

# O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

**KEVIN O'HANLON**

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

**LESLIE MCCOLLOM**

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

February 18, 2015

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the Iraan Sheffield Independent School District from East Pecos Solar LLC

**(First Qualifying Year 2016; First Year of Value Limitation 2016)**

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Iraan Sheffield Independent School District is notifying EAST PECOS Alamo 7 LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The company has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in the first full tax year after application approval, i.e., 2016.

The Applicant submitted the Application to the school district on February 9, 2015. The Board voted to accept the application on February 9, 2015. The application has been determined complete as of February 16, 2015. Please prepare the economic impact report.

**REQUEST FOR CONFIDENTIALITY**

The Applicant has requested that the following portion of the Application be kept confidential:

- Section 9, Page 5 (detailing the project timeline);
- Tab 9 (the location of the land upon which the project will be built);and

- Tab 11 (the maps of the proposed project layout and location).

In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The description of the investment timeline and the maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110. The determination of whether specific material is protected as a trade secret is a question of fact. While not defined in the statute, Texas has long recognized the definition of trade secrets set forth in the Restatement of Torts. See, *Hyde v. Huffings*, 314 S.W. 2d 763, 776 (Tex. 1957), cert denied, 358 U.S. 898 (1958). The Texas Attorney General's office has consistently applied the Restatement of Torts in determining whether information submitted to Texas governmental agencies is exempt from disclosure in response to Open Records requests under the "trade secret" doctrine. See e.g., Open Records Decision No. 652, pp. 3-5 (1997); See also, OR2002-2871 (May 28, 2002). The Restatement of Torts lists six factors to be utilized in determining whether material is, in fact a trade secret. These factors will be discussed below.

1. Extent to which information is known outside of EAST PECOS;
2. Extent to which information is known by employees.
3. Security Measures.
4. Value of Information.
5. Effort Expended.
6. Ease of Duplication.

EAST PECOS maintains security on the internal item specifications from which plans for site development are written, performance statistics, and other data from which the layout and location has been developed. This type of information is held to be a trade secret by EAST PECOS. In fact, the maintenance of confidentiality of this type of information is the industry standard among all of the companies engaged in this industry.

Project confidentiality is maintained inside the company and with the consultants engaged to prepare the application. EAST PECOS requires confidentiality of all employees and contractual confidentiality provisions with its consultants. EAST PECOS uses proprietary methods for the development of layout and locating decisions. EAST PECOS feels that secure information cannot be duplicated without access to its proprietary processes. The release of any information regarding these proprietary processes would give competitors of EAST PECOS an unfair competitive position.

This Section of the Texas Government Code provides that information is excepted from disclosure if it would give advantage to a competitor. As for the same reasons stated above, maintaining the confidential status of the underlying data is critical to maintaining EAST PECOS's competitive position in the market.

The public release of this information would reveal information which the company believes would cause the company to suffer substantial competitive harm and weaken its position in competitive siting decisions. In addition, the company views the proposed layout and location of the panels as a trade secret in which they have expended considerable resources. The public release of this information would reveal information which the company considers to be a trade secret.

A copy of the application will be submitted to the Pecos County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon  
School District Consultant

Cc: Pecos County Appraisal District

East Pecos Solar LLC

Iraan Sheffield Independent School District



# 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 before the 151st 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/](http://www.texasahead.org/tax_programs/chapter313/). There are links on this Web page 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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? ..... ☐ Yes ☐ No

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:  
[www.TexasAhead.org/tax\\_programs/chapter313/](http://www.TexasAhead.org/tax_programs/chapter313/)  
50-296-A • 02-14/1



## SECTION 1: School District Information *(continued)*

### 3. Authorized School District Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

4. On what date did the district determine this application complete? .....

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)*

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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.

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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)**

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

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? \_\_\_\_\_
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) \_\_\_\_\_
3. List the NAICS code \_\_\_\_\_
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*) \_\_\_\_\_
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 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 or contracts for work to be performed 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 official 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. 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
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☐ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☐ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☐ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

## SECTION 9: Projected Timeline

CONFIDENTIAL

1. Application approval by school board .....
2. Beginning of qualifying time period .....
3. First year of limitation .....
4. Begin hiring new employees .....
5. Commencement of commercial operations .....
6. 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.
7. When do you anticipate the new buildings or improvements will be placed in service? .....

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located .....
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property .....
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: ..... (Name, tax rate and percent of project)      City: ..... (Name, tax rate and percent of project)  
 Hospital District: ..... (Name, tax rate and percent of project)      Water District: ..... (Name, tax rate and percent of project)  
 Other (describe): ..... (Name, tax rate and percent of project)      Other (describe): ..... (Name, tax rate and percent of project)
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/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? .....
  2. What is the amount of appraised value limitation for which you are applying? .....
- 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 new buildings or new improvements 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? .....

## 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): ..... \$ \_\_\_\_\_
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): ..... \$ \_\_\_\_\_

**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)? .....
  2. What is the last complete calendar quarter before application review start date:  
☐ First Quarter    ☐ Second Quarter    ☐ Third Quarter    ☐ Fourth Quarter of \_\_\_\_\_ (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)? .....
- 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. What is the number of new non-qualifying jobs you are estimating you will create? .....
  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 .....
    - b. 110% of the average weekly wage for manufacturing jobs in the county is .....
    - c. 110% of the average weekly wage for manufacturing jobs in the region is .....
  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? .....
  10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? .....
  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 §313.024(d-2)? ..... ☐ 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

KEVIN ALLEN  
Print Name (Authorized School District Representative)

Superintendent  
Title

sign  
here

[Signature]  
Signature (Authorized School District Representative)

2/19/2015  
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

Oscar Dalton  
Print Name (Authorized Company Representative (Applicant))

Regional Director, US Project Development  
Title

sign  
here

[Signature]  
Signature (Authorized Company Representative (Applicant))

2/4/15  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

4th day of February, 2015

Kara Rachel Mullins  
Notary Public in and for the State of Texas Arizona

My Commission expires: 7-17-17

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"> <li>a) Project vicinity</li> <li>b) Qualified investment including location of new buildings or new improvements</li> <li>c) Qualified property including location of new buildings or new improvements</li> <li>d) Existing property</li> <li>e) Land location within vicinity map</li> <li>f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size</li> </ul> <p><b>Note:</b> 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"> <li>a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office</li> <li>b) legal description of reinvestment zone*</li> <li>c) order, resolution or ordinance establishing the reinvestment zone*</li> <li>d) guidelines and criteria for creating the zone*</li> </ul> <p><b>* To be submitted with application or before date of final application approval by school board</b></p>   |
| 17  | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>   |



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)*

**TAB 3**

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

N/A

## TAB 4

### *Detailed description of the project*

The applicant's parent company for this project is a international solar developer with the ability to locate projects of this type in other countries and states in the US with strong solar characteristics. The applicant is actively developing and constructing other projects throughout the US and internationally. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely.

Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement becomes unfinanciable.

East Pecos Solar LLC proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant within the Iraan-Sheffield Stockton Independent School District.

The project will be constructed on approximately 1,000 acres, which is part of a larger, long-term lease agreement with a local landowner. The project will be located entirely in Pecos County and within the Iraan-Sheffield Independent School District. The proposed project will include, but is not limited to, the following:

- Planned 103 MW-AC in size;
- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Fixed-tilt racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

First Solar, Inc. (“First Solar”), the parent company of East Pecos Solar, LLC, is a global solar developer with project opportunities all across the United States. The ability to enter into a limited appraisal valuation agreement with the Iraan-Sheffield Independent School District is a motivator factor for constructing the project in Pecos County, Texas, as opposed to building and investing in another state or region.

### **About First Solar**

First Solar is the leading global provider of comprehensive photovoltaic (PV) solar energy solutions. With vertically integrated capabilities improving every aspect of the solar value chain, First Solar delivers power plant solutions that maximize value and mitigate risk for customers worldwide.

### **Leadership Achieving Cost and Scale**

First Solar was formed in 1999 and has become the world’s leading thin film module manufacturer. First Solar is the:

- 1st solar company to produce 1 gigawatt (GW) in a single year
- 1st solar company to break the \$1/watt manufacturing cost barrier
- 1st solar company to implement a global PV module recycling program
- World-record-holder for CdTe thin film solar module (14.4%) and cell (18.7%) efficiency

## **Leadership across the Entire Value Chain**

First Solar has gained industry-leading capabilities across the entire solar value chain to become the world's leading provider of PV energy solutions. First Solar has:

- Developed the largest solar project pipeline in the world (currently nearly 3GW contracted worldwide)
- Sold PV power plants to top power producers and energy investors in the industry
- Facilitated the financing for nearly ~2GW (AC) (representing approximately ~\$9 billion) of First Solar power plants
- Designed and constructed over 1.5GW of PV power plants, including the world's largest and most advanced operational PV plant: Agua Caliente in Arizona, USA
- Developed the most advanced grid integration and plant control capability in the solar industry
- Made significant improvements throughout the balance of system to optimize the entire PV power plant and reduce lifecycle costs
- Developed the industry's most advanced O&M program and world-class Operations Center
- Achieved system availabilities of over 99% for fleet of utility-scale PV plants under operation (over 650MW growing to 2.2 GW)

## **Leadership Integrating into the Global Energy Mix**

First Solar's mission is to create enduring value by enabling a world powered by clean, affordable solar electricity. By providing an economically attractive alternative to fossil fuel electricity generation today, First Solar is integrating solar power into the global energy mix.

First Solar delivers advanced PV energy solutions to contemporary problems such as fuel cost volatility and energy supply reliability. First Solar energy solutions include utility-scale generation, industrial power, and fuel replacement solutions. With our proprietary technologies, industry expertise, and proven track record of success, First Solar PV power plants integrate and operate more like traditional generation plants and are the smartest source for reliable and dependable solar energy.

## TAB 5

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

The applicant's parent company for this project is an national solar developer with the ability to locate projects of this type in other countries and states in the US with strong solar characteristics. The applicant is actively developing and constructing other projects throughout the US and internationally. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely.

Property taxes can be the highest operating expense for a solar generation facility as solar plants do not have any associated fuel costs for the production of electricity, and with Texas wholesale electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates, including power sales under a bi-lateral contract. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement. As such, the applicant is not able to finance and build its project in Texas even with a signed power purchase agreement because of the low price in the power purchase agreement. Without the tax incentive, the applicant would be forced to abandon the project and spend its development capital and prospective investment funds in other states where the rate of return is higher on a project basis.

This is true even if the entity is able to contract with an off-taker under a power purchase agreement because the low rate contracted for is not financeable without the tax incentives. More specifically, a signed power purchase agreement in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Other states have high electricity prices where a developer can obtain a PPA with a much higher contracted rate, combined with state subsidies, the other states offer a much higher rate of return for the project financiers. Without the tax incentives in Texas, a project with a power purchase agreement becomes unfinanciable.

**TAB 6**

*Names and percentages of additional districts that compromise the entire project:*

The project is located 100% in the Iraan-Sheffield Independent School District in Pecos County, Texas.

## **TAB 7**

### ***Description of Qualified Investment***

East Pecos Solar, LLC, anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 103 MW. The exact capacity and the specific technology components will be determined during the development and design process.

A 103 MW solar PV generating facility may include a qualified investment consisting of the following improvements:

- First Solar PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Fixed-tilt racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.



**TAB 8**

***Description of Qualified Property***

Please refer to TAB 7.

**TAB 9**

*Description of Land*

CONFIDE  
NTIAL

Exhibit "A"

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

VOL. 313 PAGE 9

3

Deed Record 761 Pg 209

CONFIDENTIAL

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CONFIDENTIAL

**TAB 10**

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

1. 9341 12 H&GN SEC 6 – Mobile Home and Carport (\$5,830)
2. 292 12 H&GN SEC 7 – Mobile Home, Home, Additions, Porches (\$47,080)

10/27/2014 9:39:33AM

PECOS COUNTY APPRAISAL DIST

Page: 1 of 1

Pri/Acct: 00012-00006-00100-000000 Pri. Parcel/Type: 6218 / R Owner/Seq: 18912 / 1 Loc Code: 24M Jur Codes: 00 01 32 63 65 MCP  
 Name: DRGAC LARRY D Owner Int: 1.000000 Legal 1: 9341 12 H&GN SEC 6 Cat Code: D1 E2 D Mtg:  
 Careof: H&GN Code: Legal 2: N P1 Neighbor: 7 Loan Num:  
 Addr1: P O BOX 195 Disabled Vet: 0 Legal 3: Rd Type: Appr Year: 2013  
 Addr2: Ceiling Year: 0 Legal 4: Util Type: Appr Date:  
 City/St: MC CAMEY TX 79752-0195 Ceiling Tax: 0.00 Prop Addr: 7260 NEVILL RD Econic: 0.00 Appr Nam:  
 Agent: Map:

| Seq | Acres   | Sq Ft | Front | Rear | FF Avg | Depth | Dep % | Class | Cost   | %GD  | %RD  | Extra | Mkt Value | Prod Class/Cd | Prod Cost | %GD  | Prod Extra | Prod Value |
|-----|---------|-------|-------|------|--------|-------|-------|-------|--------|------|------|-------|-----------|---------------|-----------|------|------------|------------|
| 1   | 250.800 | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RB1   | 109.00 | 1.00 | 1.01 | 0     | 27610     | ARB1/1DI      | 10.00     | 1.00 | 0          | 2510       |
| 2   | 60.000  | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RB3   | 67.00  | 1.00 | 1.01 | 0     | 4060      | ARB3/1DI      | 4.30      | 1.00 | 0          | 260        |

| Bldg | Type | Class | HS | BIYr | EFYr | Age | Cond | Notes     | Tot Area | Cost  | %GD  | %FC  | %EC  | %CP  | %EX1 | %EX2 | Extra | Total Value |
|------|------|-------|----|------|------|-----|------|-----------|----------|-------|------|------|------|------|------|------|-------|-------------|
| 1    | MH   | MA14  | N  | 0    | 0    | 0   |      | TEX241465 | 924      | 20.15 | 0.30 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0     | 5,590       |
| 2    | DMP1 | 1     | N  | 0    | 0    | 0   |      | CARPORT   | 364      | 2.59  | 0.25 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0     | 240         |

Acres: 310.800 Owners Acres: 310.800 Larger Tract: 0 Land HS: 0 Imp HS: 0 Total Mkt: 37,500  
 Abst Num: 9341 MH Serial: 0 Land NHS: 0 Imp New HS: 0 HS Cap Value: 0  
 Abst/SubDiv: H&GN Production Mkt: 31,670 Imp NHS: 5,830 Total Taxable: 8,600  
 Tract/Lot: 6 Prod.(Ag/Timber): 2,770 Imp New NHS: 0 Owner Int: 1,000,000  
 Block: 12 MH ID: 0 Total Land Mkt: 31,670 Imp Total: 5,830 Owner Value: 8,600

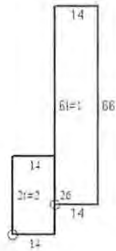
Notes:

PIC 40.05 FOR 2010

| Seq | Building Calls | Seq | Commentary | Value | Unit |
|-----|----------------|-----|------------|-------|------|
| 1   |                |     |            |       |      |
| 2   |                |     |            |       |      |

| Num: | Previous Owner        | Deed Date  | Volume | Page |
|------|-----------------------|------------|--------|------|
| 4    | DRGAC LARRY ETUX ANNA | 04/13/2005 | 761    | 203  |
| 3    |                       | 03/01/1997 | 661    | 375  |
| 2    | BAGLEY TAYLOR & RIFFE | 03/01/1995 | 661    | 375  |
| 1    |                       | 06/01/1987 | 576    | 18   |





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## PECOS COUNTY APPRAISAL DIST

Page: 1 of 1

Pri/Acct: 00012-00006-00200-000000 Owner/Seq: 18912 / 1 Loc Code: 24M Jur Codes: 00 01 32 63 65 MCP  
 Name: DRGAC LARRY D Legal 1: 5615 12 H&GN SEC 6 Cat Code: D1 Mtg:  
 Careof: HS Code: Legal 2: S PT Neighbor: Loan Num:  
 Addr1: P O BOX 195 Disabled Vet: 0 Legal 3: Rd Type: Appr Year: 2013  
 Addr2: Ceiling Year: 0 Legal 4: Util Type: Appr Date:  
 City/St: MC CAMEY TX 79752-0195 Ceiling Tax: 0.00 Prop Addr: Econic: 0.00 Appr Nam:  
 Agent: Map:

| Seq  | Acres  | Sq Ft | Front | Rear | FF Avg | Depth | Dep % | Class | Cost   | %GD  | %RD  | Extra | Mkt Value | Prod Class/Cd | Prod Cost | %GD  | Prod Extra | Prod Value |
|--|--------|-------|-------|------|--------|-------|-------|-------|--|------|------|-------|-----------|---------------|-----------|------|------------|------------|
| 1  | 47.370 | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RT12  | 209.00   | 1.00 | 1.01 | 0     | 10000     | ART12/1D1     | 139.00    | 1.00 | 0          | 6580       |
| Acres: 47.370 Owners Acres: 47.370 Larger Tract: 0 |        |       |       |      |        |       |       |       | Land HS: 0 Imp HS: 0 Total Mkt: 10,000                     |      |      |       |           |               |           |      |            |            |
| Abst Num: 5615 MH Serial:                          |        |       |       |      |        |       |       |       | Land NHS: 0 Imp New HS: 0 HS Cap Value: 0                  |      |      |       |           |               |           |      |            |            |
| Abst/SubDiv: H&GN MH Label:                        |        |       |       |      |        |       |       |       | Production Mkt: 10,000 Imp NHS: 0 Total Taxable: 6,580     |      |      |       |           |               |           |      |            |            |
| Tract/Lot: 6 MH Name:                              |        |       |       |      |        |       |       |       | Prod:(Ag/Timber) 6,580 Imp New NHS: 0 Owner Int: 1,000,000 |      |      |       |           |               |           |      |            |            |
| Block: 12 MH ID: 0                                 |        |       |       |      |        |       |       |       | Total Land Mkt: 10,000 Imp Total: 0 Owner Value: 6,580     |      |      |       |           |               |           |      |            |            |

## Notes:

WARRANTY DEED UND. 1/2 INT TO LARRY DRGAC FROM ANNA DRGAC PER 761/203 DATED 4/13/2005

| Seq  | Building Calls        | Seq        | Commentary | Value | Unit |
|------|-----------------------|------------|------------|-------|------|
|      |                       |            |            |       |      |
| Num: | Previous Owner        | Deed Date  | Volume     | Page  |      |
| 3    | DRGAC LARRY ETUX ANNA | 04/13/2005 | 761        | 203   |      |
| 2    | BAGLEY TAYLOR & RIFFE | 03/01/1995 | 661        | 375   |      |
| 1    |                       | 06/01/1987 | 576        | 18    |      |

10/27/2014 9:39:54AM

## PECOS COUNTY APPRAISAL DIST

Page: 1 of 2

Pri/Acct: 00012-00007-00100-000000

Name: DRGAC LARRY D

Careof:

Addr1: P O BOX 195

Addr2:

City/St: MC CAMEY TX 79752-0195

Pri. Parcel/Type: 6221 / R

Owner Int: 1.000000

HS Code: H Homestead

Disabled Vet: 0

Ceiling Year: 0

Ceiling Tax: 0.00

Owner/Seq: 18912 / 1

Loc Code: 24M

Legal 1: 292 12 H&amp;GN SEC 7

Legal 2:

Legal 3:

Legal 4:

Prop Addr:

Prop City/St: -

Jur Codes: 00 01 32 63 65 MCP

Cat Code: D1 E1

Neighbor: 7

Rd Type: Appr Year: 2013

Util Type: Appr Date:

Econic: 0.00 Appr Nam:

Agent: Map:

| Seq  | Acres   | Sq Ft | Front | Rear | FF Avg | Depth | Dep % | Class       | Cost     | %GD   | %RD  | Extra | Mkt Value | Prod Class/Cd | Prod Cost | %GD  | Prod Extra | Prod Value  |
|------|---------|-------|-------|------|--------|-------|-------|-------------|----------|-------|------|-------|-----------|---------------|-----------|------|------------|-------------|
| 1    | 551.940 | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RT12        | 209.00   | 1.00  | 1.01 | 0     | 116510    | ART12/ID1     | 139.00    | 1.00 | 0          | 76720       |
| 2    | 80.000  | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RB3         | 67.00    | 1.00  | 1.01 | 0     | 5410      | ARB3/ID1      | 4.30      | 1.00 | 0          | 340         |
| 3    | 2.000   | 0     | 0     | 0    | 0      | 0.00  | 1.00  | RT12        | 209.00   | 1.00  | 1.01 | 0     | 420       | /             | 0.00      | 1.00 | 0          | 0           |
| Bldg | Type    | Class | HS    | BYr  | EYr    | Age   | Cond  | Notes       | Tot Area | Cost  | %GD  | %FC   | %EC       | %CP           | %EX1      | %EX2 | Extra      | Total Value |
| 1    | MH      | DA28  | Y     | 0    | 0      | 0     |       | LIVABLE &   | 1,568    | 23.03 | 0.60 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 21,670      |
| 2    | ADDN    | 2     | Y     | 2004 | 0      | 10    |       | ADDN        | 192      | 23.03 | 0.98 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 4,330       |
| 3    | CPF1    | 1     | Y     | 2004 | 0      | 10    |       | COVER PORCH | 160      | 4.31  | 0.60 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 410         |
| 4    | RES     | F1    | Y     | 2004 | 0      | 10    |       | RES         | 960      | 23.42 | 0.50 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 11,240      |
| 5    | ADDN    | 2     | Y     | 0    | 0      | 0     |       | ADDITION    | 192      | 23.03 | 0.95 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 4,200       |
| 6    | CPF2    | 1     | Y     | 0    | 0      | 0     |       | PORCH       | 216      | 5.54  | 0.95 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 1,140       |
| 7    | DKA     | 1     | Y     | 0    | 0      | 0     |       | DECK        | 154      | 7.70  | 0.95 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 1,130       |
| 8    | CPF2    | 1     | Y     | 0    | 0      | 0     |       | PORCH       | 144      | 5.54  | 0.95 | 1.00  | 1.00      | 1.00          | 1.00      | 1.00 | 0          | 760         |

Acres: 633.940 Owners Acres: 633.940 Larger Tract: 0

Abst Num: 292

Abst/SubDiv: H&amp;GN

Tract/Lot: 7

Block: 12

MH Serial:

MH Label:

MH Name:

MH ID: 0

Land HS: 420

Land NHS: 0

Production Mkt: 121,920

Prod(Ag/Timber): 77,060

Total Land Mkt: 122,340

Imp HS: 47,080

Imp New HS: 0

Imp NHS: 0

Imp New NHS: 0

Imp Total: 47,080

Total Mkt: 169,420

HS Cap Value: 47,500

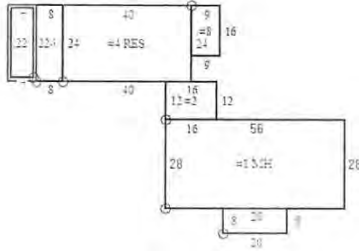
Total Taxable: 124,560

Owner Int: 1,000,000

Owner Value: 124,560

## Notes:

PIC 41.06 FOR 2010



| Seq  | Building Calls        | Seq        | Commentary | Value | Unit |
|------|-----------------------|------------|------------|-------|------|
| 1    |                       |            |            |       |      |
| 2    |                       |            |            |       |      |
| 3    |                       |            |            |       |      |
| 4    |                       |            |            |       |      |
| 5    |                       |            |            |       |      |
| 6    |                       |            |            |       |      |
| 7    |                       |            |            |       |      |
| 8    |                       |            |            |       |      |
| Num: | Previous Owner        | Deed Date  | Volume     | Page  |      |
| 3    | DRGAC LARRY ETUX ANNA | 04/13/2005 | 761        | 203   |      |
| 2    | BAGLEY TAYLOR & RIFFE | 03/01/1995 | 661        | 375   |      |
| 1    |                       | 06/01/1987 | 576        | 18    |      |

10/27/2014 9:40:02AM

PECOS COUNTY APPRAISAL DIST

Page: 2 of 2

Pri/Acct: 00012-00007-00100-000000  
 Name: DRGAC LARRY D  
 Careof:  
 Addr1: P O BOX 195  
 Addr2:  
 City/St: MC CAMEY TX 79752-0195

Pri. Parcel/Type: 6221 / R  
 Owner Int: 1.000000  
 HS Code: H Homestead  
 Disabled Vet: 0  
 Ceiling Year: 0  
 Ceiling Tax: 0.00

Owner/Seq: 18912 / 1  
 Legal 1: 292 12 H&GN SEC 7  
 Legal 2:  
 Legal 3:  
 Legal 4:  
 Prop Addr:  
 Prop City/St: -

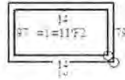
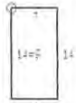
Jur Codes: 00 01 32 63 65 MCP  
 Cat Code: D1 E1  
 Neighbor: 7  
 Rd Type:  
 Util Type:  
 Econic: 0.00  
 Agent:

| Bldg | Type | Class | HS | BIYr | EFYr | Age | Cond | Notes | Tot Area | Cost | %GD  | %FC  | %EC  | %CP  | %EX1 | %EX2 | Extra | Total Value |
|------|------|-------|----|------|------|-----|------|-------|----------|------|------|------|------|------|------|------|-------|-------------|
| 9    | DKA  | 1     | Y  | 0    | 0    | 0   |      | DECK  | 98       | 7.70 | 0.95 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0     | 720         |
| 10   | CPF2 | 1     | Y  | 0    | 0    | 0   |      | PORCH | 144      | 5.54 | 0.95 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0     | 760         |
| 11   | DKA  | 1     | Y  | 0    | 0    | 0   |      | DECK  | 98       | 7.70 | 0.95 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0     | 720         |

Aeres: 633.940 Owners Acres: 633.940 Larger Tract: 0  
 Land HS: 420 Imp HS: 47,080 Total Mkt: 169,420  
 Abst Num: 292 MH Serial: 0 Imp New HS: 0 HS Cap Value: 47,500  
 Abst/SubDiv: H&GN MH Label: Production Mkt: 121,920 Imp NHIS: 0 Total Taxable: 124,560  
 Tract/Lot: 7 MH Name: Prod:(Ag/Timber) 77,060 Imp New NHS: 0 Owner Int: 1,000,000  
 Block: 12 MH ID: 0 Total Land Mkt: 122,340 Imp Total: 47,080 Owner Value: 124,560

Notes:

PIC 41.06 FOR 2010



| Seq | Building Calls | Seq | Commentary | Value | Unit |
|-----|----------------|-----|------------|-------|------|
| 9   |                |     |            |       |      |
| 10  |                |     |            |       |      |
| 11  |                |     |            |       |      |

| Num: | Previous Owner        | Deed Date  | Volume | Page |
|------|-----------------------|------------|--------|------|
| 3    | DRGAC LARRY ETUX ANNA | 04/13/2005 | 761    | 203  |
| 2    | BAGLEY TAYLOR & RIFFE | 03/01/1995 | 661    | 375  |
| 1    |                       | 06/01/1987 | 576    | 18   |

Property ID: 6293

Owner: BALLEW MARGARET MC DONALD

|   |   |
|---|---|
| Property ID:<br>6293                                  | Account Number:<br>00012-00043-00100-000000 |
| Property Legal Description:<br>310 12 H AND GN SEC 43 | Deed Information:                           |
|   | Volume: 720                                 |
|   | Page: 427                                   |
|   | File Number:                                |
|   | Deed Date: 1/3/2001                         |
| Property Location:                                    |   |
|   |   |
| Survey / Sub Division Abstract:                       | Block: 12                                   |
| H AND GN  | Section / Lot: 43                           |
| 310   |   |
| Owner Information:                                    | Property Detail:                            |
| BALLEW MARGARET MC DONALD                             | Property Exempt:                            |
|   | Category / SPTB Code: D1                    |
| HC 73 BOX 405   | Total Acres: 602.000                        |
|   | Total Living Sqft: See Detail               |
| GIRVIN, TX 79740                                      | Owner Interest: 1.000000                    |
|   | Homestead Exemption:                        |
| Previous Owner:                                       | Homestead Cap Value: 0                      |
| WOODWARD ERNEST &                                     | Land Ag / Timber Value: 2,590               |
|   | Land Market Value: 40,330                   |
|   | Improvement Value: 0                        |
|   | Property Market Value: 40,330               |

| Jur Code | Jur Name                    | Total Market | Homestead | Total Exemption | Taxable |
|----------|-----------------------------|--------------|-----------|-----------------|---------|
| 00       | PECOS COUNTY APPR DIST      | 40,330       |           | 0               | 2,590   |
| 01       | PECOS COUNTY                | 40,330       |           | 0               | 2,590   |
| 01IS     | PECOS COUNTY I&S            | 40,330       |           | 0               | 2,590   |
| 32       | IRAAN-SHEFFIELD ISD M&O     | 40,330       |           | 0               | 2,590   |
| 32IS     | IRAAN-SHEFFIELD ISD I&S     | 40,330       |           | 0               | 2,590   |
| 63       | MIDDLE PECOS WATER          | 40,330       |           | 0               | 2,590   |
| 65       | HOSPITAL DISTRICT           | 40,330       |           | 0               | 2,590   |
| 65IS     | IRAAN HOSPITAL DISTRICT I&S | 40,330       |           | 0               | 2,590   |
| MCP      | MIDLAND COLLEGE             | 40,330       |           | 0               | 2,590   |

Property ID: 6293

Owner: BALLEW MARGARET MC DONALD

Land Detail

| Land Sequence 1       |                       |                      |
|-----------------------|-----------------------|----------------------|
| Acres: 60             | Market Class: RB3     | Market Value: 4,020  |
| Land Method: AC       | Ag/Timber Class: ARB3 | Ag/Timber Value: 260 |
| Land Homesiteable: NO | Land Type: NATP       | Ag Code: 1D1         |
| Front Foot: N/A       | Rear Foot: N/A        | Lot Depth: N/A       |
| Front Ft Avg: N/A     | Lot Depth %: N/A      | Land Square Ft: N/A  |
| Land Note:            |                       |                      |

| Land Sequence 2       |                       |                        |
|-----------------------|-----------------------|------------------------|
| Acres: 542            | Market Class: RB3     | Market Value: 36,310   |
| Land Method: AC       | Ag/Timber Class: ARB3 | Ag/Timber Value: 2,330 |
| Land Homesiteable: NO | Land Type: NATP       | Ag Code: 1D1           |
| Front Foot: N/A       | Rear Foot: N/A        | Lot Depth: N/A         |
| Front Ft Avg: N/A     | Lot Depth %: N/A      | Land Square Ft: N/A    |
| Land Note:            |                       |                        |

Total Land Value: \$ 40,330

Property ID: 6293

Owner: BALLEW MARGARET MC DONALD

Previous Owner Information

| Parcel ID | Seller                 | Buyer                      | Volume | Page | File Number | Deed Date |
|-----------|------------------------|----------------------------|--------|------|-------------|-----------|
| 6293      | WOODWARD ERNEST &      | WOODWARD MARGARET MCDONALD | 720    | 427  |             | 1/3/2001  |
| 6293      | MC DONALD DAVID HARKEY | WOODWARD ERNEST &          | 651    | 509  |             | 3/15/1994 |

Property ID: 6293

Owner: BALLEW MARGARET MC DONALD

Property Tax Information

| Jur Code | Description                 | Assessed Value | Tax Rate | Tax Value |
|----------|-----------------------------|----------------|----------|-----------|
| 65IS     | IRAAN HOSPITAL DISTRICT I&S | 2590           | 0.0708   | 1.83      |
| 01IS     | PECOS COUNTY I&S            | 2590           | 0.0384   | 0.99      |
| 01       | PECOS COUNTY                | 2590           | 0.6806   | 17.63     |
| MCP      | MIDLAND COLLEGE             | 2590           | 0.028    | 0.73      |
| 32IS     | IRAAN-SHEFFIELD ISD I&S     | 2590           | 0.11     | 2.85      |
| 63       | MIDDLE PECOS WATER          | 2590           | 0.0249   | 0.64      |
| 65       | HOSPITAL DISTRICT           | 2590           | 0.1502   | 3.89      |
| 32       | IRAAN-SHEFFIELD ISD M&O     | 2590           | 1.06     | 27.45     |

Total Taxes: \$ 56.01



Property ID: 6294

Owner: WALTERS LA DONNA LOU

|   |   |
|---|---|
| Property ID:<br>6294  | Account Number:<br>00012-00044-00100-000000 |
| Property Legal Description:<br>5981 12 H AND GN SEC 44                                  | Deed Information:                           |
|   | Volume: 119                                 |
|   | Page: 71                                    |
|   | File Number: \132347                        |
|   | Deed Date: 8/25/2014                        |
| Property Location:  |   |
|   |   |
| Survey / Sub Division Abstract:<br>H AND GN<br>5981                                     | Block: 12                                   |
|   | Section / Lot: 44                           |
| Owner Information:<br>WALTERS LA DONNA LOU<br><br>P O BOX 115<br><br>MC CAMEY, TX 79752 | Property Detail:                            |
| Previous Owner:<br>WILLIAMS PEGGY JOYCE BARNLEY   | Property Exempt:                            |
|   | Category / SPTB Code: D1                    |
|   | Total Acres: 213.333                        |
|   | Total Living Sqft: See Detail               |
|   | Owner Interest: 0.333333                    |
|   | Homestead Exemption:                        |
|   | Homestead Cap Value: 0                      |
|   | Land Ag / Timber Value: 2,170               |
|   | Land Market Value: 20,730                   |
|   | Improvement Value: 0                        |
|   | Property Market Value: 20,730               |

| Jur Code | Jur Name                    | Total Market | Homestead | Total Exemption | Taxable |
|----------|-----------------------------|--------------|-----------|-----------------|---------|
| 00       | PECOS COUNTY APPR DIST      | 20,730       |           | 0               | 2,170   |
| 01       | PECOS COUNTY                | 20,730       |           | 0               | 2,170   |
| 01IS     | PECOS COUNTY I&S            | 20,730       |           | 0               | 2,170   |
| 32       | IRAAN-SHEFFIELD ISD M&O     | 20,730       |           | 0               | 2,170   |
| 32IS     | IRAAN-SHEFFIELD ISD I&S     | 20,730       |           | 0               | 2,170   |
| 63       | MIDDLE PECOS WATER          | 20,730       |           | 0               | 2,170   |
| 65       | HOSPITAL DISTRICT           | 20,730       |           | 0               | 2,170   |
| 65IS     | IRAAN HOSPITAL DISTRICT I&S | 20,730       |           | 0               | 2,170   |
| MCP      | MIDLAND COLLEGE             | 20,730       |           | 0               | 2,170   |

Property ID: 6294

Owner: WALTERS LA DONNA LOU

Land Detail

| Land Sequence 1       |                       |                        |
|-----------------------|-----------------------|------------------------|
| Acres: 160            | Market Class: RN      | Market Value: 18,140   |
| Land Method: AC       | Ag/Timber Class: ARN  | Ag/Timber Value: 2,160 |
| Land Homesiteable: NO | Land Type: NATP       | Ag Code: 1D1           |
| Front Foot: N/A       | Rear Foot: N/A        | Lot Depth: N/A         |
| Front Ft Avg: N/A     | Lot Depth %: N/A      | Land Square Ft: N/A    |
| Land Note:            |                       |                        |
| Land Sequence 2       |                       |                        |
| Acres: 400            | Market Class: RB1     | Market Value: 39,240   |
| Land Method: AC       | Ag/Timber Class: ARB1 | Ag/Timber Value: 4,000 |
| Land Homesiteable: NO | Land Type: NATP       | Ag Code: 1D1           |
| Front Foot: N/A       | Rear Foot: N/A        | Lot Depth: N/A         |
| Front Ft Avg: N/A     | Lot Depth %: N/A      | Land Square Ft: N/A    |
| Land Note:            |                       |                        |
| Land Sequence 3       |                       |                        |
| Acres: 80             | Market Class: RB3     | Market Value: 4,820    |
| Land Method: AC       | Ag/Timber Class: ARB3 | Ag/Timber Value: 340   |
| Land Homesiteable: NO | Land Type: NATP       | Ag Code: 1D1           |
| Front Foot: N/A       | Rear Foot: N/A        | Lot Depth: N/A         |
| Front Ft Avg: N/A     | Lot Depth %: N/A      | Land Square Ft: N/A    |
| Land Note:            |                       |                        |

Total Land Value: \$ 62,200

Property ID: 6294

Owner: WALTERS LA DONNA LOU

Previous Owner Information

| Parcel ID | Seller                        | Buyer                | Volume | Page | File Number | Deed Date |
|-----------|-------------------------------|----------------------|--------|------|-------------|-----------|
| 6294      | WILLIAMS PEGGY JOYCE BARNSLEY | BARNSLEY JAMES ALLEN | 119    | 71   | \132347     | 8/25/2014 |
| 6294      | NEVILL LAURA LOU MRS          | WALTERS LA DONNA LOU | 37     | 716  | 120120      | 2/10/2012 |
| 6294      | NEVILL LAURA LOU MRS          | WALTERS LA DONNA LOU | 0      | 0    |             | 7/22/1997 |

Property ID: 6294

Owner: WALTERS LA DONNA LOU

Property Tax Information

| Jur Code | Description                 | Assessed Value | Tax Rate | Tax Value |
|----------|-----------------------------|----------------|----------|-----------|
| 321S     | IRAAN - SHEFFIELD ISD I&S   | 2170           | 0.11     | 2.39      |
| MCP      | MIDLAND COLLEGE             | 2170           | 0.028    | 0.61      |
| 651S     | IRAAN HOSPITAL DISTRICT I&S | 2170           | 0.0708   | 1.54      |
| 01       | PECOS COUNTY                | 2170           | 0.6806   | 14.77     |
| 011S     | PECOS COUNTY I&S            | 2170           | 0.0384   | 0.83      |
| 32       | IRAAN - SHEFFIELD ISD M&O   | 2170           | 1.06     | 23.00     |
| 65       | HOSPITAL DISTRICT           | 2170           | 0.1502   | 3.26      |
| 63       | MIDDLE PECOS WATER          | 2170           | 0.0249   | 0.54      |

Total Taxes: \$ 46.94

**TAB 11**

*Maps that clearly show:*

- *Project vicinity, Qualified investment & property, Existing Property, Land Location, and Reinvestment Zone*

*SEE ATTACHED MAPS*



CONFIDENTIAL

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**TAB 12**

***Request of waiver of job creation requirement***



January 15, 2015

Mr. Kevin Allen, Superintendent  
Iraan-Sheffield Independent School District  
P.O. Box 486  
Iraan, Texas 79744-0486

**Re: Chapter 313 Job Waiver Request**

Dear Mr. Allen:

Please consider this letter to be East Pecos Solar LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

Based upon our knowledge of staffing requirements East Pecos Solar LLC requests the job creation requirement under Chapter 313 of the Texas Tax Code be waived. In line with solar industry standards for job requirements, East Pecos Solar LLC has committed to create two (2) new permanent jobs.

Solar projects create a large number of full-time, temporary jobs during the construction phase (1st year), but require a small number of highly skilled technicians to operate the solar project once construction operations end and commercial operations begin.

These permanent employees of a solar energy project maintain and service solar panels, mounting infrastructure, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees described above, there also may be asset managers or technicians who supervise, monitor, and support solar project operations from offsite locations.

The waiver request herein is in line with industry standards for the number of jobs specifically relegated to a solar generation facility of this size. This is evidenced by previously filed limitation agreement applications by solar developers who similarly requested a waiver of the job requirements and in addition, by readily available documentation and education materials related to the development of solar generation facilities.

Sincerely,

John Lichtenberger  
Senior Manager – Texas Region  
US Project Development – East

First Solar, Inc.  
11757 Katy Freeway, Suite 400  
Houston, TX 77079

Telephone 281 509 6200  
Facsimile 281 920 0956

[www.firstsolar.com](http://www.firstsolar.com)

**TAB 13**

*Calculation of three possible wage requirements with supporting documentation*

**AVERAGE WEEKLY WAGES FOR ALL JOBS, ALL INDUSTRIES IN PECOS  
COUNTY**  
*FOUR MOST RECENT QUARTERS*

| COUNTY       | YEAR | QUARTER | Avg. Weekly Wage       |
|--------------|------|---------|------------------------|
| Pecos        | 2014 | Q3      | \$909                  |
| Pecos        | 2014 | Q2      | \$851                  |
| Pecos        | 2014 | Q1      | \$957                  |
| Pecos        | 2013 | Q4      | \$855                  |
| SUM:         |      |         | \$3,572                |
| CALCULATION: |      |         | $\$3,572/4 = \$893.00$ |

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS IN PECOS COUNTY**  
*FOUR MOST RECENT QUARTERS*

| COUNTY       | YEAR | QUARTER | Avg. Weekly Wage                        |
|--------------|------|---------|---|
| Pecos        | 2014 | Q3      | \$716                                   |
| Pecos        | 2014 | Q2      | \$655                                   |
| Pecos        | 2014 | Q1      | \$661                                   |
| Pecos        | 2013 | Q4      | \$561                                   |
| SUM:         |      |         | \$2,593                                 |
| CALCULATION: |      |         | $\$2,565/4 = \$648.25 * 1.1 = \$713.08$ |

**AVERAGE WEEKLY WAGES FOR MANUFACTURING JOBS IN THE PERMIAN  
BASIN REGION (WDA)**  
*FOUR MOST RECENT QUARTERS*

| REGION / WDA  | YEAR | Hourly/Annual    | Avg. Weekly Wage              |
|---------------|------|------------------|-------------------------------|
| Permian Basin | 2013 | \$22.89/\$47,604 | \$915.46                      |
| CALCULATION:  |      |                  | $\$915.46 * 1.1 = \$1,007.01$ |

Please refer to the attached TWC & Council of Governments documentation below.

## Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

| Year | Period  | Area         | Ownership | Division | Level | Ind Code | Industry              | Avg Weekly Wages |
|------|---------|--------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2014 | 1st Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$957            |
| 2014 | 2nd Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$851            |
| 2014 | 3rd Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$909            |
| 2013 | 1st Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$873            |
| 2013 | 2nd Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$844            |
| 2013 | 3rd Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$799            |
| 2013 | 4th Qtr | Pecos County | Private   | 00       | 0     | 10       | Total, All Industries | \$855            |

## Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

| Year | Period  | Area         | Ownership | Division | Level | Ind Code | Industry      | Avg Weekly Wages |
|------|---------|--------------|-----------|----------|-------|----------|---------------|------------------|
| 2014 | 1st Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$661            |
| 2014 | 2nd Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$655            |
| 2014 | 3rd Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$716            |
| 2013 | 1st Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$692            |
| 2013 | 2nd Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$571            |
| 2013 | 3rd Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$708            |
| 2013 | 4th Qtr | Pecos County | Private   | 31       | 2     | 31-33    | Manufacturing | \$561            |

**2013 Manufacturing Wages by Council of Government Region**  
**Wages for All Occupations**

| COG   | Wages          |                 |
|---|----------------|-----------------|
|   | Hourly         | Annual          |
| <b>Texas</b>  | <b>\$23.73</b> | <b>\$49,363</b> |
| <a href="#">1. Panhandle Regional Planning Commission</a>         | \$20.43        | \$42,499        |
| <a href="#">2. South Plains Association of Governments</a>        | \$16.53        | \$34,380        |
| <a href="#">3. NORTEX Regional Planning Commission</a>            | \$19.15        | \$39,838        |
| <a href="#">4. North Central Texas Council of Governments</a>     | \$25.00        | \$51,997        |
| <a href="#">5. Ark-Tex Council of Governments</a>                 | \$17.45        | \$36,298        |
| <a href="#">6. East Texas Council of Governments</a>              | \$19.50        | \$40,565        |
| <a href="#">7. West Central Texas Council of Governments</a>      | \$18.64        | \$38,779        |
| <a href="#">8. Rio Grande Council of Governments</a>              | \$16.27        | \$33,848        |
| <a href="#">9. Permian Basin Regional Planning Commission</a>     | \$22.89        | \$47,604        |
| <a href="#">10. Concho Valley Council of Governments</a>          | \$17.20        | \$35,777        |
| <a href="#">11. Heart of Texas Council of Governments</a>         | \$19.44        | \$40,444        |
| <a href="#">12. Capital Area Council of Governments</a>           | \$27.31        | \$56,805        |
| <a href="#">13. Brazos Valley Council of Governments</a>          | \$17.20        | \$35,770        |
| <a href="#">14. Deep East Texas Council of Governments</a>        | \$16.48        | \$34,287        |
| <a href="#">15. South East Texas Regional Planning Commission</a> | \$29.09        | \$60,501        |
| <a href="#">16. Houston-Galveston Area Council</a>                | \$26.13        | \$54,350        |
| <a href="#">17. Golden Crescent Regional Planning Commission</a>  | \$22.23        | \$46,242        |
| <a href="#">18. Alamo Area Council of Governments</a>             | \$18.91        | \$39,329        |
| <a href="#">19. South Texas Development Council</a>               | \$13.94        | \$28,990        |
| <a href="#">20. Coastal Bend Council of Governments</a>           | \$23.78        | \$49,454        |
| <a href="#">21. Lower Rio Grande Valley Development Council</a>   | \$15.82        | \$32,907        |
| <a href="#">22. Texoma Council of Governments</a>                 | \$20.93        | \$43,529        |
| <a href="#">23. Central Texas Council of Governments</a>          | \$17.33        | \$36,042        |
| <a href="#">24. Middle Rio Grande Development Council</a>         | \$19.07        | \$39,666        |

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.



**TAB 14**

*Schedules A1, A2, B, C, and D completed and signed Economic Impact*

See attached Excel Spreadsheet

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

Applicant Name East Pecons Solar LLC  
ISD Name Iron-Sherfield ISD

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

|  |      |                         | Column A  | Column B  | Column C  | Column D   | Column E                                  |
|--|------|-------------------------|---|---|---|--|---|
|  |      |                         | 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 not 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 | School Year (YYYY-YYYY) | Not eligible to become Qualified Property   |   |   |  | \$0                                       |
| Investment made after filing complete application with district, but before final board approval of application                  | 2015 | 2015-2016               |   |   |   |  | 0   |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period |      |                         | \$0.00  | \$0   | \$0   | \$0  | \$0.00                                    |
| Complete tax years of qualifying time period   | QTP1 | 2016-2017               | \$170,000,000.00  | \$0   | \$0   | \$0  | \$170,000,000.00                          |
|  | QTP2 | 2017-2018               | \$0.00  | \$0   | \$0   | \$0  | \$0.00                                    |

Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]

|   |  |  | Enter amounts from TOTAL row above in Schedule A2 |     |     |     |                  |
|---|--|--|---|-----|-----|-----|------------------|
| Total Qualified Investment (sum of green cells) |  |  | \$170,000,000.00                                  | \$0 | \$0 | \$0 | \$170,000,000.00 |

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 31.3.021(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 B: Estimated Market And Taxable Value (of Qualified Property Only)

|   |    |           | 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 1&S after all reductions | Final taxable value for M&O after all reductions |
| Prior Years   | 0  | 2015-2016 | 2015                           | \$0   | \$0  | \$0  | \$0  | \$0  |
| Prior Years   | 0  | 2016-2017 | 2016                           | \$0   | \$0  | \$0  | \$0  | \$0  |
| Value Limitation Period   | 1  | 2017-2018 | 2017                           | \$0   | \$170,000,000.00   | \$0  | \$170,000,000.00                                 | \$30,000,000.00                                  |
|   | 2  | 2018-2019 | 2018                           | \$0   | \$144,500,000.00   | \$0  | \$144,500,000.00                                 | \$30,000,000.00                                  |
|   | 3  | 2019-2020 | 2019                           | \$0   | \$122,825,000.00   | \$0  | \$122,825,000.00                                 | \$30,000,000.00                                  |
|   | 4  | 2020-2021 | 2020                           | \$0   | \$104,401,250.00   | \$0  | \$104,401,250.00                                 | \$30,000,000.00                                  |
|   | 5  | 2021-2022 | 2021                           | \$0   | \$88,741,062.50  | \$0  | \$88,741,062.50                                  | \$30,000,000.00                                  |
|   | 6  | 2022-2023 | 2022                           | \$0   | \$75,429,903.13  | \$0  | \$75,429,903.13                                  | \$30,000,000.00                                  |
|   | 7  | 2023-2024 | 2023                           | \$0   | \$64,115,417.66  | \$0  | \$64,115,417.66                                  | \$30,000,000.00                                  |
|   | 8  | 2024-2025 | 2024                           | \$0   | \$54,498,105.01  | \$0  | \$54,498,105.01                                  | \$30,000,000.00                                  |
|   | 9  | 2025-2026 | 2025                           | \$0   | \$46,323,389.26  | \$0  | \$46,323,389.26                                  | \$30,000,000.00                                  |
|   | 10 | 2026-2027 | 2026                           | \$0   | \$39,374,880.87  | \$0  | \$39,374,880.87                                  | \$30,000,000.00                                  |
| Continue to maintain viable presence                                      | 11 | 2027-2028 | 2027                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 12 | 2028-2029 | 2028                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 13 | 2029-2030 | 2029                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 14 | 2030-2031 | 2030                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 15 | 2031-2032 | 2031                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 16 | 2032-2033 | 2032                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 17 | 2033-2034 | 2033                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 18 | 2034-2035 | 2034                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 19 | 2035-2036 | 2035                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 20 | 2036-2037 | 2036                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 21 | 2037-2038 | 2037                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 22 | 2038-2039 | 2038                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 23 | 2039-2040 | 2039                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 24 | 2040-2041 | 2040                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |
|   | 25 | 2041-2042 | 2041                           | \$0   | \$34,000,000.00  | \$0  | \$34,000,000.00                                  | \$34,000,000.00                                  |

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 East Pecos Solar LLC  
ISD Name Iram-Sheffield ISD

Form 50-296A  
Revised Feb 2014

|   |               | Construction  |  | Non-Qualifying Jobs   | Qualifying Jobs  |  |             |
|---|---------------|---|--|---|--|--|-------------|
|   |               | Column A  | Column B   | Column C  | Column D   | Column E                                   |             |
|   |               |   |  |   |  |  |             |
|   |               | 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 |             |
| Prior Years                             | Year          | School Year (YYYY-YYYY)                             | Tax Year (actual tax year)                         |   |  |  |             |
|   | 0             | 2015-2016   | 2014   | 0   | 0  | N/A  |             |
| Prior Years                             | 0             | 2016-2017   | 2015   | 200 FTE avg; 450 FTE peak   | \$37,534.00  | 0  | N/A         |
|   | 1             | 2017-2018   | 2016   | 0   | N/A  | 2  | \$37,000.00 |
|   | 2             | 2018-2019   | 2017   | 0   | N/A  | 2  | \$37,000.00 |
|   | 3             | 2019-2020   | 2018   | 0   | N/A  | 2  | \$37,000.00 |
|   | 4             | 2020-2021   | 2019   | 0   | N/A  | 2  | \$37,000.00 |
| Value Limitation Period                 | 5             | 2021-2022   | 2020   | 0   | N/A  | 2  | \$37,000.00 |
|   | 6             | 2022-2023   | 2021   | 0   | N/A  | 2  | \$37,000.00 |
|   | 7             | 2023-2024   | 2022   | 0   | N/A  | 2  | \$37,000.00 |
|   | 8             | 2024-2025   | 2023   | 0   | N/A  | 2  | \$37,000.00 |
|   | 9             | 2025-2026   | 2024   | 0   | N/A  | 2  | \$37,000.00 |
|   | 10            | 2026-2027   | 2025   | 0   | N/A  | 2  | \$37,000.00 |
| Years Following Value Limitation Period | 11 through 25 | 2026-2041   | 2026-2040  | 0   | N/A  | 0  |             |

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:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒ Yes

☐ No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☐ Yes

☒ No

# Schedule D: Other Incentives (Estimated)

Applicant Name East Pecos Solar LLC Form 50-296A

ISD Name Iram-Sheffield ISD Revised Feb 2014

| State and Local Incentives for which the Applicant Intends to apply (Estimated) |   |                              |                     |                                      |                  |                     |
|---|---|------------------------------|---------------------|--------------------------------------|------------------|---------------------|
| Incentive Description   | Taxing Entity<br>(as applicable)                      | Beginning Year of<br>Benefit | Duration of Benefit | Annual Tax Levy without<br>Incentive | Annual Incentive | Annual Net Tax Levy |
| Tax Code Chapter 311  | County:   |                              |                     |                                      |                  |                     |
|   | City:   |                              |                     |                                      |                  |                     |
|   | Other:  |                              |                     |                                      |                  |                     |
|   | County: Pecos County                                  | 2016                         | 2016-2025           | \$408,462.00                         | \$209,421.00     | \$199,031.00        |
| Tax Code Chapter 312  | Other: Iran General Hospital District                 | 2016                         | 2016-2025           | \$125,456.00                         | \$64,370.00      | \$61,086.00         |
|   | Other: Middle Pecos Groundwater Conservation District | 2016                         | 2016-2025           | \$14,145.00                          | \$7,253.00       | \$6,892.00          |
|   |   |                              |                     |                                      |                  |                     |
|   |   |                              |                     |                                      |                  |                     |
| Local Government Code Chapters<br>380/381                                       | City:   |                              |                     |                                      |                  |                     |
|   | Other:  |                              |                     |                                      |                  |                     |
|   | County  |                              |                     |                                      |                  |                     |
|   |   |                              |                     |                                      |                  |                     |
| 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:  |   |                              |                     |                                      |                  |                     |
| TOTAL   |   |                              |                     | \$548,053.00                         | \$281,044.00     | \$267,009.00        |

Additional information on incentives for this project: 25 Year Average was used to adjust for depreciation of facility

**TAB 15**

***Economic Impact***

East Pecos Solar LLC will not be including an Economic Impact Report.

**TAB 16**

***Description of Reinvestment Zone, including:***

- A. Evidence that the area qualifies as an reinvestment zone***
- B. Legal description of the reinvestment zone***
- C. Order, resolution or ordinance establishing the reinvestment zone***
- D. Guidelines and criteria for creating the zone***



RESOLUTION OF THE  
PECOS COUNTY COMMISSIONERS COURT

**A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 312 TAX ABATEMENT IN PORTIONS OF PECOS COUNTY, TEXAS, TO BE KNOWN AS THE "TUNAS CREEK" REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Pecos County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.401), for the purpose of authorizing a Tax Abatement Agreement, as authorized by Chapter 312 of the Texas Tax Code; and,

**WHEREAS**, Pecos County, Texas, (the "County") desires to encourage the retention or expansion of primary employment and to attract major investment in the County that would be a benefit to property in a reinvestment zone created by the County and that would contribute to the economic development of the County;

**WHEREAS**, on October 27, 2014, the Pecos County Commissioners Court held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on EXHIBIT A and mapped on EXHIBIT B; and,

**WHEREAS**, the Pecos County Commissioners Court at such public hearing invited any interested person to appear and speak for or against (1) the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone, and (2) acceptance of an Application for Tax Abatement by East Pecos Solar, LLC, for Pecos County to consider entering into a Tax Abatement Agreement;

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

**WHEREAS**, the County wishes to (1) create a reinvestment zone consisting of the same real property as described on EXHIBIT A and mapped on EXHIBIT B, and (2) accept the Application for Tax Abatement by East Pecos Solar, LLC.

**NOW THEREFORE, BE IT RESOLVED BY THE PECOS COUNTY COMMISSIONERS COURT:**

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

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

- (a) That the public hearing on the adoption of the "Tunas Creek" Reinvestment Zone has been properly called, held, and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of the "Tunas Creek" Reinvestment Zone be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the description attached hereto as "EXHIBIT A"; and,
- (c) That the map attached hereto as "EXHIBIT B" is declared to be and (by the adoption of this Resolution) is certified to depict and to show accurately the boundaries of the "Tunas Creek" Reinvestment Zone, which is normatively described in "EXHIBIT A", and further certifies that the property described in "EXHIBIT A" is inside the boundaries shown on "EXHIBIT B"; and,
- (d) That creation of the "Tunas Creek" Reinvestment Zone with boundaries as described in "EXHIBIT A" and "EXHIBIT B" will result in benefits to Pecos County and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the "Tunas Creek" Reinvestment Zone described in "EXHIBIT A" and "EXHIBIT B" meets the criteria set forth in Texas Tax Code §312.401 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of Pecos County, Texas.

**SECTION 3.** That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Pecos County Commissioners Court, hereby creates a reinvestment zone under the provisions of Texas Tax Code § 312.401, encompassing the area described by the descriptions in "EXHIBIT A" and "EXHIBIT B", and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Tunas Creek Reinvestment Zone*.

**SECTION 4.** That the *Tunas Creek Reinvestment Zone* shall take effect upon adoption by the County Commissioners Court and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

**SECTION 5.** That the Pecos County Commissioners Court already has found and resolved that Pecos County is eligible to enter into tax abatement agreements.

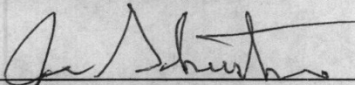
**SECTION 6.** That the Pecos County Commissioners Court accepts the Application for Tax Abatement submitted by East Pecos Solar, LLC.

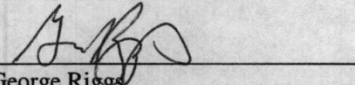
**SECTION 7.** That if any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

**SECTION 8.** That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the Pecos County Commissioners Court, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Pecos County of the State of Texas; and that, furthermore, such notice was in fact delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

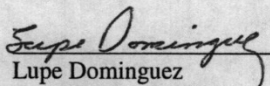
**PASSED, APPROVED, AND ADOPTED** on this 27th day of October, 2014.

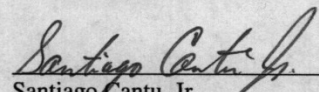
**PECOS COUNTY, TEXAS**

By:   
The Honorable Joe Shuster  
County Judge

By:   
George Riggs  
Commissioner, Precinct 1

By: \_\_\_\_\_  
J.H. Kent  
Commissioner, Precinct 3

By:   
Lupe Dominguez  
Commissioner, Precinct 2

By:   
Santiago Cantu, Jr.  
Commissioner, Precinct 4



**VOL. 51 PG. 755**

**EXHIBIT A  
LEGAL DESCRIPTION OF "TUNAS CREEK"  
REINVESTMENT ZONE**

***TRACT I***

*A 1001.94 acre tract of land out of Sections 6 and 7, Block 12, H & T.N. RR Co., Pecos, County, Texas, and being more fully described in field notes by RPLS Steven L. Prewitt, dated April 18, 2001, attached hereto as Exhibit "A" and made a part hereof for all purposes.*

***TRACT II***

*That tract of land in Pecos County, Texas described as Section 43, Block 12, H & GN Ry Co. Survey, containing 608 acres.*

***TRACT III***

*The westernmost 320 acres of land in Pecos County, Texas described as Section 44, Block 12, H. & G.N. RR. Co. Survey, Abstract No. 5981, Certificate No. 8/1633.*

VOL. 51 PG. 756

Exhibit "A"

TELEPHONE (512) 484-4728  
FAX (512) 486-1813

VOL. 313 PAGE 7  
VOL. 761 PAGE 207

STEVEN L. FIDWIT  
REGISTERED PROFESSIONAL  
LAND SURVEYOR NO. 3166

LUCHINI & MERTZ  
Land Surveying Co.  
P. O. Box 1943  
Alvin, Texas 77002

April 18, 2001

METES AND BOUNDS DESCRIPTION of  
a 1001.94 Acre Tract out of  
Sections 6 & 7, Block 12,  
H. & G. N. R.R. Co.,  
Pecos County, Texas

Beginning at a 1 1/4 inch iron pipe found on the east line of Section 7, Block 12, H. & G. N. R.R. Co. from which the northeast corner of said Section 7 and the northeast corner of this tract bears N 11°49'43" W 46.66 feet;

Thence S 11°49'43" W, with the east line of said Section 7, 9155.73 feet pass the calculated southwest corner of Section 8, Block 12, H. & G. N. R.R. Co., a total distance of 10630.38 feet to a MLS iron rod marked "RPS 4144" for the southeast corner of said Section 7 and the southeast corner of this tract;

Thence N 78°06'38" W, with the south line of said Section 7, 2640.18 feet to a MLS iron rod marked "RPS 4144" for the southwest corner of said Section 7 and an ell corner of this tract;

Thence S 11°49'43" W, with the east line of Section 6, Block 12, H. & G. N. R.R. Co., 674.84 feet to a MLS iron rod marked "RPS 4144" for the southeast corner of said Section 6 and an ell corner of this tract;

Thence N 78°06'38" W, with the south line of said Section 6, 2640.18 feet to a MLS iron rod marked "RPS 4144" for the southwest corner of said Section 6 and the southwest corner of this tract;

Thence N 11°49'43" E, with the west line of said Section 6, 4739.30 feet to an 8 inch spike set for the most westerly northwest corner of this tract;

Thence S 78°10'17" E 1003.97 feet to an 8 inch spike set for an ell corner of this tract;

Thence N 26°57'43" E 1071.95 feet to an 8 inch spike set for an ell corner of this tract;

Thence N 11°00'43" E 810.90 feet to an 8 inch spike set for an ell corner of this tract;

Thence N 71°26'43" E 1585.70 feet to an 8 inch spike set in the west line of said Section 7 for an ell corner of this tract;



EXHIBIT "A"  
page 1 of 4

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Deed Record 761 Pg 207

VOL. 51 PG. 757

VOL. 761 PAGE 208

TELEPHONE (915) 684-6728  
FAX (915) 686-1843

VOL. 313 PAGE 8

STEVEN L. PERMET  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 5186

LUCHINI & MERTZ  
Land Surveying Co.  
P. O. BOX 1163  
MIDLAND, TEXAS 79701

Thence N 11°49'44" E, with the west line of said Section 7, 3636.18 feet to a point for the most northerly northwest corner of this tract;

Thence S 79°55'02" E, with the high bank of the river, 80.76 feet to a point;

Thence S 59°13'00" E, with the high bank of the river, 84.82 feet to a point;

Thence S 54°04'03" E, with the high bank of the river, 183.11 feet to a point;

Thence S 86°04'53" E, with the high bank of the river, 123.34 feet to a point;

Thence N 36°35'51" E, with the high bank of the river, 296.01 feet to a point;

Thence N 32°01'40" E, with the high bank of the river, 241.00 feet to a point;

Thence N 69°29'43" E, with the high bank of the river, 98.69 feet to a point;

Thence S 65°38'31" E, with the high bank of the river, 145.30 feet to a point;

Thence S 86°38'19" E, with the high bank of the river, 168.50 feet to a point;

Thence N 57°56'59" E, with the high bank of the river, 199.89 feet to a point;

Thence N 23°32'49" E, with the high bank of the river, 131.80 feet to a point;

Thence N 86°05'02" E, with the high bank of the river, 161.22 feet to a point;

Thence S 75°47'44" E, with the high bank of the river, 187.83 feet to a point;

Thence S 50°26'35" E, with the high bank of the river, 108.05 feet to a point;

Thence S 22°56'01" E, with the high bank of the river, 207.42 feet to a point;

Thence S 33°47'20" E, with the high bank of the river, 189.53 feet to a point;

Exhibit "A"  
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VOL. 51 PG. 758

TELEPHONE (915) 684-6728  
FAX (915) 686-1463

VOL. 313 PAGE 9  
VOL. 761 PAGE 209  
LUCHINI & MERTZ  
Land Surveying Co.  
P. O. Box 1162  
Midland, Texas 79702

STEVEN L. PREWITT  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 5104

Thence S 68°11'48" E, with the high bank of the river, 108.63 feet to a point;  
Thence S 77°31'22" E, with the high bank of the river, 244.15 feet to a point;  
Thence N 89°36'54" E, with the high bank of the river, 75.31 feet to a point;  
Thence S 49°22'49" E, with the high bank of the river, 176.88 feet to a point;  
Thence S 80°05'17" E, with the high bank of the river, 148.08 feet to a point for the northeast corner  
of said Section 7 and the northeast corner of this tract;  
Thence S 11°49'43" W, with the east line of said Section 7, 46.86 feet to the place of beginning.

Note: All bearings and distances are based on the Lambert Grid System NAD '83 Datum Texas Central Zone.  
Combined Grid Factor: (0.999743)  
Note: Please see Plat to accompany this Description.



Exhibit "A"  
Page 3 of 4

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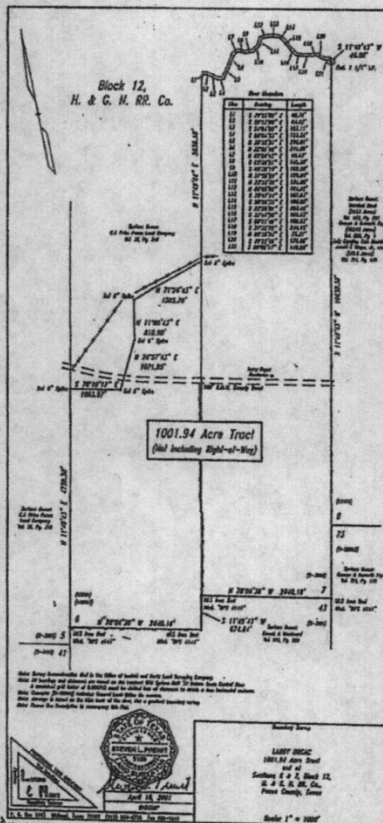


Exhibit "A"  
Page 4 of 4

THE FOREGOING INSTRUMENT OF WRITING WAS FILED FOR RECORD IN THIS OFFICE ON  
THE 10TH DAY OF SEPTEMBER 2001 AT 10:30 O'CLOCK AM AND RECORDED ON  
THE 10TH DAY OF SEPTEMBER 2001.

DEPUTY: *Graci Antier* FILE NUMBER 72115  
JUDY DEERFIELD, PECOS COUNTY CLERK

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VOL. 51 PG. 760

**EXHIBIT B  
MAP OF "TUNAS CREEK"  
REINVESTMENT ZONE**





## **PECOS COUNTY**

### **GUIDELINES AND CRITERIA FOR TAX ABATEMENT**

#### **I. PURPOSE**

Pecos County, herein referred to as “the County,” is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax abatement to stimulate growth and development. Any such incentive shall be provided in accordance with the procedures and criteria outlined in this document. However, nothing in these guidelines shall imply or suggest, or be construed to imply or suggest, that the County is under any obligation to provide any incentive to any applicant. All such applications for tax abatement shall be considered on an individual basis with regard to both the qualification for abatement and the amount of any abatement.

#### **II. DEFINITIONS**

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

#### **III. GUIDELINES AND CRITERIA**

Improvements eligible for abatement include the following:

Aquaculture/agriculture facility,  
Distribution center facility,  
Manufacturing facility,  
Office building,  
Regional entertainment/ tourism facility,  
Renewable power facility and fixtures,  
Research facility,  
Historic building in a designated area, or  
Other basic industry.

Requests for abatement will be evaluated according to factors including, but not limited to, the following:

- (1) Jobs. Projected new jobs created, including the number and type of new jobs, the number and type of jobs retained, the average payroll, and the number of local persons hired.

- (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, any County financed infrastructure improvements that will be required by the facility, any infrastructure improvements proposed to be made by the facility, and the compatibility of the project with the County's master plan for development.
- (3) Community Impact. The pollution, if any, as well as other potential negative environmental impact on the health and safety of the community resulting from the proposed project; whether the project will revitalize a depressed area; potential business opportunities for local vendors; alternative development possibilities for the proposed site; the impact on other taxing entities; and/or whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Pecos County to another.

#### IV. ABATEMENT AUTHORIZED

- (a) Authorized Date. A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction: provided, that such facility meets the criteria for granting tax abatement in reinvestment zones created by Pecos County pursuant to these Guidelines and Criteria. Property may be exempted from taxation under these guidelines for a period not to exceed the statutory limitations.
- (b) Creation of New Value. Abatement may only be granted for the additional value of or increase in value to eligible improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the property owner or lessee and lessor, subject to such limitations as the Tax Abatement Statute and these Guidelines and Criteria may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes replacement of a facility existing at the time of application, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.

- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement:

land,  
animals,  
inventories,  
supplies,  
tools,  
furnishings, and other forms of movable personal property (except as provided below),  
vehicles,  
vessels,  
aircraft,  
housing or residential property,  
hotels/motels,  
fauna,  
flora,  
retail facilities, except when housed in an historic structure, within the designated downtown district,  
any improvements including those involved in the production, storage or distribution of natural gas or fluids that are not integral to the operation of the facility, and

Property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas. This provision shall not be interpreted to disallow abatement for property located in the Pecos County Industrial Park. Nor shall this provision be interpreted to disallow abatement where the eligible property to be abated may be located on or affixed to land owned by the State or a subdivision of the State, but is wholly owned by the party seeking the abatement.

Equipment constituting personal property located in the reinvestment zone shall remain eligible for abatement provided the equipment is awaiting installation to become a permanent part of a fixture located or to be constructed in the reinvestment zone that is or will be eligible for property tax abatement, including any replacement parts.

- (f) Owned/Leased Facilities. If leased property is granted abatement, the agreement shall be executed with the lessor and lessee. If the eligible property to be abated is located on or affixed to leased land, but is wholly owned by the party seeking the abatement, the agreement shall be executed only with the owner of the property to be abated.

- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value of new eligible properties shall be abated according to the approved agreement between the applicant and the governing body. The governing body, in its sole discretion, shall determine the amount of any abatement.

The abatement may be extended from the date of the initial agreement by modification provided the statutory requirements for modification are met.

- (h) Construction in Progress. If a qualifying facility has not been placed in service as of January 1 following execution of the abatement agreement, the taxpayer may apply for a one-year extension of the term of abatement. Said extension must be applied for prior to the end of the calendar year in which the abatement agreement is executed.
- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
  - (1) The value of ineligible property as provided in Part IV(e) shall be fully taxable.
  - (2) The base year value of existing eligible property, meaning the value of the property for the year in which the abatement agreement is executed, shall be fully taxable.
  - (3) The additional value of eligible property shall be taxable as provided for by the applicable abatement agreement between the owner and the County.

## V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner of taxable property in Pecos County may request the creation of a reinvestment zone and tax abatement by filing a written request with the County.
- (b) The application shall consist of a completed application form accompanied by:
  - (1) a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;

- (2) a descriptive list of the improvements that will be a part of the facility;
  - (3) a map and property description or a site plan;
  - (4) a time schedule for undertaking and completing the planned improvements;
  - (5) for modernized facilities, a statement of the assessed value of the facility, separately stated for real and personal property, for the tax year immediately preceding the application; and,
  - (6) Financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.
- (c) Upon receipt of a completed application, the County receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the County shall through public hearings as described below afford the applicant and the designated representative of any affected jurisdiction and any member of the public the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the legislative body of the County to be posted at least twenty (20) days prior to the hearing.
- (d) The County shall approve or deny the application for tax abatement within sixty (60) days after receipt of the application. The presiding officer of the County shall notify the applicant of the approval or disapproval promptly thereafter.
- (e) Statutory Requirements: Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be: (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria described in these guidelines and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the applicant and the county, which it may do at any regularly scheduled meeting, provided notice requirements

are met. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline.

- (f) Expedited consideration of application. If the County determines that the application should receive expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners Court, provided the County meets the procedural prerequisites for each step.
- (g) A request for a reinvestment zone for the purpose of abatement shall not be granted if the County finds that the request for the abatement was filed after commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.
- (h) Variance. Requests for variance from the provisions of Subsections (a) through (e) of Part IV may be made in written form to the County Commissioners Court. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of the request for variance requires a three-fourths (3/4) vote of the County Commissioners Court.

## VI. PUBLIC HEARING

- (a) If, after a public hearing, the County Commissioners Court weighs the relevant factors listed in these guidelines and determines that granting the abatement is not in the best interests of the County, the Court shall deny the abatement.
- (b) Neither a reinvestment zone nor an abatement agreement shall be authorized if it is determined that:
  - (1) There would be a substantial and unreasonable adverse affect on the provision of government services or the overall tax base of the County.
  - (2) The applicant has insufficient financial capacity.
  - (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals.



- (4) Planned or potential use of the property violates any other governmental codes or any applicable law.

## VII. AGREEMENT

- (a) After approval of the tax abatement application, the County shall formally pass a resolution and execute an agreement with the owner of the facility and the lessee involved, if any, which shall include:
  - (1) Estimated value to be abated and the base year value.
  - (2) Percent of value to be abated each year.
  - (3) The commencement date and the termination date of abatement.
  - (4) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description, and improvements list.
  - (5) Contractual obligations in the event of default, including a provision for cancellation and recapture of delinquent taxes, provisions for administration and assignment as provided herein, and any other provision that may be required for uniformity or by state law.
  - (6) Performance criteria for continuation of the abatement.
  - (7) Amount of investment and average number of jobs involved for the period of abatement.
  - (8) A provision that the contract shall meet all of the requirements of Texas Tax Code Sec. 312, et. seq.
- (b) Such agreement shall be executed within sixty (60) days after approval of the agreement.
- (c) The County shall make its own determination of abatement which shall not bind any other affected taxing entity.

## VIII. RECAPTURE

- (a) In the event that the facility is completed and begins producing product or service, but subsequently discontinues production of product or service for any reason other than fire, explosion, or other casualty or accident or natural disaster for a period of more than one (1) year during the

abatement period, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

- (b) Should the County determine that the owner is in default of the agreement, the County shall notify the owner of the defect in writing at the address stated in the agreement, and if such defect is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Where cure of the proposed defect requires action undertaken over a period of time, the contract will not be considered to be in default if the performing party has undertaken efforts to cure the defect and is diligently pursuing those efforts.
- (c) In the event that the company or individual:
  - (1) allows its ad valorem taxes owed the County to become delinquent, and to remain delinquent for a period of thirty (30) days following notice of the delinquency without instituting proper legal procedures for their protest and/or contest; or
  - (2) violates in a way any of the terms and conditions of the abatement agreement and fails to cure same during the Cure Period;

the agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination. A failure to abide by estimated timelines for construction will not be considered to be a material breach of this agreement, provided the owner makes a reasonable effort to meet the estimated timeline.

## IX. ADMINISTRATION

- (a) The Chief Appraiser of the Pecos County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving the abatement shall furnish the designee of the County with such information as may be necessary to determine continued eligibility for abatement. Once the value has been established, the Chief Appraiser shall notify the County of the amount of assessment. Additionally, the County designee shall notify the County of the number of new or retained employees associated with the facility or generated by the abatement agreement. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions of the amount of the assessment.

- (b) The agreement shall stipulate that employees and/or designated representatives of the 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 prevent unreasonable interference with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the owner in accordance with its safety standards.
- (c) Upon completion of construction the County shall annually evaluate each facility and report possible violations of the contract and/or agreement to the County.
- (d) All proprietary information acquired by the County for purposes of monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.

#### X. ASSIGNMENT

- (a) Abatement may be transferred and assigned by the owner to a new owner of the same property upon approval by resolution of the County Commissioners Court, subject to the financial capacity of the assignee and provided that the agreement is modified to substitute the assignee as a party to the agreement.
- (b) Any such modification shall not exceed the termination date of the abatement agreement with the original owner.
- (c) No assignment or transfer shall be approved if either the parties to the existing agreement or the proposed assignee is liable to the County for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld. Upon a finding that the proposed assignee is capable of performing the obligations under the agreement, financially and otherwise, approval of the assignment will not be withheld.

#### XI. SUNSET PROVISION

- (a) These guidelines are effective upon the date of their adoption and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement contracts created pursuant to its agreements will be reviewed by the County to determine whether the goals of these guidelines

and the Tax Abatement Statute have been achieved. Based on that review, these guidelines may be modified, renewed or eliminated. Such actions shall not affect existing contracts.

- (b) Prior to the date for review, as defined above, these Guidelines may be modified by a two-thirds (2/3) vote of the County Commissioners Court, as provided for by the laws of the State of Texas.

## XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph, or any part of these guidelines is, for any reason, adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of the guidelines.
- (b) Property that is in a reinvestment zone and that is owned or leased by a member of the County Commissioners Court is excluded from property tax abatement.
- (c) If this Guideline Statement has omitted any mandatory requirement of the applicable tax abatement laws of the State of Texas, then such requirement is hereby incorporated as a part of these guidelines.

XIII. These Guidelines and Criteria do not affect the County's right to enter into abatement agreements for property located within the City of Fort Stockton pursuant to the existing agreement between the County and the City, regardless of whether such abatement agreements meet the criteria announced by these Guidelines.

**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

KEVIN ALLEN  
Print Name (Authorized School District Representative)

Superintendent  
Title

sign  
here

[Signature]  
Signature (Authorized School District Representative)

2/19/2015  
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

Oscar Dalton  
Print Name (Authorized Company Representative (Applicant))

Regional Director, US Project Development  
Title

sign  
here

[Signature]  
Signature (Authorized Company Representative (Applicant))

2/4/15  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

4th day of February, 2015

Kara Rachel Mullins  
Notary Public in and for the State of Texas Arizona

My Commission expires: 7-17-17

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.