



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

November 14, 2014

Jenny Hicks
Michelle Luera
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: 313 Application –Happy Whiteface Wind, LLC

Dear Jenny and Michelle:

Enclosed please find an application for appraised value limitation on qualified property submitted to Canyon ISD by Happy Whiteface Wind, LLC, submitted to the District on November 10, 2014, along with the applicant's request to treat certain materials as "CONFIDENTIAL." The confidential material has been separated from the application (by tab in the notebook and a separate PDF in electronic form). A CD containing these documents is also enclosed.

The Canyon ISD Board elected to accept the application on November 10, 2014. The application was determined to be complete on November 14, 2014. We ask that the Comptroller's Office prepare the economic impact report for this development.

A copy of the application will also be submitted to the Randall and Deaf Smith County Appraisal Districts in accordance with 34 Tex. Admin. Code § 9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Audie Sciumbato", with a stylized flourish at the end.

Audie Sciumbato, PhD

Enclosures
IAZSWKOC0D1PAY

cc: Chief Appraiser, Randall County Appraisal District
Chief Appraiser, Deaf Smith County Appraisal District
Melissa Miller, Miller Wind + Renewables LLC

UNDERWOOD LAW FIRM, P.C.

AMARILLO

FORT WORTH

HEREFORD

LUBBOCK

PAMPA

**Application for Chapter 313
Appraised Value Limitation
by Happy Whiteface Wind, LLC
to Canyon ISD**

submitted November 10, 2014

Attachment 1

See executed application attached.



Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

November 10, 2014

Date Application Received by District

Michael

First Name

Superintendent

Title

Canyon I.S.D.

School District Name

3301 N. 23rd St.

Street Address

3301 N. 23rd St.

Mailing Address

Canyon

City

806-677-2627

Phone Number

Mobile Number (optional)

Wartes

Last Name

Texas

State

806-677-2659

Fax Number

wartes@canyonisd.net

Email Address

79015

ZIP

2. Does the district authorize the consultant to provide and obtain information related to this application?



Yes



No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Fred</u>	<u>Stormer</u>
First Name	Last Name
<u>Attorney</u>	
Title	
<u>Underwood Law Firm, PC</u>	
Firm Name	
<u>806-379-0306</u>	<u>806-379-0316</u>
Phone Number	Fax Number
	<u>Fred.Stormer@uwlaw.com</u>
	Email Address
<u></u>	
Mobile Number (optional)	

4. On what date did the district determine this application complete? November 14, 2014

5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Jaime Lyle</u>	<u>McAlpine</u>
First Name	Last Name
<u>Manager</u>	<u>Happy Whiteface Wind, LLC</u>
Title	Organization
Street Address	
<u>P.O. Box 5446</u>	
Mailing Address	
<u>Edmond</u>	<u>Oklahoma</u>
City	State
<u>405-850-6685</u>	<u>73083</u>
Phone Number	ZIP
	<u></u>
	Fax Number
	<u>mc Alpinejl@chermacenergy.com</u>
	Business Email Address
<u></u>	
Mobile Number (optional)	

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☒ Yes ☐ No

2a. If yes, please fill out contact information for that person.

<u>Charles</u>	<u>Waswo</u>
First Name	Last Name
	<u>Chermac Energy Corporation</u>
Title	Organization
Street Address	
<u>P.O. Box 5446</u>	
Mailing Address	
<u>Edmond</u>	<u>Oklahoma</u>
City	State
<u>405-850-6685</u>	<u>73083</u>
Phone Number	ZIP
	<u></u>
	Fax Number
	<u>cwaswo@aol.com</u>
	Business Email Address
<u></u>	
Mobile Number (optional)	

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

Melissa

Miller

First Name

Last Name

President

Title

Miller Wind & Renewables LLC

Firm Name

512-739-0397

N/A

Phone Number

Fax Number

melissa@millerwind.com

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☒ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Happy Whiteface Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32050653537
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☒ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ Yes ☐ No ☒ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☒ Yes ☐ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☒ Yes ☐ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board March 2015
2. Commencement of construction June 2015
3. Beginning of qualifying time period 2015
4. First year of limitation 2016
5. Begin hiring new employees June 2015
6. Commencement of commercial operations December 2015
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 2015

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Randall and Deaf Smith Counties
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Randall County
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: <u>Randall County, .39914, 100%,</u> <small>(Name, tax rate and percent of project)</small>	City: <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>So. Randall Hospital, .07921, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>High Plains Water - Randall .00802, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Deaf Smith County - 7 miles of T line</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Noxious Weed District, .03/acre, 100%</u> <small>(Name, tax rate and percent of project)</small>
5. Is the project located entirely within the ISD listed in Section 1? ☐ Yes ☒ No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 80,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 80,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? December 1, 2014

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 12,000.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 2014
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 5
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 759.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,180.03
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 727.27
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 37,818.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 37,818.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Michael Wartes

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Michael E. Wartes

Signature (Authorized School District Representative)

November 10, 2014

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Jaime Lyle McAlpine

Print Name (Authorized Company Representative (Applicant))

Manager

Title

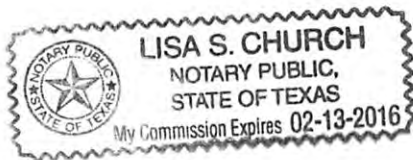
sign
here

Jaime Lyle McAlpine

Signature (Authorized Company Representative (Applicant))

November 10, 2014

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10th day of November, 2014

Lisa S. Church

Notary Public in and for the State of Texas

My Commission expires: 2-13-16

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

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Attachment 2

Proof of Payment of Application Fee

Wire transfer for \$75,000 application fee to Canyon Independent School District was made on 11/6/14 with confirmation #11 07 11 B70 31R 01 36 39.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*

Attachment 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable).

Not Applicable

Attachment 4

Detailed description of the project.

In Tab 4, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

Happy Whiteface Wind, LLC (“Happy Whiteface”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Chermac Energy Corporation (“Chermac”), the exclusive developer and member of Happy Whiteface, is in the business of initiating, developing, and producing electricity from wind energy projects. Chermac currently has five projects in development in Texas and Oklahoma and is evaluating other renewable energy project opportunities across the country.

Happy Whiteface is requesting an appraised value limitation from Canyon ISD for a proposed wind energy project using wind turbines and 7 miles of transmission line located in Randall County. Additionally, there are 7 miles of transmission line located outside of Canyon ISD in Hereford ISD and in Deaf Smith County. The wind farm and its associated infrastructure will be constructed within Reinvestment Zones established by Randall and Deaf Smith Counties, Texas. A map showing the location of the wind farm is included as Attachment 11a. The Reinvestment Zone shown on Attachment 11f shows the Reinvestment Zone in Randall County, which extends beyond the project area. The reason for this is because the project is being constructed in two phases.

The wind farm will have an estimated capacity of 156.4 megawatts (“MW”). To construct the wind farm, Happy Whiteface will install 68 wind turbines all within Canyon ISD that will have a rated capacity of 2.3 MW. In addition to the wind turbines, roads will be constructed and improved as necessary, collection lines, transmission lines, and a collection substation will be installed to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building will be erected.

Construction of the wind farm is proposed to begin in June of 2015 and is expected to take approximately six months to complete, with an estimated commercial operations date by December 31, 2015, contingent upon favorable economics for the project.

While the wind regime for Happy Whiteface is excellent, there are currently many favorable locations for wind projects that could be developed across the US. Happy Whiteface has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Canyon ISD. Project investors are looking for wind projects across the US and can locate projects in a wide variety of locations should Happy Whiteface be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Chermac Energy Corporation

Chermac was incorporated under the laws of the State of Oklahoma in 1982 to provide services in petroleum engineering and oil/gas lease property operations. Chermac is a Registered Petroleum Engineering firm in the State of Oklahoma since 1996. In 1999, Chermac started development of renewable energy wind projects in Oklahoma, Texas and Kansas.

Wind

Chermac was the original developer of the Oklahoma Gas and Electric 120 MW Centennial Wind Farm and the 94.5 MW Edison Mission Energy Sleeping Bear Wind Farm in Harper County, Oklahoma, both completed in 2007; the Edison Mission 19 MW EME Buffalo Bear Wind Farm completed in 2008; the Edison Mission 130 MW Taloga I Wind Farm completed in July 2011 and Enel's 405 MW Buffalo Dunes Wind Park, Finney Co., KS, with its first phase of 250 MW completed in early 2014. Presently, Chermac holds wind lease and easement rights for 50,000 acres in Texas. Other scheduled projects for completion of construction in 2015 include the 170 MW Salt Fork and the 240 MW Happy Hereford projects in Texas; the 200 MW Goodwell and 365 MW Persimmon Creek (150 MW Phase I) projects in Oklahoma; with another 300 MW of additional projects in development and scheduled for construction in 2016-2017.

Biographies of Key Personnel

Jaime Lyle McAlpine, P.E.

Since 1982 has acted as Petroleum Engineer and President of Chermac Energy Corporation. Since 1999, has provided management, financial analyses, land acquisition, technical design and contract negotiations for wind developments. Oil and gas responsibilities include engineering and management of oil and gas properties throughout Oklahoma, New Mexico and West Texas, drilling/completion design and site engineering for wells up to 20,000', design and implementation of waterfloods, expert petroleum engineering witness testimony, engineering design, construction and maintenance of liquid and gas pipelines, product contract negotiation and engineering audit of gas sales contracts and tertiary recovery and CO2 designs. From 1979 to 1982 was Petroleum Engineer for Willis Exploration, Oklahoma City, Oklahoma. Responsibilities included engineering and management of oil and gas properties throughout Oklahoma and Texas Panhandle as well as drilling/completion design and site engineering for wells up to 12,000'.

Graduated from Oklahoma State University in 1979 with a B.S. Degree in Petroleum Engineering Technology. A registered engineer with the Oklahoma State Board of Registration for Professional Engineers and Land Surveyors since 1986 as Professional Engineer No. 14404. Member of the Society of Petroleum Engineers, National Society of Professional Engineers and the American Wind Energy Association.

Cheryl L. McAlpine

Since 1982, Chief Financial Officer of Chermac Energy Corporation. Responsibilities include all internal accounts payable, accounts receivable, and project specific accounting. Other responsibilities include insurance administration and office management. Attended University of Central Oklahoma, majoring in Accounting.

Gregory P. Gilbert, CPA

Since 1987, has served as Chermac Energy Corporation's accountant. He is a Certified Public Accountant and Audit and Tax Partner of Steakley and Gilbert, P.C. accounting firm. His responsibilities include all outside accounting and auditing requirements for Chermac Energy Corporation. Graduated from Oklahoma State University with M.A. degree in Accounting in 1981.

Kyle B. Hadwiger, J.D.

Since 1999, has served as Counsel for Chermac Energy Corporation in wind development. Responsibilities include all legal aspects of wind projects including contract negotiations, title curative responsibilities and legal opinions for corporate actions. Admitted to Oklahoma Bar in 1985. Received B.S. degree from Oklahoma State University in 1982 and J.D. in 1985 from the University of Tulsa.

Gregory D. Adams

Since 1999 has served as Technical Advisor for wind development for Chermac Energy Corporation. Lifelong resident of Harper County with cattle and real estate business interests. His responsibilities include wind data acquisition, verification of independent data engineering provided by outside sources, wind farm design and analyses. Other responsibilities include land negotiation and outside wind project evaluation. Graduated Oklahoma State University, 1980 with a B.S. in Aeronautical Engineering Technology. Also certified WindProII operator by EMD International A/S since June 2006. Received continuing IP based training from ESRI for ArcView GIS program since 2005. WindProII advanced operator training June 2007, 2008, 2009 and 2010. Member of the Oklahoma Renewable Energy Council and the American Wind Energy Association

Doug Coats

Since 2007 has served as Construction Advisor for wind development for Chermac Energy Corporation. His responsibilities include site review, project construction cost estimation, wind farm civil design, and construction project cost validation. Other responsibilities include land negotiation and outside wind project construction review. From 1996 thru mid-2006 served as Senior Construction Manager for Renewable Energy Systems, Austin, TX and from mid-2006 until joining Chermac in 2007, held same position with Signal Wind Energy LLC, Chattanooga, TN and was responsible for over 1,500 MW of wind farm construction in Texas, Nebraska,

Vermont and Jamaica. Received B.S. in Construction Science from Texas A&M University in 1979.

Chermac has multiple projects in multiple states in development with scheduled construction completion in December 2015. Projects economics vary from project to project, State to State. If the LAVA (which is a vital part of the economic package provided by Texas) was not achieved for the Happy Whiteface project, then the likelihood of completion is diminished to the point Chermac resources and development teams' time would be reallocated to those projects with highest economic return outlook with all of those potentials being located in other areas besides the Canyon ISD and Randall County, Texas.

As such, the development resources necessary to advance the subject 156.4 MW Happy Whiteface Project could be redeployed to other renewable energy development projects in other power markets in the United States. Happy Whiteface, however, was formed for the express purpose of developing a wind farm that would help bring economic development to the area. Chermac identified Texas, and in particular Canyon ISD, for its strong wind resource, access to available transmission capacity and the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 tax abatement and Chapter 313 Appraised Value Limitation.

Chermac prefers to develop and build the proposed Happy Whiteface Project as described throughout this application. This Project is still in the early stages of development, however. As of October 2014 Happy Whiteface's physical assets are valued at less than \$12,000, for the met mast installed on the project. Most of this capital is comprised of non-qualified property, specifically one temporary meteorological tower erected on the project site. Should the appraised value limitation be granted, Happy Whiteface has created a development and investment plan that, if capitalized, Happy Whiteface will implement construction efforts in 2015. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other counties and states competing for similar wind projects.

Attachment 5

Documentation to assist in determining if limitation is a determining factor.

Chapter 313.026(e) states “the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2).” If you answered “yes” to any of the questions in Section 8, attach supporting information in Tab 5.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Happy Whiteface Wind, LLC was formed in 2013.

In support of its creation, the participating members, Chermac Energy Corporation, executed documents necessary to form the entity, including an Operating Agreement and a Development Agreement. Chermac Energy Corporation also entered into the following representative agreements and contracts that will be assigned to Happy Whiteface Wind, LLC:

- Grants of Easement covering approximately 11,500 acres with 4 landowners.
- Environmental and archeological studies with Enercon
- Atmospheric studies for project area with Comsearch.
- Engineering and Surveying with XCEL Land Services.

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities that the agreements and contracts listed above represent will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Canyon ISD.

These contracts and initial investments are preliminary in nature as Chermac and Happy Whiteface have determined that a value limitation agreement with Canyon ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Chermac’s management team is uniquely qualified to develop and construct wind and other energy projects throughout the United States. It has been responsible for the development of approximately 614 MWs, or approximately 1%, of the U.S.’ installed wind energy capacity. Based on this experience the management team evaluates all potential projects for feasibility, financeability, and the economic returns they represent in comparison to other project opportunities across the country.

The Happy Whiteface Project is currently in such a period of assessment to determine whether the identified site in Canyon ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$210M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of the Happy Whiteface Project.

Attachment 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable).

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

The project is located solely in Canyon ISD and in no other school districts.

Canyon ISD	97%*
------------	------

*3% of the project is comprised of a 7 mile transmission line outside of Canyon ISD in Hereford ISD.

Attachment 7

Description of Qualified Investment

- a. A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021 (Tab 7).*
- b. A description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).*

Happy Whiteface, LLC plans to construct an estimated 156.4 MW wind farm in Randall County, located entirely within Canyon ISD with the exception of 7 miles of 345kV transmission line in Deaf Smith County. The intended qualified investment located in Canyon ISD includes wind turbines, foundations, collection systems, 7 miles of 345kV transmission line and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity. External to Canyon ISD is the remainder of the transmission line, in which there are 7 miles of 345kV line in Deaf Smith County.

For purposes of this application, the Project anticipates using 2.3 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Canyon ISD. Current plans are to install 68 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Happy Whiteface intends to connect to Windmill, an ERCOT substation via a 14 mile 345kV transmission line, of which 7 miles is located in Canyon ISD and Randall County and 7 miles is located in Deaf Smith County. All of the infrastructure will remain within the project boundary and within the Reinvestment Zones. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 8

Description of Qualified Property

Happy Whiteface, LLC plans to construct an estimated 156.4 MW wind farm in Randall County, located entirely within Canyon ISD with the exception of 7 miles of 345kV transmission line in Deaf Smith County. The intended qualified investment located in Canyon ISD includes wind turbines, foundations, collection systems, 7 miles of 345kV transmission line and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity. External to Canyon ISD is the remainder of the transmission line, in which there are 7 miles of 345kV line in Deaf Smith County.

For purposes of this application, the Project anticipates using 2.3 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Canyon ISD. Current plans are to install 68 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Happy Whiteface intends to connect to Windmill, an ERCOT substation via a 14 mile 345kV transmission line, of which 7 miles is located in Canyon ISD and Randall County and 7 miles is located in Deaf Smith County. All of the infrastructure will remain within the project boundary and within the Reinvestment Zones. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 9

Description of Land

Not Applicable.

Attachment 10

Description of all property not eligible to become qualified property (if applicable).

The Project has one temporary meteorological tower located on site, Met ID 6005. The tower is a Rohn 57 meter tower with Campbell Scientific Data Logger and NRG sensors.

A map reflecting its placement is provided below and in Attachment 11d.

Please see the attached map below.

CONFIDENTIAL
map submitted
separately

~~CONFIDENTIAL – FOR SEPARATE FILING~~

Attachment 11

Maps that clearly show:

- a) Project vicinity*
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period*
- c) Qualified property including location of new buildings or new improvements*
- d) Existing property*
- e) Land location within vicinity map*
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size*

Please see CONFIDENTIAL maps submitted separately

Attachment 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable).

See attached waiver request below.

HAPPY WHITEFACE WIND, LLC

**P.O. Box 5446
Edmond, OK 73083
(405) 341-3506**

November 10, 2014

Mr. Michael Wartes
Canyon Independent School District
3301 N. 23rd St.
Canyon, Texas 79015

Re: Chapter 313 Job Waiver Request for Happy Whiteface, LLC

Dear Mr. Wartes,


Happy Whiteface, LLC requests that the Canyon Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.02S (f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Happy Whiteface, LLC requests that the Canyon Independent School District makes such a finding and waive the job creation requirement for 25 permanent jobs. In line with industry standards for job requirements, Happy Whiteface, LLC has committed to create 5 total jobs for the project, all of which will be in Canyon I.S.D.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 - 20 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,


Jaime Lyle McAlpine, P.E.
Manager

Attachment 13

a. Average weekly wage for all jobs (all industries) in the county

Year	Quarter	Area	Ownership	Industry	Avg Weekly Wage
2014	1st	Randall	Private	All	\$822
2013	2nd	Randall	Private	All	\$699
2013	3rd	Randall	Private	All	\$701
2013	4th	Randall	Private	All	\$817
Mean Average					\$759.75

Source Data: Texas Workforce Commission:

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Randall County	Private	00	0	10	Total, All Industries	\$808
2014	1st Qtr	Randall County	Private	00	0	10	Total, All Industries	\$822
2013	2nd Qtr	Randall County	Private	00	0	10	Total, All Industries	\$699
2013	3rd Qtr	Randall County	Private	00	0	10	Total, All Industries	\$701
2013	4th Qtr	Randall County	Private	00	0	10	Total, All Industries	\$817

[LMI Home](#) | [Site Map](#) | [Feedback](#) | [Help](#) | [About LMI](#) | [Privacy Policy](#) | [Terms of Use](#)

[TWC Home](#)

b. 110% of the average weekly wage for manufacturing jobs in the county

Year	Quarter	Area	Ownership	Industry	Avg Weekly Wage
2014	1st	Randall	Private	Manufacturing	\$1175
2013	2nd	Randall	Private	Manufacturing	\$1023
2013	3rd	Randall	Private	Manufacturing	\$1000
2013	4th	Randall	Private	Manufacturing	\$1093

Mean Average \$1072.75

110%

**110% County Average Weekly Wage
for Manufacturing Jobs \$1180.03**

Source Data: Texas Workforce Commission:

Quarterly Employment and Wages (QCEW)

[Restart](#) [Back](#) [Print](#) [Download](#)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Randall County	Private	31	2	31-33	Manufacturing	\$1,092
2014	1st Qtr	Randall County	Private	31	2	31-33	Manufacturing	\$1,175
2013	2nd Qtr	Randall County	Private	31	2	31-33	Manufacturing	\$1,023
2013	3rd Qtr	Randall County	Private	31	2	31-33	Manufacturing	\$1,000
2013	4th Qtr	Randall County	Private	31	2	31-33	Manufacturing	\$1,093

[LMI Home](#) | [Site Map](#) | [Feedback](#) | [Help](#) | [About LMI](#) | [Privacy Policy](#) | [Terms of Use](#)

[TWC Home](#)

c. 110% of the average weekly wage for manufacturing jobs in the region

The annual salary for the South Plains Association of Governments as published by the Texas Occupational Employment and Wages in July 2014 is \$34,380.

$\$34,380 / 52 \text{ weeks} = \$661.15 \text{ per week. } * 1.1 = \727.27

$\$661.15 / \text{week} * 1.1 = \727.27 per week.

Attachment 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable).

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name Happy Whiteface Wind, LLC
ISD Name Canyon ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015-2016	2015	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 210,000,000.00	\$ -	\$ -	\$ -	\$ 210,000,000.00
Complete tax years of qualifying time period	QTP1	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -
	QTP2	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]								
				\$ 210,000,000.00	\$ -	\$ -	\$ -	\$ 210,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)								
				\$ 210,000,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Applicant Name Happy Whiteface Wind, LLC
ISD Name Canyon ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$ 210,000,000.00				\$ 210,000,000.00
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2014-2015	2014					
Each year prior to start of value limitation period** <small>Insert as many rows as necessary</small>	0	2015-2016	2015	\$ 210,000,000.00				\$ 210,000,000.00
Value limitation period***	1	2016-2017	2016					
	2	2017-2018	2017					
	3	2018-2019	2018					
	4	2019-2020	2019					
	5	2020-2021	2020					
	6	2021-2022	2021					
	7	2022-2023	2022					
	8	2023-2024	2023					
	9	2024-2025	2024					
	10	2025-2026	2025					
Total Investment made through limitation				\$ 210,000,000.00				\$ 210,000,000.00
Continue to maintain viable presence	11	2026-2027	2026					
	12	2027-2028	2027					
	13	2028-2029	2028					
	14	2029-2030	2029					
	15	2030-2031	2030					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2031-2032	2031					
	17	2032-2033	2032					
	18	2033-2034	2033					
	19	2034-2035	2034					
	20	2035-2036	2035					
	21	2036-2037	2036					
	22	2037-2038	2037					
	23	2038-2039	2038					
	24	2039-2040	2039					
	25	2040-2041	2040					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.
** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2014-2015	Tax Year (Fill in actual tax year) 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2016-2017	2016	\$ -	\$ -	\$210,000,000.00	\$210,000,000.00	\$210,000,000.00	\$ 80,000,000.00
	2	2017-2018	2017	\$ -	\$ -	\$201,600,000.00	\$201,600,000.00	\$201,600,000.00	\$ 80,000,000.00
	3	2018-2019	2018	\$ -	\$ -	\$193,200,000.00	\$193,200,000.00	\$193,200,000.00	\$ 80,000,000.00
	4	2019-2020	2019	\$ -	\$ -	\$184,800,000.00	\$184,800,000.00	\$184,800,000.00	\$ 80,000,000.00
	5	2020-2021	2020	\$ -	\$ -	\$176,400,000.00	\$176,400,000.00	\$176,400,000.00	\$ 80,000,000.00
	6	2021-2022	2021	\$ -	\$ -	\$168,000,000.00	\$168,000,000.00	\$168,000,000.00	\$ 80,000,000.00
	7	2022-2023	2022	\$ -	\$ -	\$159,600,000.00	\$159,600,000.00	\$159,600,000.00	\$ 80,000,000.00
	8	2023-2024	2023	\$ -	\$ -	\$151,200,000.00	\$151,200,000.00	\$151,200,000.00	\$ 80,000,000.00
	9	2024-2025	2024	\$ -	\$ -	\$142,800,000.00	\$142,800,000.00	\$142,800,000.00	\$ 80,000,000.00
	10	2025-2026	2025	\$ -	\$ -	\$134,400,000.00	\$134,400,000.00	\$134,400,000.00	\$ 80,000,000.00
Continue to maintain viable presence	11	2026-2027	2026	\$ -	\$ -	\$126,000,000.00	\$126,000,000.00	\$126,000,000.00	\$126,000,000.00
	12	2027-2028	2027	\$ -	\$ -	\$117,600,000.00	\$117,600,000.00	\$117,600,000.00	\$117,600,000.00
	13	2028-2029	2030	\$ -	\$ -	\$109,200,000.00	\$109,200,000.00	\$109,200,000.00	\$109,200,000.00
	14	2029-2030	2031	\$ -	\$ -	\$100,800,000.00	\$100,800,000.00	\$100,800,000.00	\$100,800,000.00
	15	2030-2031	2030	\$ -	\$ -	\$ 92,400,000.00	\$ 92,400,000.00	\$ 92,400,000.00	\$ 92,400,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2031-2032	2031	\$ -	\$ -	\$ 84,000,000.00	\$ 84,000,000.00	\$ 84,000,000.00	\$ 84,000,000.00
	17	2032-2033	2032	\$ -	\$ -	\$ 75,600,000.00	\$ 75,600,000.00	\$ 75,600,000.00	\$ 75,600,000.00
	18	2033-2034	2033	\$ -	\$ -	\$ 67,200,000.00	\$ 67,200,000.00	\$ 67,200,000.00	\$ 67,200,000.00
	19	2034-2035	2034	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	20	2035-2036	2035	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	21	2036-2037	2036	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	22	2037-2038	2037	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	23	2038-2039	2038	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	24	2039-2040	2039	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00
	25	2040-2041	2040	\$ -	\$ -	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00	\$ 58,800,000.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name Happy Whiteface Wind, LLC
ISD Name Canyon ISD

Form 50-296A

Revised Feb 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2014-2015	2014	0	\$ -	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	175 FTE	\$ 37,818.00	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2016-2017	2016			N/A	5	\$ 37,818.00
	2	2017-2018	2017			N/A	5	\$ 37,818.00
	3	2018-2019	2018			N/A	5	\$ 37,818.00
	4	2019-2020	2019			N/A	5	\$ 37,818.00
	5	2020-2021	2020			N/A	5	\$ 37,818.00
	6	2021-2022	2021			N/A	5	\$ 37,818.00
	7	2022-2023	2022			N/A	5	\$ 37,818.00
	8	2023-2024	2023			N/A	5	\$ 37,818.00
	9	2024-2025	2024			N/A	5	\$ 37,818.00
	10	2025-2026	2025			N/A	5	\$ 37,818.00
Years Following Value Limitation Period	11 through 26	2026-2027	2026			N/A	5	\$ 37,818.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

X

Yes

No

C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

X

Yes

No

C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes

X

No

Schedule D: Other Incentives (Estimated)

Applicant NameHappy Whiteface Wind, LLC

ISD NameCanyon ISD

Form 50-296A

Revised Feb 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Randall County	2016	2025	\$ 687,319.00	100% w/\$2000mw payment-in-lieu	\$ 312,000.00
	City:					
	Other: South Randall Hospital District	2016	2025	\$ 136,400.00	100% w/\$400mw payment-in-lieu	\$ 62,400.00
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 687,319.00		\$ 312,000.00

Additional information on incentives for this project:

Attachment 15

***Economic Impact Analysis, other payments made in the state or other economic information
(if applicable).***

Pending, not attached.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

- a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office***
- b) Legal description of reinvestment zone***
- c) Order, resolution or ordinance establishing the reinvestment zone****
- d) Guidelines and criteria for creating the zone***

“*” To be submitted before date of final application approval by school board

Attachment 16a

a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Not Applicable.

Attachment 16b

b) Legal description of reinvestment zone

PROPOSED RANDALL COUNTY REINVESTMENT ZONE

Section 281 Block M-6, SK&K Survey
Section 282 Block M-6, SK&K Survey
Section 283 Block M-6, SK&K Survey
Section 284 Block M-6, SK&K Survey
Section 279 Block M-6, SK&K Survey
Section 278 Block M-6, SK&K Survey
Section 277 Block M-6, SK&K Survey
Section 242 Block M-6, SK&K Survey
Section 243 Block M-6, SK&K Survey
Section 244 Block M-6, SK&K Survey
Section 239 Block M-6, SK&K Survey
Section 238 Block M-6, SK&K Survey
Section 237 Block M-6, SK&K Survey
Section 201 Block M-6, SK&K Survey
Section 202 Block M-6, SK&K Survey
Section 203 Block M-6, SK&K Survey
Section 204 Block M-6, SK&K Survey
Section 199 Block M-6, SK&K Survey
Section 198 Block M-6, SK&K Survey
N/2 and SE/4 of Section 162 Block M-6, SK&K Survey
Section 159 Block M-6, SK&K Survey
Section 122 Block M-6, SK&K Survey
Section 123 Block M-6, SK&K Survey
Section 124 Block M-6, SK&K Survey

Attachment 16c

c) Order, resolution or ordinance establishing the reinvestment zone*

To be submitted before date of final application approval by school board

Attachment 16d

d) Guidelines and criteria for creating the zone

RANDALL COUNTY

STATE OF TEXAS

TAX ABATEMENT GUIDELINES AND CRITERIA

The purpose of this document is to establish guidelines and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping and improving property except as otherwise provided. All contracts will be identical.

In order to be eligible for designation as a Reinvestment Zone and receive tax abatement, the planned improvements:

1. Must be an Eligible Facility.
2. Must add at least \$150,000.00 to the tax roll of eligible property except in regards to the historic downtown area where there is no minimum.
3. Must be reasonably expected to have an increase in positive net economic benefit to Randall County of at least \$250,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. Must not be expected to solely or primarily have the effect of transferring employment from one part of Randall County to another.

In addition to the criteria set forth above, the Randall County Commissioners' Court reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment and improvements specified in the contract will be eligible for abatement, and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the Reinvestment Zone.

All abatement contracts will be no longer than allowed by law.

It is the goal of Randall County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Randall County Commissioners Court to consider, adopt, modify or refine any tax abatement request.

This policy is effective as of October 14, 2014, and shall at all times be kept current with regard to the needs of Randall County and reflective of the official views of the County Commissioners' Court, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Randall County Commissioners' Court does not:

1. Limit the discretion of the governing body to decide whether to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
3. Create any property, contract or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

SECTION I. DEFINITIONS

A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Randall County for economic development purposes.

B. "Agreement" means a contractual agreement between a property owner and/or lessee and Randall County.

C. "Base Year Value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.

D. "Deferred Maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology.

E. "Eligible Facilities" means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting the abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Randall County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Randall County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to:

Aquaculture/Agriculture Facility,
Distribution Center Facility,
Manufacturing Facility,

Office Building,
Regional Entertainment/Tourism Facility,
Research Service Facility,
Regional Service Facility,
Historic building in designated area,
Wind Energy Facility, or
Other Basic Industry.

F. “Expansion” means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

G. “Facility” means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

H. “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 buildings, structures, machinery, or equipment, or both.

I. “New Facility” means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

J. “Productive Life” means the number of years property improvement(s) is/are expected to be in service in a facility.

SECTION II. ABATEMENT AUTHORIZED

A. Eligible Facilities. Upon application, Eligible Facilities shall be considered for tax abatement as hereinafter provided.

B. Creation of New Values. Abatement may only be granted for the *additional value* of eligible property improvement(s) made subsequent to and specified in an abatement agreement between Randall County and the property owner or lessee, subject to such limitations as Randall County may require.

C. New and Existing Facilities. Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an abatement agreement between Randall County and the property owner or lessee, subject to such limitations as Randall County may require.

D. Eligible Property. Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: land; animals; inventories, supplies; tools; furnishings; and other forms of moveable personal property; vehicles; vessels; aircraft; deferred maintenance investments; housing and property to be rented or leased, except as provided in Section II(F); property owned or used by the State of Texas.

F. Owned/Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the agreement.

G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

- (1) Must be an Eligible Facility.
- (2) Must add at least \$150,000.00 to the tax roll of eligible property except in regards to the historic downtown area where there is no minimum.
- (3) Must be reasonably expected to have an increase in positive net economic benefit to Randall County of at least \$250,000.00 over the life of the abatement, computed to include, but not be limited to, new sustaining payroll and/or capital improvement. The creation of new jobs will also factor into the decision to grant an abatement; and
- (4) Must not be expected to solely or primarily have the effect of transferring employment from one part of Randall County to another.

H. Standards for Tax Abatement. The following factors, among others, will be considered in determining whether to grant tax abatement:

- (1) Value of existing improvements, if any;
- (2) Type and value of proposed improvements;
- (3) Productive life of proposed improvements;
- (4) Number of existing jobs to be retained by proposed improvements;
- (5) Number and type of new jobs to be created by proposed improvements;
- (6) Amount of local payroll to be created;
- (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
- (8) Amount by which property tax base valuation will be increased during the

term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$250,000.00;

(9) The costs to be incurred by Randall County to provide facilities directly resulting from the new improvements;

(10) The amount of ad valorem taxes to be paid to Randall County during the abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the abatement period, and (d) the value after expiration of the abatement period;

(11) The population growth of Randall County that occurs directly as a result of new improvements;

(12) The types and values of public improvements, if any, to be made by applicant seeking abatement;

(13) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(14) The impact on the business opportunities of existing business;

(15) The attraction of other new businesses to the area;

(16) The overall compatibility with the zoning ordinances and comprehensive plan for the area;

(17) Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

(1) There would be substantial adverse effect on the provision of government services or tax base;

(2) The applicant has insufficient financial capacity;

(3) Violation of other codes or laws; or

(4) Any other reason deemed appropriate by Randall County.

J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

(1) The value of ineligible property as provided in Section II (E) shall be fully taxable; and

(2) The base year value of existing eligible property as determined each year shall be fully taxable.

(3) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

SECTION III. APPLICATION

A. Any present or potential owner of taxable property in Randall County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge of Randall County.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed 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 County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Randall County. For abatement requests for improvements with a planned value equal to or in excess of One Million Dollars (\$1,000,000.00), the fee shall be One Thousand and No/100 Dollars (\$1,000.00). For requests with a planned value of less than \$1,000,000.00, the fee shall be five hundred and no/100 Dollars (\$500.00)

C. Randall County shall give notice as provided by the Property Tax Code, including written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located, not later than the seven (7) days before acting upon the application.

D. If a city within Randall County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request tax abatement by Randall County by following the same application process described in Section III (A) hereof. No other notice or hearing shall be required except compliance with the open meetings act, unless the Commissioners' Court deems them necessary in a particular case.

SECTION IV. AGREEMENT

A. After approval, the Commissioners' Court of Randall County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required, which shall:

- (1) Include a list of the kind, number and location of all proposed improvements to the property;
- (2) Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the agreement;
- (3) Limit the use of the property consistent with the taxing unit's development goals;
- (4) Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
- (5) Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit; and
- (6) Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement.

Such agreement shall normally be executed as soon as practicable, but in no event less than sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners' Court.

SECTION V. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed Randall County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or content; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should Randall County determine that the applicant or its assignee is in default according to the terms and conditions of its agreement, Randall County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the agreement may be terminated.

SECTION VI. ADMINISTRATION

A. The Chief Appraiser of the Randall County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of Randall County of the amount of the assessment.

B. Randall County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Randall County will have access to the reinvestment zone during the term 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 twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

C. Upon completion of construction, the designated representative of Randall County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners' Court.

SECTION VII. ASSIGNMENT

The abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility either upon the approval by resolution of the Commissioners' Court of Randall County, or in accordance with the terms of an existing tax abatement agreement. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any Randall County taxing jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld. Notice shall be given to the Commissioners' Court twenty (20) days in advance of any transfer or assignment.

SECTION VIII. SUNSET PROVISION

These Guidelines and Criteria are effective upon the date of their adoption, and shall supersede and replace any and all prior guidelines and criteria for reinvestment zones in Randall County, and hereafter these Guidelines and Criteria shall apply to reinvestment zones created in Randall County. These Guidelines and Criteria shall remain in force for two (2) years, unless amended by three-quarters vote of the Commissioners' Court of Randall County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the Guidelines and Criteria will be modified, renewed or eliminated; provided, however, no modification or elimination of the Guidelines and Criteria shall affect tax abatement agreements that have been previously approved until the parties thereto shall agree to amend such agreements.

Adopted October 14, 2014.

Randall County Commissioners' Court:

Ernie Houdashell
Ernie Houdashell, County Judge

Christy Dyer
Christy Dyer, Commissioner
Precinct 1

Bob Robinson
Bob Robinson, Commissioner
Precinct 3

Mark Benton
Mark Benton, Commissioner
Precinct 2

Buddy DeFord
Buddy DeFord, Commissioner
Precinct 4

Attest:

Renee Calhoun
Renee Calhoun, County Clerk

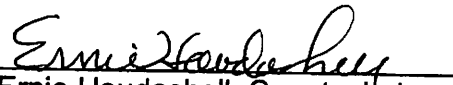


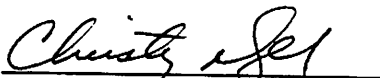
Resolution No. 2014-48

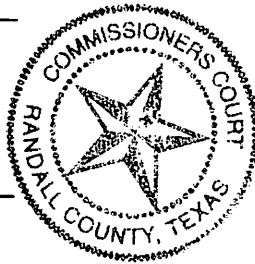
Resolution Adopting Guidelines and Criteria

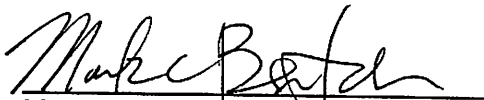
Be it resolved that the Randall County Commissioners' Court hereby adopts Tax Abatement Guidelines and Criteria, attached hereto, and hereby replaces and supersedes any and all prior guidelines and criteria that were in effect prior to this resolution.


Passed and approved at meeting of the Randall County Commissioners' Court, at which a quorum was present, on the 14th day of October 2014.

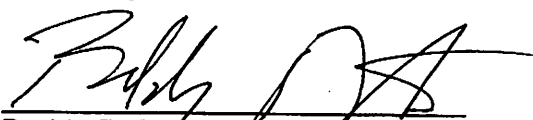

Ernie Houdashell, County Judge


Christy Dyer, Commissioner
Precinct 1




Mark Benton, Commissioner
Precinct 2


Bob Robinson, Commissioner
Precinct 3


Buddy DeFord, Commissioner
Precinct 4

ATTEST:


Renee Calhoun, County Clerk

Attachment 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Michael Wartes

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Michael E. Wartes

Signature (Authorized School District Representative)

November 10, 2014

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Jaime Lyle McAlpine

Print Name (Authorized Company Representative (Applicant))

Manager

Title

sign
here

Jaime Lyle McAlpine

Signature (Authorized Company Representative (Applicant))

November 10, 2014

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

10th day of November, 2014

Lisa S. Church

Notary Public in and for the State of Texas

My Commission expires: 2-13-16

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