



AUDIE SCIUMBATO
Licensed in Texas and New Mexico
Phone: 806.364.2626
Fax: 806.364.9368
www.uwlaw.com
Audie.Sciumbato@uwlaw.com

ADDRESS:
145 W. 3rd Street
Hereford, Texas
MAILING ADDRESS:
P.O. Box 1655
Hereford, TX 79045

June 25, 2014

John Villarreal
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: App. No. 1010 from Grandview Wind II, LLC to Grandview-Hopkins ISD
Amendment No. 002 to Application

Dear John,

Enclosed please find supplemental pages and information provided by the Applicant for the Chapter 313 Application submitted by Grandview Wind II, LLC to Grandview-Hopkins ISD (the "Grandview II Application"). Specifically, the Applicant has provided:

- Tab 16 – Description of reinvestment zone, which includes:
 - Resolution designating the reinvestment zone;
 - Legal Description of the reinvestment zone;
 - Map of the reinvestment zone; and,
 - Gray County's Guidelines and Criteria for Establishing a Reinvestment Zone.

A CD containing these documents listed above is also enclosed. This Amendment, dated June 25, 2014 and numbered 002, is the second amendment to the Grandview II Application. Please let me know if you require any additional information.

Thank you,

A handwritten signature in black ink that reads "Audie Sciumbato". The signature is written in a cursive, flowing style.

Audie Sciumbato, PhD

AS/ph
II4QZN0B0D0ZDF
Encl.

cc: Makell Matney, EON

Via Email

**RESOLUTION OF THE COMMISSIONERS
COURT OF GRAY COUNTY, TEXAS
DESIGNATING GRANDVIEW II REINVESTMENT ZONE**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN GRAY COUNTY TEXAS, ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the County Commissioners Court of Gray County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, et seq.), and the Guidelines and Criteria of the Commissioners Court of Gray County for Granting a Tax Abatement in Reinvestment Zone created in Gray County, Texas (the “Guidelines”); and

WHEREAS, on June 18, 2014, a hearing before the County Commissioners Court of Gray County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Gray County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and,

WHEREAS, the Commissioners Court of Gray County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and,

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF GRAY COUNTY, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Commissioners Court of Gray County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of the reinvestment zone has been properly called, held and conducted, and that notices of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of the reinvestment zone should be the area described in the attached Exhibit “A” and depicted in the map attached hereto as Exhibit “B”, which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit “A” and map in Exhibit “B”, the map shall control; and

- (c) That creation of the reinvestment zone will result in benefits to Gray County, Texas and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that will be a benefit to the property and that would contribute to economic development within the Gray County, Texas

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Gray County Commissioners Court hereby creates Grandview II Reinvestment Zone, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Grandview II Reinvestment Zone.

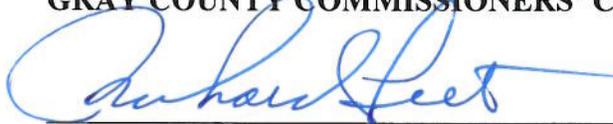
SECTION 4. That Grandview II Reinvestment Zone shall take effect upon adoption by the Gray County Commissioners Court and shall remain designated as a commercial-industrial reinvestment zone for renewable and wind generated power generation for a period of five (5) years from the date of such designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Gray County Commissioners Court at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation within the County, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 18th day of June, 2014.

GRAY COUNTY COMMISSIONERS' COURT

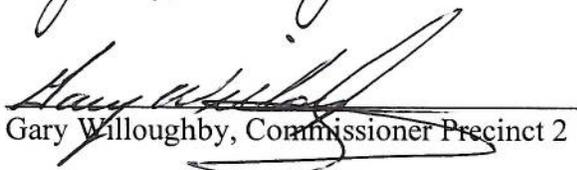


Richard Peet, Gray County Judge



Joe Wheeley, Commissioner Precinct 1

Neil Fulton, Commissioner Precinct 3



Gary Willoughby, Commissioner Precinct 2

Jeff Haley, Commissioner Precinct 4

Exhibit "A"
Legal Description of Reinvestment Zone

The real property in Gray County, Texas, described as follows:

All of Sections 104, 105, 106, 107, 108, 109, 110, 111, 112, 126, 127, 128, 129 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225 and 226 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The Southwest Quarter (SW/4) of Section 85 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The West Half (W/2) & Southeast Quarter (SE/4) of Section 96 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The East Half (E/2) of Section 114 Block B2, H&GN RR CO. Survey, Gray County, Texas.

The South Half (S/2) of Section 155 Block B2, H&GN RR CO. Survey, Gray County, Texas.

All of Sections 1, 17 18, 19, 35, 36, 37, 38, 52, 53, and 54 Block B3, H&GN RR CO. Survey, Gray County, Texas.

The North Half (N/2) & Southeast Quarter (SE/4) of Section 20 Block B3, H&GN RR CO. Survey, Gray County, Texas.

All of Section 180 Block 3, I&GN RR CO. Survey, Gray County, Texas.

All of Section 1 and the West Half of the West Half (W2/W/2) of Section 2, BLK C2, CCSD Survey, Gray County, Texas.

All of the NA Steed, AN Hunt Railroad and DB Hill Survey, Gray County, Texas.

GRANDVIEW II Reinvestment Zone

Gray County, Texas



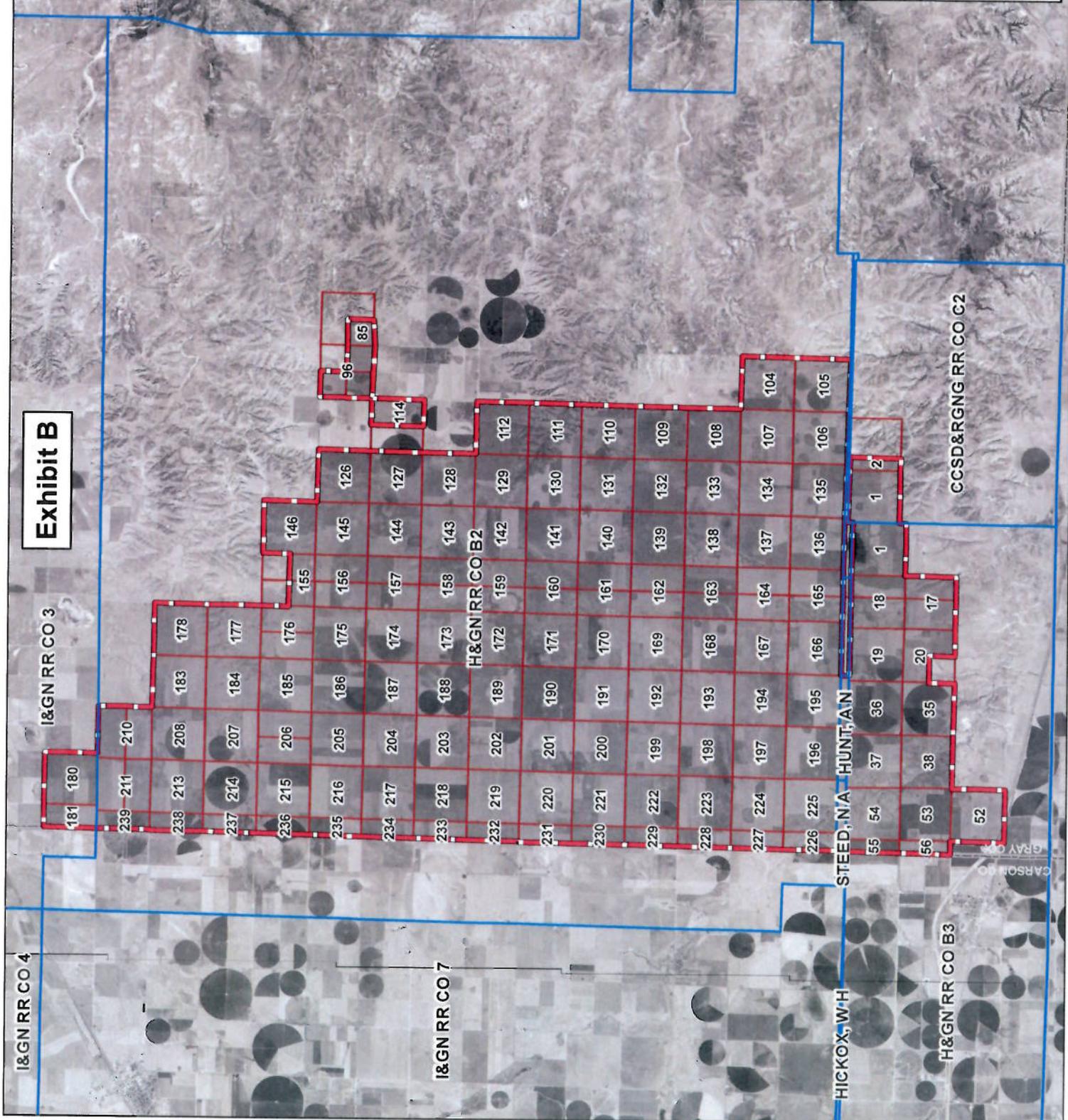
Date: May 21, 2014
 Map Scale 1:150,000
 Projection: UTM14
 Datum: North American 1983

- RZ Boundary
- Sections
- Surveys
- Counties



Map produced by E.ON Climate & Renewables NA for internal use only. Final analysis & site locations are to be determined by E.ON personnel through on-site verification. Map is not to be reproduced or redistributed without expressly written permission from E.ON Climate & Renewables NA. Base map data from USGS.

Exhibit B



**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN REINVESTMENT ZONES CREATED
IN THE JURISDICTION OF
GRAY COUNTY, TEXAS**

STATE OF TEXAS }
 }
COUNTY OF GRAY }

V
O
L

WHEREAS, the creation and retention of job opportunities that bring new wealth is one of the highest civic priorities; and,

0
0
3
8

WHEREAS, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and,

WHEREAS, Gray County must compete with other localities across the nation currently offering tax inducements to attract new and modernization projects; and,

WHEREAS, any tax incentives offered in Gray County would reduce needed tax revenue unless these tax incentives are strictly limited in application to those new and existing industries that bring new wealth to the community; and,

WHEREAS, the abatement of property taxes, when offered to attract primary jobs or investments in industries that bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and,

P
G

WHEREAS, Texas laws requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to the granting of any future tax abatement, which guidelines and criteria are to remain unchanged for a two-year period unless amended by minimum votes, as provided by said state law; and,

0
4
0
2

WHEREAS, these guidelines and criteria shall not be construed as implying or suggesting that the County of Gray, or any other taxing jurisdiction, is under any obligation to provide tax abatement or other incentives to any applicant, and all applicants shall be considered on a case-by-case basis; and,

WHEREAS, these guidelines and criteria are approved for circulation to all affected taxing jurisdictions for consideration as a common policy for all jurisdictions that choose to participate in tax abatement agreements; and

WHEREAS, the Commissioners Court of Gray County, Texas has approved and authorized these guidelines and criteria;

NOW THEREFORE BE IT RESOLVED THAT, said guidelines and criteria are as follows:

Sec. 1. Definitions

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Gray for economic development purposes.
- B. "Affected jurisdiction" means the County of Gray and any other taxing jurisdiction with any substantial parts of its area located in Gray County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.
- C. "Agreement" means a contractual agreement between a property owner or lessee, or both, and an

affected jurisdiction for the purposes of tax abatement.

- D. "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property improvements made after January 1 but before the execution of the Agreement.
- E. "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.
- F. "Distribution Center Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, primarily to receive, store, service, or distribute goods or materials owned by the facility operator.
- G. "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- H. "Facility" means property improvements completed or in the process of construction that together comprise an integral whole.
- I. "Manufacturing Facility" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- J. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- K. "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- L. "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.
- M. "Productive life" means the number of years a property improvement is expected to be in service in a facility.
- N. "Regional entertainment facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.
- O. "Research facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- P. "Regional service facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.
- Q. "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5 or any successor to such rule.

V
O
L

0
0
3
8

P
G

0
4
U
3

Sec. 2. Criteria for Abatement and Designation a Reinvestment Zone.

- A. Authorized facility. A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.
- B. Creation of new value. Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement by and among Gray County and the property owner or lessee, subject to such limitation as Gray County may require. V
O
- C. New and existing facilities. Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion. L
- D. Eligible property. Abatement may be extended to the value of permanent buildings and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility. 0
0
- E. Ineligible property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas. 3
8
- F. Value and term of abatement. A tax abatement agreement granted by Gray County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed. P
G
- G. Economic qualification. In order to be eligible to receive tax abatement the planned improvement:
 - 1. Must be reasonably expected to have an increase in positive net benefit to Gray County of at least \$100,000 in the case of new businesses and \$50,000 in the case of existing businesses over the life of the tax abatement agreement (such amounts computed to include, but not limited to, new payroll and new capital investment); 0
4
0
4
 - 2. Must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis; and
 - 3. Must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Gray to another.
- H. Existing business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, such existing businesses may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$50,000.00 and modernization or expansion changes the appraised value to \$100,000.00, \$50,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)
- I. Taxability. From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:
 - 1. The value of ineligible property shall be fully taxable; and,
 - 2. The base year value of existing eligible property as determined each year shall be fully taxable; and,
 - 3. The additional value of new eligible property shall be taxable in the manner described in Section 2.

Sec. 3. Application and Hearing.

- A. Any present or potential owner of taxable property in the jurisdiction of the taxing entities of the County of Gray, Texas may request tax abatement by filing a written request with the Gray County Commissioners Court.
- B. The application shall consist of a completed application form accompanied by:
 - 1. a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;
 - 2. a descriptive list of the improvements that will be a part of the facility; a map and property description; and
 - 3. A time schedule for undertaking and completing the planned improvements.

In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the application. The application form may require any financial and other information that may be appropriate for evaluating the financial capacity of the applicant and any other factors.

- C. After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame the Commissioners Court shall choose to deny the application, consider the application, or consider the application on an expedited basis.
- D. Consideration of Application. If the County determines that the application should be further considered, then the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. At the hearing, the Commissioners Court will evaluate the application against the criteria in Section 2 and decide whether to designate the property for which abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven (7) days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.
- E. Expedited Consideration of Application. If the County determines that the application should receive expedited consideration, then the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court's next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which the abatement is sought, along with a copy of the proposed tax abatement agreement. During the Commissioners Court meeting, the Commissioners Court shall evaluate the application against the criteria in Section 2 and shall decide whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then immediately

V
O
L

0
0
3
8

P
G

0
4
0
5

consider for approval the tax abatement agreement between the applicant and the County. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or the decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

- F. Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.
- G. When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.
- H. Tax abatement may not be approved if the County finds that the application was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
- I. Request for variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Gray County. Such request shall include all the items listed in Section 3 above, together with a complete description of the circumstances that prompt the applicant to request variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

V
O
L

0
0
3
8

Sec. 4. Standards for denying Approval of Abatement.

- A. If any affected jurisdiction is able to conclusively show cause in the public hearing why the granting of the abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity, or the providing of services, Gray County shall deny the approval of abatement.
- B. An abatement agreement shall not be granted if it is determined that:
 - 1. There would be substantial adverse effect on the providing of government services or tax bases;
 - 2. The applicant has insufficient financial capacity;
 - 3. Planned or potential use of the property would constitute a hazard to public safety, health, or morals; or,
 - 4. Codes or laws would be violated.

P
G

0
4
0
6

Sec. 5. Effect of Approval of Application

Gray County Commissioners Court acts only for the taxing entity of Gray County and for no other taxing entity within Gray County. The County's approval or disapproval of an application has no effect on any other taxing entity within the jurisdiction or their right to approve or disapprove an application. Only the governing bodies of the affected jurisdictions may grant tax abatements, and enter into tax abatement agreements with applicants.

Sec. 6. Tax Abatement Agreements

The Gray County Commissioners Court after approval of an application shall enter into an agreement with the applicant. Such agreements shall be executed with the owner of the facility, and with the lessee when required. Such agreements shall include:

- A. The estimated value to be abated and the base year value;
- B. The percentage of value to be abated each year;

- C. The commencement date and the termination date of abatement;
- D. The proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list;
- E. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment;
- F. Size of investment and average number of jobs involved. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County; and
- G. The agreement shall stipulate that employees, or designated representatives, or both, of Gray County will have access to the reinvestment zone during the terms of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual.

V
O
L

0
0
3
8

Sec. 7 Recapture

- A. If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 60 days from the date of termination.
- B. If the Gray County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period"), then the agreement may be terminated; provided, however if such failure cannot be cured within such sixty (60)-day period and the company or individual has commenced remedial action to cure such failure (and continued to diligently and timely pursue the completion of such remedial action), the company or individual shall be entitled to a total of one hundred eighty (180) days after receipt of notice within which to cure such default.
- C. If the company or individual (1) allows its ad valorem taxes owed to the County of Gray, or any other taxing entity in Gray County, to become delinquent after all applicable notice and cure periods and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

P
G

0
4
0
7

Sec. 8. Administration

- A. The Chief Appraiser of the Gray County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, any company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief appraiser shall notify the affected jurisdictions that levy taxes of the amount of the assessment.

- B. Upon completion of construction, a designated representative of Gray County shall annually evaluate each facility receiving abatement to insure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 9. Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Gray County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld, conditioned or delayed.

Sec. 10. Sunset Provision

The guidelines and criteria are effective upon the date of their adoption and will remain in force for two years from the Effective Date (defined below) unless amended by a three-quarters vote of the Gray County Commissioners Court, at which time the tax abatement contracts created according to these provisions will be reviewed to determine whether or not the goals have been achieved. Based on that review, the guidelines and criteria may be further modified, renewed or eliminated.

[remainder of this page intentionally blank]

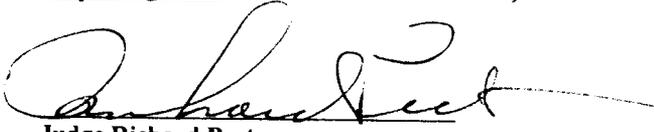
V
O
L

0
0
3
8

P
G

0
4
0
8

The foregoing was lawfully approved by County Commissioner's Court, effective as the 15 day of Feb 2013 (the "Effective Date").



Judge Richard Peet
Gray County Judge

Joe Wheeley
Commissioner Precinct 1

Gary Willoughby
Commissioner Precinct 2

Commissioner Precinct 3
Neil Fulton

Commissioner Precinct 4
Jeff Haley

ATTEST:

Susan Winborne
Gray County Clerk

Clerk's Seal stamped above

V
O
L

0
0
3
8

P
G

0
4
0
9