equal to the term of the lease agreement but not to exceed the maximum term of the agreement, provided the cumulative cost of the base rent payments for that period does not exceed the cost of the land the third-party developer's costs to build or renovate the building for the approved Business. Annual base rent shall only be considered when the project includes the construction of a new building or the major renovation of an existing building. The approved Business shall enter into a lease agreement with the third-party developer for a minimum of five years.

(b) *Refund Of Sales, Service And Use Taxes Paid To Contractors Or Subcontractors.* The Business is eligible for a refund of sales, service and use taxes paid to contractors and subcontractors as authorized in Iowa Code section 15.331A.

(i) The Business may apply for a refund of the sales and use taxes paid under Iowa Code chapters 422 and 423 for gas, electricity, water or sewer utility services, goods, wares, or merchandise, or on services rendered, furnished, or performed to or for a contractor or subcontractor and used in the fulfillment of a written contract relating to the construction or equipping of a facility of the approved business.

(ii) Taxes attributable to intangible property and furniture and furnishings shall not be refunded.

(iii) To receive a refund of the sales, service and use taxes paid to contractors or subcontractors, the Business must, within one year after Project Completion, make an application to the Department of Revenue.

3.2 Benefits Not Available. The following High Quality Job Creation Program benefits are not available to the Business under this agreement:

(a) *Additional Research Activities Credit.*
(b) *Refund of Taxes Attributable to Racks, Shelving, and Conveyor Equipment.*
(c) *Corporate tax credit for certain sales taxes paid by third party developer.*
(d) *Value-Added Property Tax Exemption.*

4.0 Conditions to Receipt of High Quality Job Creation Program Benefits.
The High Quality Job Creation Program Benefits authorized under this HQJCP Funding Agreement are available to the Business provided the Business, (and where applicable, the Community) satisfies each of the following conditions:

4.1 Job Obligations.
The Business's Job Obligations are as detailed in Master Contract Exhibit D, "Job Obligations." The Business shall create the required number of jobs that pay the Qualifying Wage within **3 years** (the "***Job Creation Period***") of the Award Date. The Business shall maintain the Created Jobs in addition to the Business's Base Employment for a period of at least two (2) years (the "***Job Maintenance Period***") beyond the Job Creation Period, for a total contract duration of **5 years.**

4.2 Qualifying Investment. Within three (3) years of the Award Date (as defined in the Master Agreement), the Business shall make a qualifying investment of $10,726,978. A "qualifying investment" means an investment in real property including the purchase price of land and existing buildings and structures; site preparation; improvements to real property;

building construction; long-term lease costs; and/or depreciable assets.

4.3 Required Elements.

(a) Offer a pension or profit sharing plan to full-time employees.

(b) Produce or manufacture high value-added goods or services or be in one of the state's targeted industries: metals.

(c) Provide and pay 80% of the cost of a standard medical and dental insurance plan for all full-time employees at the facility in which the project will occur.

(d) Have an active productivity and safety improvement program(s) involving management and worker participation and cooperation. The program(s) shall include benchmarks for gauging compliance.

4.4 Business Retention. The Business shall have and maintain Project operations contemplated by this Agreement within the Community at least through the Agreement Expiration Date.

4.5 Local Commitment. The Community shall provide the local financial assistance for the Project as described in Exhibit C, Project Description.

5.0 Events of Default by the Business; Notice of Default; Repayment Provisions.

5.1 Events of Default. The terms of Article 9.0 (Events of Default and Remedies) of the Master Contract , except as noted in Article 5.2 and 5.3 below.

5.2 Notice of Default. The following Notice of Default provisions supersede the Notice of Default provisions specified in Article 9.5 (Notice of Default and Opportunity to Cure) of the Master Contract:

(a) *From Department*. If, through the Annual Project Status Report or other means, the IDED has reason to believe the Business is in default of the terms of this Agreement, the IDED will issue a written notice of default to the Business, setting forth the nature of the default in reasonable specificity, and providing therein a reasonable period of time, which shall not be less than 30 days from the date of the notice of default, in which the Business shall have an opportunity to cure, provided that cure is possible and feasible. A copy of any Notice of Default will also be provided to the Community and Department of Revenue.

(b) *From Community*. If, through monitoring, auditing or other means, the Community has reason to believe the Business is in default of the terms of this Agreement, the Community will issue a written notice of default to the Business, setting forth the nature of the default in reasonable specificity, and providing therein a reasonable period of time, which shall not be less than 30 days from the date of the notice of default, in which the Business shall have an opportunity to cure, provided that cure is possible and feasible. A copy of any Notice of Default will also be provided to the IDED and Department of Revenue.

5.3 Repayment Provisions. The following provisions supersede the provisions of Article 9.2 (Default Remedies) of the Master Contract. If the Business has received incentives or assistance under the HQJCP Program and fails to meet and maintain any one of the requirements of the HQJCP Program, the HQJCP Program Administrative Rules or any term of this HQJCP Funding Agreement, the Business is subject to repayment of all or a portion of the incentives and assistance that it has received, as detailed below:

(a) *Job Obligations* at *Project Completion Date and End of Job Maintenance Period*. If the approved Business fails to meet its Job Obligations by the Project Completion Date or fails to maintain its Job Obligations through the Job Maintenance Period, both as described in Master Contract Exhibit D , the Business shall repay a percentage of the tax incentives and assistance that it has received. The repayment percentage will be equal to the percentage of jobs that the approved Business failed to create or maintain.

(b) *Required elements.* If the approved Business fails to meet the four required elements stated in Article 4.3 in any one year, the Business must meet that requirement in the following year or repay all the tax incentives and assistance that it has received.

(c) *Selling, disposing, or razing of property.* If, within five years of purchase, the approved Business sells, disposes of, razes, or otherwise renders unusable all or a part of the land, building, or other existing structures for which an investment tax credit or insurance premium tax credit was claimed, the income tax liability of the approved Business for the year in which all or part of the property is sold, disposed of, razed, or otherwise rendered unusable shall be increased by one of the following amounts:

(1) One hundred percent of the tax credit claimed if the property ceases to be approved for the tax credit within one full year after being placed in service.

(2) Eighty percent of the tax credit claimed if the property ceases to be approved for the tax credit within two full years after being placed in service.

(3) Sixty percent of the tax credit claimed if the property ceases to be approved for the tax credit within three full years after being placed in service.

(4) Forty percent of the tax credit claimed if the property ceases to be approved for the tax credit within four full years after being placed in service.

(5) Twenty percent of the tax credit claimed if the property ceases to be approved for the tax credit within five full years after being placed in service.

(d) *Qualifying Investment.* If the Business does not meet its Qualifying Investment requirement described in 4.2, repayment shall be calculated as follows:

(i) If the Business has met 50 percent or less of the requirement, the Business shall repay the same percentage in benefits as the Business failed to invest.

(ii) If the Business has met more than 50 percent but not more than 75 percent of the requirement, the Business shall repay one-half of the percentage in benefits as the Business failed to invest.

(iii) If the Business has met more than 75 percent but not more than 90 percent of the requirement, the Business shall repay one-quarter of the percentage in benefits as the Business failed to invest.

(e) *Layoffs or closures.* If an approved Business experiences a layoff within the state or closes any of its facilities within the state prior to receiving the tax incentives and assistance, the Department may reduce or eliminate all or a portion of the tax incentives and assistance. If an approved Business experiences a layoff within the state or closes any of its facilities within the state after receiving tax incentives and assistance, the Business may be subject to repayment of all or a portion of the tax incentives and assistance that it has received.

(f) *Department of Revenue; Community Recovery*. Once it has been established, through the Business's Annual Project Status Report, monitoring, audit or otherwise, that the Business is required to repay all or a portion of the incentives received, the Department of Revenue and the Community shall collect the amount owed. The Community has the authority, pursuant to the HQJCP Program, to take action to recover the value of taxes not collected as a result of the exemption provided by the Community to the Business. Department of Revenue has the authority, pursuant to the HQJCP Program, to recover the value of state taxes or incentives provided under the HQJCP Program. The value of state incentives provided under the HQJCP Program includes applicable interest and penalties.

6.0 Final Award Amount.

6.1 Submit Final Numbers Within 12 Months. The approved Business shall, upon satisfaction of the requirements stated in Article 4.0, submit to the Department information on the final Job Obligations, including wages and benefit values, and the final qualifying investment. This submission must be in writing on the form provided by the Department and must be received by the Department within 12 months of completion of the project and the creation of the jobs. Upon receipt of the completed form, the Department shall review and confirm the information and shall prepare the final award amounts based on the final results. Final award amounts may still be subject to certain limitations put in place when the initial award was made.

6.2 Repayment If Claimed Credits Exceed Final Award Amount. If, upon receipt of the final award amount from the Department, the Department of revenue determines that the approved Business has claimed tax incentives and assistance in amounts that exceed the amounts stipulated in the final award, the approved Business shall be required to repay any tax credits and refunds it received in excess of the final award amounts. The Department of Revenue shall have the authority to collect the amount to be repaid to the state including interest and penalties.

7.0 Event of Default by Community.

7.1 Event of Default. The Community's failure to provide the annual local financial assistance pledged for the Project as described in Exhibit C, Project Description and Award Budget shall be considered an Event of Default by the Community.

7.2 Notice of Default and Opportunity to Cure. If the IDED has reason to believe the Community is in default of the terms of this Agreement, the IDED will issue a written notice of default to the Community setting forth the nature of the default in reasonable specificity, and providing therein a reasonable period of time, which shall not be less than 30 days from the date of the Notice of Default, in which the Community shall have an opportunity to cure, provided that cure is possible and feasible. A copy of any Notice of Default will also be provided to the Business and Department of Revenue.

7.3. Repayment by Community. If an Event of Default is not cured within the time allowed, IDED's remedies include but are not limited to legal action against the Community for payment of the amount of local financial assistance pledged but not provided by the Community plus 6% default interest calculated from the Award Date.

8.0 Incorporated documents. The following documents are hereby incorporated by this reference:

1. The Master Contract and its Exhibits.
2. HQJCP Funding Agreement Exhibit A, "Investment Tax Credit Amortization Schedule Examples."

IN WITNESS WHEREOF, the parties have executed this HQJCP Funding Agreement:

BUSINESS:

BY: ______________________ ______________________
Signature

Peter Duprey, Manager Susan Nickey, Manager
Print Name and Title

7.8.10 7.8.10
Date

IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT:

BY: ______________________
Bret L. Mills, Director

____
Date

COMMUNITY:

BY: ______________________
Signature

____
Print Name and Title

____
Date

HQJC Funding Agreement Exhibit A

Investment Tax Credit Amortization Schedule Examples

<u>**HQJC Funding**</u>
<u>**Agreement Exhibit A**</u>

Investment Tax Credit Amortization Schedule Examples

Background Information:

Effective July 1, 2005, Investment Tax Credits (or Insurance Premium Tax Credits) awarded to a Business by the Iowa Department of Economic Development must be amortized equally over a 5-year period. The Department will determine the amortization schedule and include it in the Business' funding agreement.

Please note Investment Tax Credits (or Insurance Premium Tax Credits) are *earned* when the corresponding asset (e.g. the building, a piece of machinery & equipment, etc.) is placed in service. "Placed in service" typically corresponds with the point in time when the Business can start depreciating the asset for tax purposes.

Earned Investment Tax Credits (or Insurance Premium Tax Credits) which cannot be used because of the amortization schedule or because the credits exceed the Business' tax liability for that tax year may be carried forward for up to seven additional tax years.

Example #1

In this example, the Business is eligible to receive an Investment Tax Credit (ITC) in the amount of $100,000. The ITC is earned on December 15, 2005 and may be carried forward until the tax year in which December 15, 2012 falls. The Business' ITC amortization schedule follows:

Fiscal Year 2007 - July 1, 2006 – June 30, 2007	$20,000
Fiscal Year 2008 - July 1, 2007 – June 30, 2008	$20,000
Fiscal Year 2009 - July 1, 2008 – June 30, 2009	$20,000
Fiscal Year 2010 - July 1, 2009 – June 30, 2010	$20,000
Fiscal Year 2011 - July 1, 2010 – June 30, 2011	$20,000

As the ITC was earned in the first year, the Business may claim up to $20,000 on its tax return for that tax year. The Business' tax liability for that tax year is $15,000 therefore; the Business will carry forward $5,000 of unused credits.

ITC Earned - Total	$100,000
ITC Available to be Taken based on the Amortization Schedule	$20,000 (FY 2006)
<u>*Less* ITC Claimed on Current Year's Tax Return</u>	<u>$15,000</u>
ITC to be *Carried Forward* into Future Tax Year	$ 5,000

The following year the Business may claim up to $25,000 in ITCs on its tax return; $5,000 being carried forward from last year plus another $20,000 based on the amortization schedule. The Business' tax liability for the current tax year is $25,000.

ITC Earned - Total	$100,000
<u>*Less* ITC Claimed to Date</u>	<u>$ 15,000</u>
ITC Remaining - Total	$ 85,000
ITC Available to be Taken based on the Amortization Schedule	$20,000 (FY 2007)
Plus ITC Carried Forward from Previous Year	$ 5,000
<u>*Less* ITC Claimed on Current Year's Tax Return</u>	<u>$25,000</u>
ITC to be *Carried Forward* into Future Tax Year	$ 0

The Business would be able to continue to take tax credits based on the amortization schedule and its tax liability each year. If this example were to continue, the tax credits could continue to be claimed until they are exhausted or until the carry forward period expires in the tax year in which December 15, 2012 falls.

Example #2

In this example, the Business is eligible to receive an Investment Tax Credit (ITC) in the amount of $500,000. The ITC is earned on February 15, 2008 and may be carried forward until the tax year in which February 15, 2015 falls. The Business' ITC amortization schedule follows:

Fiscal Year 2007 - July 1, 2006 – June 30, 2007	$100,000
Fiscal Year 2008 - July 1, 2007 – June 30, 2008	$100,000
Fiscal Year 2009 - July 1, 2008 – June 30, 2009	$100,000
Fiscal Year 2010 - July 1, 2009 – June 30, 2010	$100,000
Fiscal Year 2011 - July 1, 2010 – June 30, 2011	$100,000

As the ITC was earned in the third year of the amortization schedule, the Business may claim up to $300,000 on its tax return for that tax year ($100,000 per year for 3 years). The Business' tax liability for that tax year is $50,000 therefore; the Business will carry forward $250,000 of unused credits.

ITC Earned - Total	$500,000
ITC Available to be Taken based on the Amortization Schedule	$300,000 (FY 2006 – FY 2008)
Less ITC Claimed on Current Year's Tax Return	$ 50,000
ITC to be *Carried Forward* into Future Tax Year	$250,000

The following year the Business may claim up to $350,000 in ITCs on its tax return; $250,000 being carried forward from last year plus another $100,000 based on the amortization schedule. The Business' tax liability for the current tax year is $60,000.

ITC Earned - Total	$500,000
Less ITC Claimed to Date	$ 50,000
ITC Remaining - Total	$450,000
ITC Available to be Taken based on the Amortization Schedule	$100,000 (FY 2009)
Plus ITC Carried Forward from Previous Year	$250,000
Less ITC Claimed on Current Year's Tax Return	$ 60,000
ITC to be *Carried Forward* into Future Tax Year	$290,000

The following year the Business may claim up to $390,000 in ITCs on its tax return; $290,000 being carried forward from last year plus another $100,000 based on the amortization schedule. The Business' tax liability for the current tax year is $50,000.

ITC Earned - Total	$500,000
Less ITC Claimed to Date	$110,000
ITC Remaining - Total	$390,000
ITC Available to be Taken based on the Amortization Schedule	$100,000 (FY 2010)
Plus ITC Carried Forward from Previous Year	$290,000
Less ITC Claimed on Current Year's Tax Return	$ 50,000
ITC to be *Carried Forward* into Future Tax Year	$340,000

After FY 2010, the Business is no longer subject to the amortization schedule and therefore, it would be able to continue to take tax credits based on its tax liability each year. If this example were to continue, the tax credits could continue to be claimed until they are exhausted or until the carry forward period expires in the tax year in which February 15, 2015 falls.

DESCRIPTION OF THE PROJECT AND AWARD BUDGET (EXHIBIT C)

Name of Business: Acciona Windpower North America, LLC

Contract Number: P0904M02005

PROJECT DESCRIPTION

Acciona Windpower North America, LLC will build a 30,000 s.f. expansion to be used as the final assembly bay for the rubine nacelle. The project involves building construction, building remodeling and acquisition of machinery and equipment.

AWARD BUDGET

SOURCE OF FUNDS	Amount		USE OF FUNDS	Cost
IDED Programs			*Land Acquisition	$0
HQJC program benefits		[1]See below	*Site Preparation	$0
			*Building Acquisition	$0
			*Building Construction	$4,501,245
Acciona - Spain	$10,726,978	Internal finance	*Building Remodeling	$1,383,012
			*Mfg Machinery and Equipment	$4,842,721
			Other Machinery and Equipment	$0
			Racking, Shelving, etc.	$0
			*Computer Hardware	$0
			Computer Software	$0
			*Furniture and Fixtures	$0
			Working Capital	$0
			Research and Development	$0
			Job Training	$0
			Other Expenses	$0
SUBTOTAL	$10,726,978		SUBTOTAL	$10,726,978
		* included as capital investment if awarded tax credit program		
SUBTOTAL	$0		SUBTOTAL	$0
TOTAL ALL FUNDS	$10,726,978			$10,726,978

[1]$212,848 estimated value

Other Funding

Source of Funds	Total Amount	Duration	Used as Match
TIF Rebate			
Tax Abatement			
260E Job Training			
In-Kind Contributions			
RISE			
RED			
Other (describe)			
Total Other Funding	$0.00		

Updated 8/08

EXHIBIT D – JOB OBLIGATIONS

Acciona Windpower North America, LLC

09-HQJC-021

This Project has been awarded benefits from the High Quality Job Creation (HQJC) program. The chart below outlines the contractual job obligations related to this Project.

Data in the "Employment Base" column has been verified by the Department and reflects the employment characteristics of the facility receiving funding before this award was made. Jobs to be retained as a part of this Project must be included in these calculations.

Data in the "Jobs to Be Created" column outlines the new full-time jobs (including their wage characteristics) that must be added to the employment base and, if applicable, statewide employment base as a result of this award.

At the Project Completion Date and through the Project Maintenance Date, the Business must achieve (at a minimum) the numbers found in the "Total Job Obligations" column.

09-HQJC-21 JOB OBLIGATIONS Project Completion Date: April 30, 2012 Project Maintenance Date: April 30, 2014	Employment Base	Jobs To Be Created	Total Job Obligations
Total employment at project location	130*	0	130
Average Wage of total employment at project location	$29.43		
Qualifying wage threshold requirement (per hr)	$16.93		
Benefit value (per hr)	$2.72		
Number of jobs at or above qualifying wage	N/A	N/A	N/A
Average Wage of jobs at or above qualifying wage	N/A		
Number of jobs at or above qualifying wage w/benefits	130	0	130
Average wage of jobs at or above qualifying wage w/benefits	$29.43		

Notes re: Qualifying Wages

1. If the Benefit Value was added to the base wage to meet program wage threshold eligibility requirements, then any reduction in the Benefit Value during the life of the Contract must be compensated for with salary to ensure that the Qualifying Wage rates are met.

2. Bonus or commission payments are not included when calculating the Qualifying Wage rate.

Note re: Employment Base

* This Employment Base has been adjusted to reflect a reduction that occurred in May, 2009.

Base at Award Date:	188
May, 2009 layoffs:	58
Adjusted Employment Base for this Contract:	130 FTE positions

(verified using 4/20/09 payroll from business)