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July 29, 2016

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

Via Email and Federal Express

Re: 313 Application – Canadian Breaks LLC

Dear John, Michelle and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Wildorado ISD by Canadian Breaks, LLC on July 18, 2016, along with the Applicant's request to treat certain materials as "CONFIDENTIAL" and the schedules in Excel format. The confidential material has been separated from the application (by tab in the notebook and a separate PDF in electronic form). A CD containing these documents is also enclosed.

The Wildorado ISD Board elected to accept the application on July 18, 2016. The application was determined to be complete on July 29, 2016. We ask that the Comptroller's Office prepare the economic impact report for this development.

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

Sincerely,

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

Audie Sciumbato

Encl.

L1LUEDKX0D3ZZG

cc: Chief Appraiser, Oldham County Appraisal District
Chief Appraiser, Deaf Smith County Appraisal District
Evan Horn, Ryan LLC

Canadian Breaks LLC

313 Application

Wildorado Independent School District

Submitted: July 18, 2016

Deemed complete: July 29, 2016

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #1

Application

See attached.



Application for Appraised Value Limitation on Qualified Property

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

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

The school board must approve or disapprove the application 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/. 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

July 18, 2016

Date Application Received by District

Troy

Duck

First Name

Last Name

Superintendent

Title

Wildorado Independent School District

School District Name

307 N. Locus Street

Street Address

P.O. Box 120

Mailing Address

Wildorado

TX

79098

City

State

ZIP

806-426-3317

(806) 426-3523

Phone Number

Fax Number

troy.duck@region16.net

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/
50-296-A • 02-14/1

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Fred</u>	<u>Stormer</u>
First Name	Last Name
<u>Attorney</u>	
Title	
<u>Underwood Law Firm, P.C</u>	
Firm Name	
<u>(806) 376-5613</u>	<u>(806) 379-0306</u>
Phone Number	Fax Number
	<u>Fred.Stormer@uwlaw.com</u>
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? July 29, 2016
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>June</u>	<u>Gray</u>
First Name	Last Name
<u>Vice President</u>	<u>Canadian Breaks LLC</u>
Title	Organization
<u>115 Wild Basin Road, Suite 301</u>	
Street Address	
<u>same</u>	
Mailing Address	
<u>Austin</u>	<u>TX</u>
City	State
<u>(512) 712-1928</u>	<u>(512) 712-1926</u>
Phone Number	Fax Number
	<u>june.gray@macquarie.com</u>
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.

<u></u>	<u></u>
First Name	Last Name
<u></u>	<u></u>
Title	Organization
<u></u>	
Street Address	
<u></u>	
Mailing Address	
<u></u>	<u></u>
City	State
<u></u>	<u></u>
Phone Number	Fax Number
<u></u>	<u></u>
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)**

Evan Horn
 First Name Last Name
 Manager, Property Tax
 Title
 Ryan LLC
 Firm Name
 (512) 960-1080
 Phone Number Fax Number
 Evan.Horn@Ryan.com
 Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Canadian Breaks LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32038742105
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

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

The parent company of Canadian Breaks LLC, Macquarie Holdings (U.S.A.) Inc., makes all tax payments due to the State of Texas on behalf of Canadian Breaks LLC and is current on all tax payments due to the State of Texas.

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:

☒ Land has no existing improvements

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ 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

1. Application approval by school board Q4 2016
2. Beginning of qualifying time period 2017
3. First year of limitation 2018
4. Begin hiring new employees Q4 2017
5. Commencement of commercial operations Q4 2017
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? Q4 2017

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Oldham County and Deaf Smith County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Oldham&Deaf Smith County Appraisal District
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: Oldham, .580 ,64% Deaf Smith, .510 , 36% City: N/A
(Name, tax rate and percent of project)
 Hospital District: HRMC, .355500% , 36% Water District: Llano Estacado, .0100 ,64% / High Plains, .008026, 36%
(Name, tax rate and percent of project)
 Other (describe): N/A Other (describe): Noxious Weed District 36%
(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/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of 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): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2016
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 4
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 889.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 977.90
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 926.98
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? 48,203.10
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 48,203.10
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

Tab 2

Proof of Payment of Application Fee

Proof of payment attached.

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)*



Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #3

Combined Group Membership Documentation

Canadian Breaks LLC is a member of Macquarie Holdings (U.S.A.) Inc. Please find attached Texas Franchise Tax Affiliate Schedule (Form 05-166). Macquarie Holdings (U.S.A.) Inc. makes all tax payments due to the State of Texas on behalf of Canadian Breaks LLC and is current on all tax payments due to the State of Texas.

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

11337899121

2015

MACQUARIE HOLDINGS (U.S.A.) INC. & SUBS.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

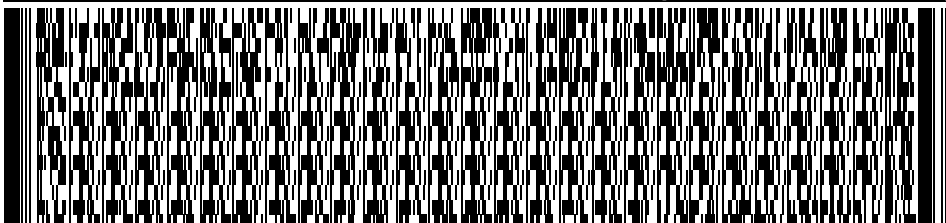
1. Legal name of affiliate MACQUARIE REAL ESTATE ADVISORY SERVICES LLC		2. Affiliate taxpayer number (if none, use FEI number) 000000009		3. Affiliate NAICS code 541990	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

1. Legal name of affiliate BIG SANDY CREEK WIND, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32038627793		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

1. Legal name of affiliate CANADIAN BREAKS LLC		2. Affiliate taxpayer number (if none, use FEI number) 32038742105		3. Affiliate NAICS code 523900	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 040113		7. Affiliate reporting end date m m d d y y 033114	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. The information must be provided to satisfy franchise tax reporting requirements. Learn more at www.window.texas.gov/commonowner/.
An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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7002

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #4

Detailed Description of Project

Canadian Breaks LLC anticipates constructing a wind-powered electric generating facility with an operating capacity of approximately 200 megawatts. The exact number of wind turbines and the size of each turbine will vary depending upon the wind turbines selected and the megawatt generating capacity of the project completed. Depending upon the turbine technology that is ultimately selected, Canadian Breaks LLC estimates that 53 turbines are planned to be installed in Wildorado ISD.

The additional improvements for the Canadian Breaks Project will include but are not limited to, wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations, and any other tangible personal property located at the operations and maintenance building.

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Canadian Breaks has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and Chapter 312 tax abatement agreements with other taxing jurisdictions. None of these contracts obligate Canadian Breaks to construct the project.

Section 8, #7 & 10: Is the applicant evaluating other locations not in Texas for the proposed project?

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

The applicant for this project is an international investor with the ability to invest and develop projects of this type in other states in the US and around the world. The applicant is actively pursuing other projects throughout the US and internationally, and in other Texas Counties that are competing for the limited investment funds. The applicant requires this appraised value limitation in order to move forward with the project at this location.

Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. Property taxes can be the highest operating expense for a wind generation facility as they do not have any associated fuel costs for the production of electricity. With electricity prices already below the national average in Texas, it is necessary to limit the property tax liabilities for the project in order to be able to offer electricity at prices that are marketable to Texas customers. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.



Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEMS #6

Other School District
Information

Canadian Breaks estimates that 34 turbines of the estimated 87 of the project will be located in Vega ISD. Canadian Breaks is filing for a value limitation agreement with Vega ISD.

Of the total project costs, Canadian Breaks estimates that that 63% of the project will be located and taxed within Wildorado ISD. The estimated 37% remaining will be taxed within Vega ISD.

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #7

Description of Qualified Investment

See checklist item #4.

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEMS #8

Description of Qualified Property

See checklist item #4.

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #9

Description of Land

All of Section 4, Block H1, IT RR CO Survey, Oldham County, Texas.

All of Section 1, Block H1, IT RR CO Survey, Oldham County, Texas.

All of Section 30, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 11, Block K5, TT RR CO Survey, Oldham County, Texas.

All of Section 29, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 12, Block K5, TT RR CO Survey, Oldham County, Texas.

All of Section 9, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 3, Block G, F B Gouldy Survey, Oldham and Deaf Smith Counties, Texas.

All of Section 19, Block Z3, RT CO Survey, Oldham County, Texas.

All of Section 28, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 13, Block K5, ACH&B Survey, Oldham County, Texas.

All of Section 8, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 18, Block Z3, RT CO Survey, Oldham County, Texas.

All of Section 27, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 14, Block K5, ACH&B Survey, Oldham County, Texas.

All of Section 7, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 1, Block Z3, H&W Survey, Oldham County, Texas.

All of Section 26, Block K5, TT RR CO Survey, Oldham and Deaf Smith Counties, Texas.

All of Section 15, Block K5, ACH&B Survey, Oldham and Deaf Smith Counties, Texas.

All of Section 6, Block K5, AB&M Survey Oldham and Deaf Smith Counties, Texas.



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All of Section 25, Block K5, TWNG RR CO Survey, Deaf Smith County, Texas.

All of Section 5, Block K5, AB&M Survey, Deaf Smith County, Texas.

The North 102 acres of Section 4, Block G, A Combs Survey, lying in Deaf Smith County, Texas.

All of Section 23, Block 8, BS&F Survey, Deaf Smith County, Texas.

Canadian Breaks LLC
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CHECKLIST ITEM #10

Description of Property not Eligible to become Qualified Property

N/A

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #11

CONFIDENTIAL

Map of Project

See separately attached confidentiality request.

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #12

Request for Waiver of Job Creation Requirement

See attached.

Canadian Breaks LLC
115 Wild Basin Dr.
Austin, TX 78746

Mr. Duck, Superintendent
Wildorado Independent School District
307 N. Locus St.
Wildorado, Texas 79098

Re: Chapter 313 Job Waiver Request

Dear Mr. Duck,

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that six (6) employees would be needed to operate a 200 MW facility, and we can commit to creating four (4) full-time positions to fill those needs for the turbines that could be sited in Wildorado ISD. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Wildorado ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

Sincerely,

A handwritten signature in blue ink, appearing to read 'THOMAS HOULE', with a stylized flourish at the end.

Thomas Houle
President

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #13

Calculation of three possible wage requirements with TWC documentation

Oldham County All Industries Average Weekly Wages

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	4th Qtr	Oldham County	Private	00	0	10	Total, All Industries	\$ 964.00
2015	3rd Qtr	Oldham County	Private	00	0	10	Total, All Industries	\$ 829.00
2015	2nd Qtr	Oldham County	Private	00	0	10	Total, All Industries	\$ 794.00
2015	1st Qtr	Oldham County	Private	00	0	10	Total, All Industries	\$ 969.00
4 Period Weekly Average								\$ 889.00
110% of Average Weekly Wage								\$ 977.90
110% of Annual Wages								\$ 50,850.80

Oldham County Average Manufacturing Weekly Wages

-Wages unavailable

COG Region Wage

Panhandle Regional Planning Commission		
<i>2014 Average Manufacturing Wages</i>	Hourly	Annual
	\$ 21.07	\$ 43,821.00
Avg Weekly Wage		\$ 842.71
110% of Region Weekly Wage		\$ 926.98
110% of Annual Wages		\$ 48,203.10

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #14

Schedules A-D

See attached.

Date7/21/2016Applicant NameCanadian Breaks LLCISD NameWildorado ISD

Form 50-296A

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 <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)			
Investment made before filing complete application with district	2016	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property				
Investment made after filing complete application with district, but before final board approval of application					500,000		500,000.00	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period							-	
Complete tax years of qualifying time period	QTP1	2017-2018	2017	141,393,719	1,150,000			142,543,719.00
								-
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				141,393,719	1,650,000			143,043,719.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				142,543,719				

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

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

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

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

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

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

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

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				141,393,719	1,650,000	0	0	143,043,719
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2016-2017	2016		500,000			
	1	2017-2018	2017	141,393,719	1,150,000			
Value limitation period***	1	2018-2019	2018					
	2	2019-2020	2019					
	3	2020-2021	2020					
	4	2021-2022	2021					
	5	2022-2023	2022					
	6	2023-2024	2023					
	7	2024-2025	2024					
	8	2025-2026	2025					
	9	2026-2027	2026					
	10	2027-2028	2027					
Total Investment made through limitation				141,393,719	1,650,000			143,043,719
Continue to maintain viable presence	11	2028-2029	2028					
	12	2029-2030	2029					
	13	2030-2031	2030					
	14	2031-2032	2031					
	15	2032-2033	2032					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033					
	17	2034-2035	2034					
	18	2035-2036	2035					
	19	2036-2037	2036					
	20	2037-2038	2037					
	21	2038-2039	2038					
	22	2039-2040	2039					
	23	2040-2041	2040					
	24	2041-2042	2041					
	25	2042-2043	2042					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

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

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

Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

Date

7/21/2016

Applicant Name

Canadian Breaks LLC

Form 50-296A

ISD Name

Wildorado ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	1	2016-2017	2016	-					
	2	2017-2018	2017	-	25,000	-	25,000	25,000	25,000
Value Limitation Period	1	2018-2019	2018	-	862,500	134,324,033	135,186,533	135,186,533	30,000,000
	2	2019-2020	2019	-	819,375	123,578,110	124,397,485	124,397,485	30,000,000
	3	2020-2021	2020	-	778,406	113,691,862	114,470,268	114,470,268	30,000,000
	4	2021-2022	2021	-	739,486	104,596,513	105,335,999	105,335,999	30,000,000
	5	2022-2023	2022	-	702,512	96,228,792	96,931,303	96,931,303	30,000,000
	6	2023-2024	2023	-	667,386	88,530,488	89,197,874	89,197,874	30,000,000
	7	2024-2025	2024	-	634,017	81,448,049	82,082,066	82,082,066	30,000,000
	8	2025-2026	2025	-	602,316	74,932,205	75,534,521	75,534,521	30,000,000
	9	2026-2027	2026	-	572,200	68,937,629	69,509,829	69,509,829	30,000,000
	10	2027-2028	2027	-	543,590	63,422,619	63,966,209	63,966,209	30,000,000
Continue to maintain viable presence	11	2028-2029	2028	-	516,411	58,348,809	58,865,220	58,865,220	58,865,220
	12	2029-2030	2029	-	490,590	53,680,904	54,171,494	54,171,494	54,171,494
	13	2030-2031	2030	-	466,061	49,386,432	49,852,493	49,852,493	49,852,493
	14	2031-2032	2031	-	442,758	45,435,517	45,878,275	45,878,275	45,878,275
	15	2032-2033	2032	-	420,620	41,800,676	42,221,296	42,221,296	42,221,296
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033	-	399,589	38,456,622	38,856,211	38,856,211	38,856,211
	17	2034-2035	2034	-	379,609	35,380,092	35,759,701	35,759,701	35,759,701
	18	2035-2036	2035	-	360,629	32,549,685	32,910,314	32,910,314	32,910,314
	19	2036-2037	2036	-	342,597	29,945,710	30,288,307	30,288,307	30,288,307
	20	2037-2038	2037	-	325,467	27,550,053	27,875,521	27,875,521	27,875,521
	21	2038-2039	2038	-	309,194	25,000,000	25,309,194	25,309,194	25,309,194
	22	2039-2040	2039	-	293,734	25,000,000	25,293,734	25,293,734	25,293,734
	23	2040-2041	2040	-	279,048	25,000,000	25,279,048	25,279,048	25,279,048
	24	2041-2042	2041	-	265,095	25,000,000	25,265,095	25,265,095	25,265,095
	25	2042-2043	2042	-	251,841	25,000,000	25,251,841	25,251,841	25,251,841

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.

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	15	55,000	-	-	-
	1	2017-2018	2017	200	55,000	-	-	-
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2018-2019	2018			0	4	48,203
	2	2019-2020	2019			0	4	48,203
	3	2020-2021	2020			0	4	48,203
	4	2021-2022	2021			0	4	48,203
	5	2022-2023	2022			0	4	48,203
	6	2023-2024	2023			0	4	48,203
	7	2024-2025	2024			0	4	48,203
	8	2025-2026	2025			0	4	48,203
	9	2026-2027	2026			0	4	48,203
	10	2027-2028	2027			0	4	48,203
Years Following Value Limitation Period	13 through 27	2028-2043	2028-2042			0	4	48,203

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)

Date 7/21/2016
Applicant Name Canadian Breaks LLC
ISD Name Wildorado ISD

Form 50-296A
Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Oldham & Deaf Smith	2018	10 Years	685,052.57	100%	244,000.00
	City:					
	Other: Hereford Regional Medical	2018	10 Years	171,907.90	75%	42,976.97
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				856,960.47		286,976.97

Additional information on incentives for this project:



Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #15

Economic Impact Analysis

TO BE PROVIDED BY COMPTROLLER'S OFFICE

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #16

Map and Description of Reinvestment Zone

See attached.

EXHIBIT B - MAP OF DEAF SMITH COUNTY REINVESTMENT ZONE 2013-02

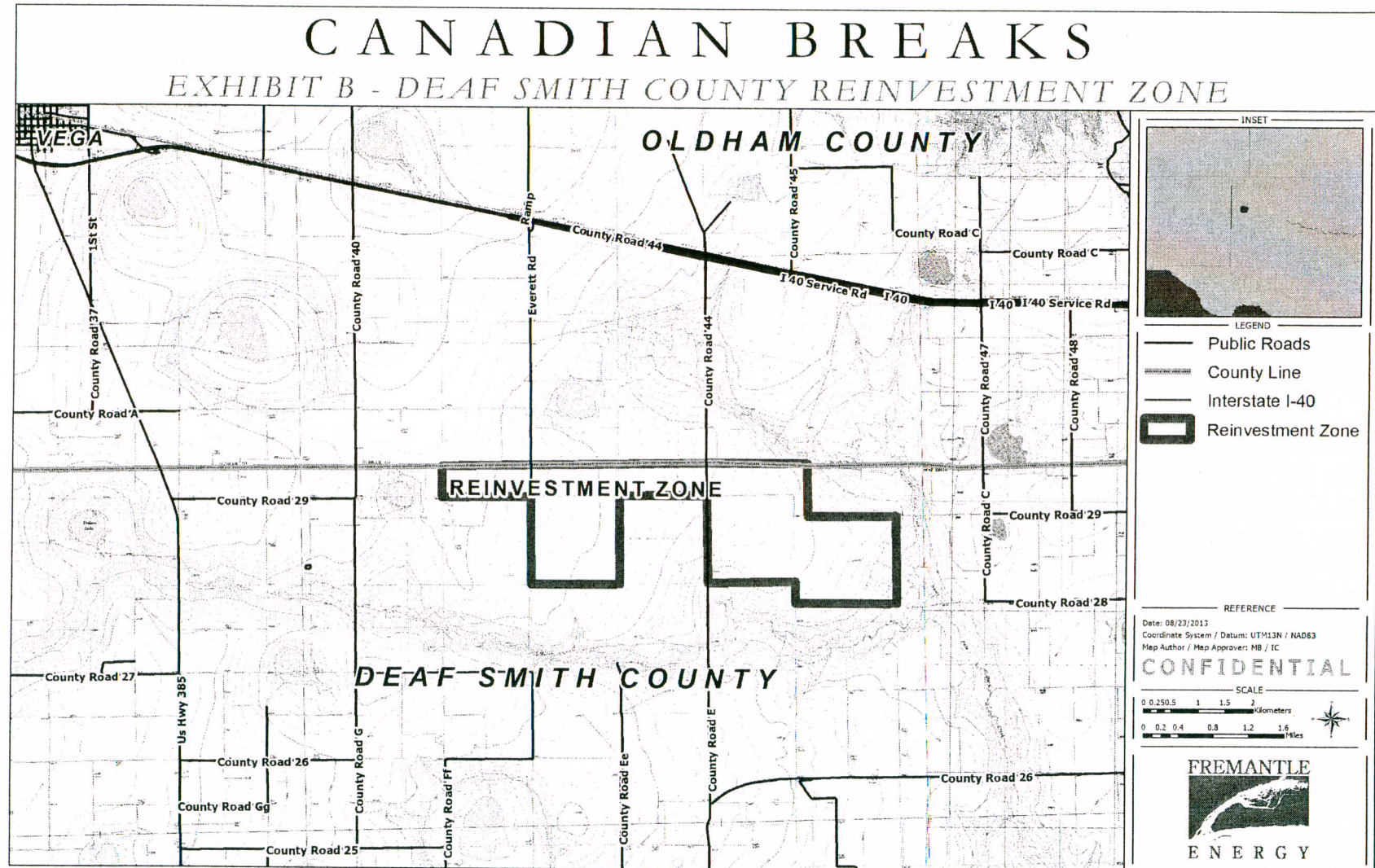


Exhibit "B"

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #16 - Continued

Order Establishing the Reinvestment Zone

See attached.

**RESOLUTION OF THE COMMISSIONERS COURT
OF OLDHAM COUNTY, TEXAS
DESIGNATING OLDHAM REINVESTMENT ZONE #6**

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

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

WHEREAS, on October 15, 2013, a hearing before the Commissioners Court of Oldham County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Oldham County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

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

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

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

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

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

- (a) That the public hearing on adoption of the Oldham Reinvestment Zone #6 has been properly called, held and conducted and that notice of such hearing has 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 Oldham Reinvestment Zone #6 should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map on Exhibit "B", the map shall control; and,
- (c) That creation of the Oldham Reinvestment Zone #6 will result in benefits to Oldham County, Texas and to land included in the zone and that the improvements sought are feasible and practical; and
- (d) The Oldham Reinvestment Zone #6 meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Oldham County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Oldham County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Oldham County Commissioner's Court hereby creates Oldham Reinvestment Zone #6, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Oldham Reinvestment Zone #6.

SECTION 4. That Oldham Reinvestment Zone #6 shall take effect on October 15, 2013, and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Oldham 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 the Oldham Reinvestment Zone #6 and that proper notice of the hearing was published in the official

newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 15th day of October, 2013.

By: *Don R. Allred*
Don R. Allred, County Judge

Quincy Taylor
Quincy Taylor
Commissioner, Precinct 1

Abstain RM
Roger Morris
Commissioner, Precinct 3

Darla Lookingbill
Attest: Darla Lookingbill, County Clerk

Clay Crist
Clay Crist
Commissioner, Precinct 2

Billy Don Brown
Billy Don Brown
Commissioner, Precinct 4

10-15-13P01:22 FILE



FILED FOR RECORD

DARLA LOOKINGBILL
COUNTY-DISTRICT CLERK
OLDHAM COUNTY, TEXAS

BY: *Darla Lookingbill*

FILED FOR RECORD
DARLA COOKINS
COUNTY CLERK
OLDHAM COUNTY, TEXAS



BY

**RESOLUTION OF THE COMMISSIONERS COURT
OF DEAF SMITH COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NUMBER 2013-02.**

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

WHEREAS, the Commissioners Court of Deaf Smith County, Texas desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code § 312.001, *et seq.*), and the Tax Abatement Guidelines and Criteria of Deaf Smith County (the "Guidelines"); and

WHEREAS, on September 23, 2013, a hearing before the Commissioners Court of Deaf Smith County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Deaf Smith County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

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

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

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

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

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

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has 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 proposed reinvestment zone should be the area described in the description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B", both Exhibits being incorporated herein by reference for all purposes, with Exhibit "B" controlling in the event of any discrepancy between Exhibit "A" and Exhibit "B"; and,
- (c) That creation of the reinvestment zone will result in benefits to Deaf Smith County, Texas and to land included in the reinvestment zone and that the improvements sought are feasible and practical; and
- (d) The reinvestment zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Deaf Smith County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Deaf Smith County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the Deaf Smith County Commissioners Court hereby creates Deaf Smith County Reinvestment Zone Number 2013-02; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in "Exhibit A" and depicted in Exhibit "B", with Exhibit "B" controlling, and such reinvestment zone is hereby designated and shall hereafter be referred to as Deaf Smith County Reinvestment Zone Number 2013-02.

SECTION 4. That Deaf Smith County Reinvestment Zone Number 2013-02 shall take effect on September 23, 2013 and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

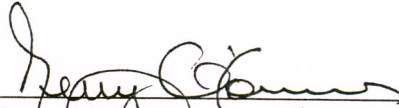
SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that sufficient notice of the date, hour, place and subject, of the meeting of the Deaf Smith 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 the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

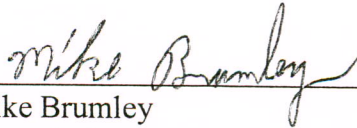
PASSED, APPROVED AND ADOPTED on this the 23rd day of September, 2013.



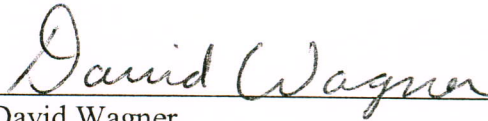
Pat Smith
Commissioner, Precinct 1



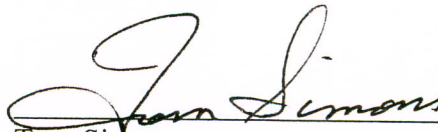
Jerry O'Connor
Commissioner, Precinct 2



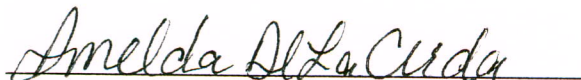
Mike Brumley
Commissioner, Precinct 3



David Wagner
Commissioner, Precinct 4



Tom Simons
County Judge


County Clerk

[COUNTY SEAL]

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #16 - Continued

Legal Description of Reinvestment Zone

See attached.

EXHIBIT A
LEGAL DESCRIPTION OF
OLDHAM REINVESTMENT ZONE #6

Oldham Reinvestment Zone #6 is comprised of the following parcels. In the event of discrepancy between this Exhibit "A" and the attached map on Exhibit "B", Exhibit "B" shall control; provided however, the Oldham Reinvestment Zone #6 shall in no way be deemed to include any portion of any municipality.

That portion of Section 6, Block K5, AB&M Survey lying in Oldham County, Texas.

That portion of Section 15, Block K5, ACH&B Survey, lying in Oldham County, Texas

Those portions of Sections 26 and 35, Block K5, TWNG RR CO Survey, lying in Oldham County, Texas

That portion of Section 3, Block G, F B Gouldy Survey, lying in Oldham County, Texas

That portion of Section 46, Block K5, TT RR CO Survey, lying in Oldham County, Texas

All of Section 1, Block Z3, H&W Survey, Oldham County, Texas.

All of Section 7, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 14, Block K5, ACH&B Survey, Oldham County, Texas.

All of Section 27, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 34, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 47, Block K5, TT RR CO Survey, Oldham County, Texas.

All of Section 48, Block K5, TT RR Co Survey, Oldham County, Texas.

All of Section 33, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 28, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 13, Block K5, ACH&B Survey, Oldham County, Texas.

All of Section 8, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 18, Block Z3, RT CO Survey, Oldham County, Texas.

All of Section 19, Block Z3, RT CO Survey, Oldham County, Texas.

All of Section 9, Block K5, D&W RR CO Survey, Oldham County, Texas.

All of Section 12, Block K5, TT RR CO Survey, Oldham County, Texas.

All of Section 11, Block K5, TT RR CO Survey, Oldham County, Texas.

All of Section 29, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 32, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 31, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 30, Block K5, TWNG RR CO Survey, Oldham County, Texas.

All of Section 7, Block H1, TT RR CO Survey, Oldham County, Texas.

All of Section 4, Block H1, TT RR CO Survey, Oldham County, Texas.

All of Section 1, Block H1, TT RR CO Survey, Oldham County, Texas.

The S/2 of Section 49, South of Hwy 40, Block K5, TT RR CO Survey, Oldham County, Texas.

EXHIBIT A
DESCRIPTION OF DEAF SMITH COUNTY
REINVESTMENT ZONE 2013-02

All of Section 5, Block K5, AB&M Survey, Deaf Smith County, Texas

All of Section 25, Block K5, TWNG RR CO Survey, Deaf Smith County, Texas

All of Section 23, Block 8, BS&F Survey, Deaf Smith County, Texas

The North 102 acres of Section 4, Block G, A Combs Survey, lying in Deaf Smith County, Texas

That portion of Section 6, Block K5, AB&M Survey lying in Deaf Smith County, Texas.

That portion of Section 15, Block K5, ACH&B Survey, lying in Deaf Smith County, Texas

Those portions of Sections 26 and 35, Block K5, TWNG RR CO Survey, lying in Deaf Smith County, Texas

That portion of Section 3, Block G, F B Gouldy Survey, lying in Deaf Smith County, Texas

Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #16 - Continued

Guideline and Criteria – Oldham
County & Deaf Smith County

See attached.

Resolution 05-13-16-01

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

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

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

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

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

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

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to the granting of any future tax abatement, which guidelines and criteria are to remain unchanged for a two-year period unless amended by a three fourths (¾) majority vote of the governing body, as provided by said state law; and,

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

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

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

Sec. 1. Definitions

(a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property, and certain personal property, in a reinvestment zone designated by the County of Oldham for economic development purposes.

(b) "Affected jurisdiction" means the County of Oldham, and any other taxing jurisdiction with any substantial parts of its area located in Oldham County; and that levies ad valorem taxes and provides services to property located in said County; and that chooses to participate in tax abatement agreements by, or pursuant to, these guidelines.

- (c) "Agreement" means a contractual agreement between a property owner or lessee, or both, and an affected jurisdiction for the purposes of tax abatement.
- (d) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed-upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (e) "Deferred maintenance" means improvements necessary for continued operations that do not improve productivity or alter the process technology.
- (f) "Distribution Center Facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, primarily to receive, store, service, or distribute goods or materials owned by the facility operator.
- (g) "Expansion" means the addition of permanent building and structures, fixed machinery and equipment for purposes of increasing production capacity.
- (h) "Facility" means property improvements completed or in the process of construction that together comprise an integral whole.
- (i) "Manufacturing Facility" means permanent buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (j) "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of permanent buildings and structures, alteration, or installation of permanent buildings and structures, fixed machinery and equipment. Modernization shall include improvements for the purposes of increasing productivity or updating the technology of machinery or equipment or both.
- (k) "New Facility" means a property previously undeveloped that is placed into service by means other than by, or in conjunction with, expansion or modernization.
- (l) "Other basic industry" means permanent buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used, for the production of products or services that primarily serve a market that result in the creation of new permanent jobs, and that bring in new wealth.
- (m) "Productive life" means the number of years a property improvement is expected to be in service in a facility.
- (n) "Regional entertainment facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.

(o) "Research facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used primarily for the research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(p) "Regional service facility" means permanent buildings and structures, including fixed machinery and equipment, used or to be used, to service goods.

(q) "Renewable Energy Resource" means a resource which produces energy derived from renewable energy technologies, as defined in PUC Substantive Rule 25.5.

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

(a) Authorized facility. A facility may be eligible for abatement if it is a manufacturing facility, research facility, distribution center or regional service facility, regional entertainment facility, renewable energy resource, or other basic industry.

(b) Creation of new value. Abatement may be granted only for the additional value of eligible property improvements made subsequent to, and specified in, an abatement agreement between Oldham County and the property owner or lessee, subject to such limitation as Oldham County may require.

(c) New and existing facilities. Abatement may be for new facilities and improvements to existing facilities purposes of modernization or expansion.

(d) Eligible property. Abatement may be extended to the value of permanent buildings and structures, fixed machinery and equipment, and certain other personal property, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.

(e) Ineligible property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; housing; hotel accommodations; deferred maintenance investments; property to be rented or leased, except as provided in Section 2 (f); any improvements, including those to produce, store or distribute natural gas, fluids or gases, that are not integral to the operation of the facility; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated, or directed by a political subdivision of the State of Texas.

(f) Owned and Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

(g) Value and term of abatement. A tax abatement agreement granted by Oldham County shall be up to but not exceeding ten (10) years in duration and up to but not exceeding 100% of the ad valorem property taxes assessed.

(h) Economic qualification. In order to be eligible to receive tax abatement the planned improvement:

(1) must be reasonably expected to increase the value of the property in the amount of at least \$1,000,000 for new businesses and \$500,000 for existing businesses;

(2) must be expected to prevent the loss of employment, retain employment, or create employment on a permanent basis.

(3) must not be expected to solely or primarily have the effect of transferring employment from one part of the County of Oldham to another; and,

(i) Existing business. Recognizing the importance of cosmetic improvements to the community of those existing businesses that modernize or expand over and above normal repair and upkeep, they may be granted a two-year tax abatement of the amount of value the facility is increased. (If a business has a building appraised at \$500,000.00 and modernization or expansion changes the appraised value to \$1,000,000.00, \$500,000.00 of the new value could be abated for two years beginning January 1 after the year completed.)

(j) Taxability. From the execution of the abatement agreement to the end of the agreement period taxes shall be assessed as follows:

(1) the value of ineligible property as provided in Section 2 (e) shall be fully taxable; and,

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and,

(3) The additional value of new eligible property shall be taxable in the manner described in Section 2(g, h, & i).

Sec. 3. Application and Hearing

(a) Any present or potential owner of taxable property in the jurisdiction of the Taxing Entities of the County of Oldham, Texas may request tax abatement by filing a written request with the Oldham County Commissioners Court.

(b) The application shall consist of a completed application form accompanied by: a nonrefundable application fee of \$1,000, a general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken; a descriptive list of the improvements that will be a part of the facility; a map and property description; and a time schedule for undertaking and completing the planned improvements.

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

(c) After receipt of an application, the Commissioners Court shall determine within forty-five (45) days how to proceed with the application. Within this time frame, the Commissioners Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(d) Consideration of Application. If the County determines that the application should be further considered, then the County Judge shall schedule a hearing to obtain public input on the application. At least seven (7) days prior to the hearing, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the

hearing time, place and subject in the local newspaper. At the hearing the commissioners Court evaluates the application against the criteria in Section 2 and decides whether to designate the property for which an abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then arrange to consider for approval the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven (7) days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(e) Expedited Consideration of Application. If the County determines that the application should receive expedited consideration, then the County Judge shall schedule an opportunity to obtain public input on the application at the Commissioners Court's next meeting. At least seven (7) days prior to the meeting, the County must send written notice to the presiding officers of all taxing units with jurisdiction over the property for which an abatement is sought and must publish notice of the hearing time, place and subject in the local newspaper. Also at this time, the County must give written notice of its intent to enter into a tax abatement agreement to the presiding officers of all taxing units with jurisdiction over the property for which the abatement is sought, along with a copy of the proposed tax abatement agreement. During the Commissioners Court meeting, the Commissioners Court shall evaluate the application against the criteria in Sections 2 and shall decide whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect and may then immediately consider for approval the tax abatement agreement between the applicant and the County. After consideration, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or the decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County.

(f) Confidentiality. As required by Section 312.003 of the Texas Tax Code, information that is provided to the County in connection with an application or a request for a tax abatement under this chapter that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the abatement is sought is confidential and not subject to public disclosure until the tax abatement is executed.

(g) When the abatement is disapproved, an applicant may be granted a review, or rehearing, in which a new application and hearing may be required.

(h) Tax abatement may not be approved if the County finds that the application therefore was filed after the commencement of the construction, alteration, or installation of improvements related to a proposed modernization, expansion, or new facility.

(i) Request for variance from the provisions of Section 2 may be made in written form to the Commissioners Court of Oldham County. Such request shall include all the items listed in Section 3 (b) above, together with a complete description of the circumstances that prompt the applicant to request variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the County.

Sec. 4. Standards for denying Approval of Abatement.

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

Sec. 5. Effect of Approval of Application

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

Sec. 6. Tax Abatement Agreements

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

- (1) the estimated value to be abated and the base year value;
- (2) the percentage of value to be abated each year as provided in Sec. 2 (g, h, & i);
- (3) the commencement date and the termination date of abatement;
- (4) the proposed use of the facility, nature of construction, time schedule, map, property description, and improvements list as provided in application, Section 3 (b);
- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration, and assignment as provided in Sections 2 (a), 2 (f), 2 (g, h, & i), 7, 8, and 9.
- (6) size of investment and average number of jobs involved. Such agreement shall normally be executed within 30 days after the applicant has forwarded all necessary information and documentation to the County; and

(7) the agreement shall stipulate that employees, or designated representatives, or both, of Oldham County will have access to the reinvestment zone during the terms of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of 24 hours prior notice and will be conducted in such a manner that they will not unreasonably interfere with the construction or operation or both of the facility. All inspections will be made in the presence of one or more representatives of the company or individual and in accordance with the safety standards of the company or individual.

Sec. 7 Recapture

(a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason excepting fire, explosion, or other casualty or accident or natural disaster, for a period of one year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction within 60 days from the date of termination.

(b) If the Oldham County Commissioners Court determines that the company or individual is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within 60 days from the date of such notice ("cure period") , then the agreement may be terminated.

(c) If the company or individual (1) allows its ad valorem taxes owed to the County of Oldham, or any other taxing entity in Oldham County, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest or both; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the cure-period, the agreement may then be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within 60 days of the termination.

Sec. 8. Administration

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

(b) Upon completion of construction, a designated representative of Oldham County shall annually value each facility receiving abatement to insure compliance with the agreement and shall make a report to the Commissioners Court regarding the findings of each evaluation.

Sec. 9. Assignment

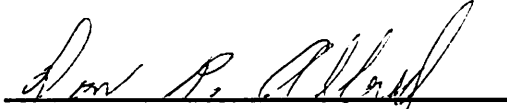
Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with the affected jurisdiction. No

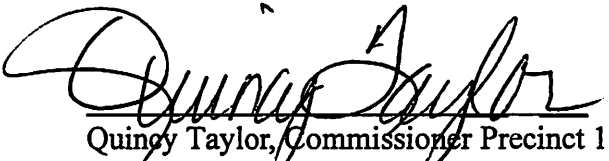
assignment or transfer shall be approved if the parties to the existing agreement, the new owner, or the new lessee are liable to any taxing entity in Oldham County for outstanding delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

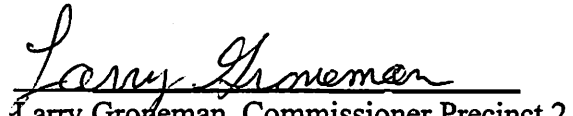
Sec. 10. Sunset Provision


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

Moved, Seconded, and Passed Unanimously, This the 13th day of May 2014.


Don R. Allred, Oldham County Judge

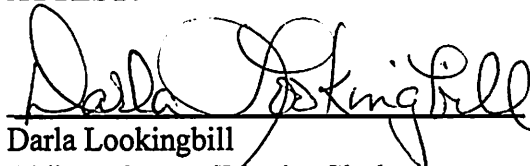

Quincy Taylor, Commissioner Precinct 1


Larry Groneman, Commissioner Precinct 2


Roger Morris, Commissioner Precinct 3


Billy Brown, Commissioner Precinct 4

ATTEST:


Darla Lookingbill
Oldham County/District Clerk



REGULAR MEETING MAY 13, 2016

The meeting was called to order at 9:05 a.m. by County Judge Don Allred with a full quorum present. Commissioner Billy Brown led the Court in prayer and Judge Allred led the Court in pledges to the American and Texas flags.

Minutes for the Regular Meeting were emailed to each Commissioner and the County Judge prior to Commissioners Court. A copy of these minutes was given to County Auditor Charlotte Cook and available to anyone upon request. Judge Allred asked the Court if they had individually read the minutes and if there were any questions or comments. Motion by Quincy Taylor to approve the minutes of the April 11th Regular Meeting as presented, second by Larry Groneman. Motion carried.

The Court examined the claims against the County presented for payment. Judge Allred informed the Court that all requests for reimbursement for the road projects have been sent in by Erica and these should exhaust the funds. He stated that the county was around \$8,000.00 to \$9,000.00 short and that was not as much as originally thought. After examination of claims presented, motion by Larry Groneman, second by Quincy Taylor to approve all claims as presented. Motion carried.

Charlotte presented the County Auditor's Report and the Official's Report. After examination of the County Auditor's Report and the Official's Report, motion by Roger Morris, second by Billy Brown to approve the reports as presented. Motion carried.

Treasurer Sherri Johnson met with the court to give the Treasurer's monthly report, motion by Roger Morris, second by Billy Brown to approve the report as presented. Motion carried.

Justice of the Peace Kristy Homfeld met with the Court to give the JP's monthly report. Total revenue for the month - \$41,430.10, new cases filed – 133, number of cases processed – 155, other cases – 80, cases set on docket – 16, cases pending – 9, cases continued – 3 and affidavit of call – 1. Motion by Quincy Taylor, second by Larry Groneman to approve the JP Reports as presented. Motion carried.

In the absence of Tax Assessor/Collector Linda Brown, Judge Allred presented her monthly report to the Court. Total fees paid for the month - \$40,324.51 and 2016 5% Sales Tax -

\$12,901.50. Motion by Quincy Taylor, second by Roger Morris to approve the Tax Assessor/Collector Monthly Report as presented. Motion carried.

The Court received the Texas AgriLife Extension Service monthly reports.

The Court received education hours for County Judge and County Commissioners. Judge Allred received four hours, Commissioners Quincy Taylor and Larry Groneman received nine hours and Commissioners Roger Morris and Billy Brown received twelve hours. These hours were received at the County Judges and Commissioners Conference at Horseshoe Bay. Roger Morris mentioned that Melanie Allred was presented a service award at the conference.

The Court received Public Funds Investment Act education hours for County Auditor, Charlotte Cook. Charlotte reported that she has received ten hours of Public Funds Investment Act education hours.

The Court acknowledged the reappointment of County Auditor, Charlotte Cook. Judge Allred stated the reappointment was for two years and would be through May of 2018. The appointment is made by the District Judge.

The Court discussed the 2016 Guidelines and Criteria for tax abatements. Judge Allred stated that, in discussing a tax abatement for Canadian Breaks, it was brought to his attention by James Wester that the county has not adopted or updated the guidelines and criteria. He said this should have been done in January of this year and they are updated every two years. He said this was not a problem as long as action is taken to update them and have it on record prior to taking any action on any amendments or applications. He said that he has gone through the guidelines and criteria and does not see any changes to be made with the exception of possibly the amounts of investment in the county to be eligible for abatement. He stated that currently the amounts are set at one million of new infrastructure for any new business and half a million for any existing business in the county. Motion by Billy Brown, second by Roger Morris to adopt and update the Guidelines and Criteria for tax abatement with no changes good through May 2018. Motion carried.

The Court discussed the proposed second amendment to Tax Abatement Agreement with Canadian Breaks wind project. Judge Allred said that the Canadian Breaks wind facility has made a proposed request for a year extension which would give them until June of 2017 to begin construction and complete by June of 2018. He stated that this is the second amendment to the Tax Abatement Agreement between Oldham County and Canadian Breaks. He added that the

only change in the agreement was the one year extension. Motion by Quincy Taylor to approve the second amendment to the Tax Abatement Agreement between Oldham County and Canadian Breaks, LLC wind, second by Larry Groneman. Motion carried, Commissioner Roger Morris abstained.

The Court discussed adopting a Mass Gathering Permit Application and set fees. Judge Allred stated that there are a lot of counties around the state that have adopted a Mass Gathering Permit Application and fees. He added that recently there was a request to have an event inside the city limits that brought to attention the need to have something in place in the county to deal with mass gatherings. He said that the county needs to have something in place for approval of the event and to insure there is adequate insurance, security and release of liability for the county. Erica stated that the fee associated with the permit application would be used for required inspections from outside agencies. She said that she surveyed several counties and the cost ranges from \$300.00 to \$500.00 to have these inspections done. Statute states that a fee may not exceed the amount to defray the cost of inspections. Motion by Quincy Taylor to set the Mass Gathering Permit fee at \$1,000.00, second by Billy Brown. Motion carried.

The Court was in recess at 9:59 a.m. and was called back to order at 10:13 a.m.

The Court discussed designating the Justice of the Peace Court as the truancy court for Oldham County. Judge Allred stated that truancy has been made a non-criminal offense and it is a civil court offense. Kristi said that the new statute applies to a county with two or more courts hearing truancy cases and two or more school districts and we fall into that category. She added, because she is a part time Municipal Judge and a J P Judge, she wants to designate the Justice of the Peace Court as the only truancy court in Oldham County; otherwise, there would have to be a board built on truancy as to what the formation will be and how they are filed. Judge Allred said that this would help protect the county from the statute of requiring the county to have a board in place to set the truancy guidelines for the schools. Motion by Quincy Taylor, second by Larry Groneman designating the Justice of the Peace Court the truancy court for Oldham County. Motion carried.

The Court discussed the use of the rodeo arena on Memorial Day weekend and setting a fee. Judge Allred said that a request of the county has been made for the use of the arena on Memorial Day for a rough stock clinic for kids. He said after speaking with the man it has turned into a kid's rodeo event. He added by policy for the county, any time there is going to be

an event that charges a fee using the county facilities, the Court sets a reasonable fee for use of the facility. He said that he asked the man if he had seen the facility and he indicated that he had not. Judge Allred told him to go look at the facility to see if it meets their needs and told him that he would be responsible for ground preparation. He added that the man wanted to meet with 4-H and see if they would do the concession stand for the event with funds going to the 4-H and he stated that any profit from the event would be a donation to the 4-H. He stated that he told the man that he would have to be bonded and forms signed releasing the county of any injuries and the man said he had to do all of that in Dalhart, Dumas and other places where they have had these events. He said that his thoughts are if the profits are going to 4-H then waive the fee or make it minimal. Motion by Roger Morris, second by Billy Brown to set the fee for the kid's rodeo event at zero dollars with the understanding that the promoters meet all county requirements; that being, all proceeds from the concession stand go to the 4-H and any profit in the event go to the Oldham County 4-H Club. Motion carried.

The Court discussed budget amendments. Charlotte stated that there are none at this time.

The Court received an Amended Forfeited Assets Fund Budget from the County Attorney's Office. No action taken.

The Court received a Forfeited Assets Budget from the Sheriff's Office. No action taken.

Public Comments:

Quincy stated that two people have persistently asked about the burn ban and when they can burn. She said that they thought they were in her precinct but they are actually in Billy's precinct. She told them it would be discussed today and Billy or she would get back with them. Erica said that the last burn ban was February 12th; therefore, it ran out yesterday, May 12th. Judge Allred reminded them that a commissioner can give permission and have a waiver signed and notify the Sheriff's Office or ask him to remove it.

Erica stated that she and Charlotte would be attending Indigent Healthcare training in Lubbock on the 23rd and 24th.

Judge Allred said that on the 24th there would be a Legislative Agenda Meeting from 10:00 a.m. to 12:00 p.m. at the Santa Fe Building in Amarillo. Darla stated that she would be unable to attend due to that being Runoff Election Day. Judge Allred said that he called TAC and told them that it was scheduled on Election Day.

Greg Conn stated that he had just filed the deed and they were able to purchase Roark's for the museum. He said that Betty Jo Hacker donated enough money for them to purchase the building. He said that the building would be an extension of the museum and would be Oldham County Museum.

There being no further business, motion by Billy Brown, second by Roger Morris to adjourn at 10:34 a.m. Motion carried.

ATTEST: _____
County Clerk

County Judge

STATE OF TEXAS

DEAF SMITH COUNTY

TAX ABATEMENT GUIDELINES AND CRITERIA

Deaf Smith County (the "County") is committed to the promotion of quality development in all parts of Deaf Smith County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider providing Tax Abatements (as defined below) to stimulate economic development. It is the policy of the County that such an incentive will be provided in accord with the guidelines and criteria outlined in this document. All applicants for Tax Abatements shall be considered on an individual basis.

In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, and unless otherwise approved by the County, the planned improvement:

1. must be an Eligible Facility (as defined below);
2. must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
3. must be reasonably expected to have an increase in positive net economic benefit to Deaf Smith County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. must not be expected to solely or primarily have the effect of transferring employment from one part of Deaf Smith County to another.

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

Only that increase in the fair market value of the property that is a direct result of the development, redevelopment, and improvement specified in the Agreement will be eligible for Abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All Tax Abatement Agreements will be no longer than allowed by law.

It is the goal of the County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the County to consider, adopt, modify, or decline any Tax Abatement request.

This policy is effective as of the 27th day of April, 2015, and shall at all times be kept current with regard to the needs of Deaf Smith County and reflective of the official views of the County, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Commissioners does not:

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

SECTION I. DEFINITIONS

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

B. **"Agreement" or "Abatement Agreement"** means a contractual Agreement between a property owner and/or lessee and the County.

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

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

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

- aquaculture/agriculture facility;
- distribution center facility;
- manufacturing facility;
- office building;
- regional entertainment/tourism facility;
- research service facility;
- regional service facility;
- historic building in a designated area;

wind energy facility; or
other basic industrial facility.

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

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

H. **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment.

I. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

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

SECTION II. ABATEMENT AUTHORIZED

A. **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

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

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

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

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

F. **Owned/Leased Facilities.** If a leased facility is granted Abatement, the

Agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement.

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

- (1) must be an Eligible Facility;
- (2) must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
- (3) must be reasonably expected to have an increase in positive net economic benefit to Deaf Smith County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) of new jobs will also factor into the decision to grant an Abatement; and
- (4) must not be expected to solely or primarily have the effect of transferring employment from one part of Deaf Smith County to another.

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

- (1) value of existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number and type of new jobs to be created by proposed improvements;
- (6) amount of local payroll to be created;
- (7) whether the new jobs to be created will be filled by persons residing or projected to reside within the affected taxing jurisdiction;
- (8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars (\$500,000.00);
- (9) expenses to be incurred in providing facilities directly resulting from the new improvements;

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

(11) the population growth of Deaf Smith County that occurs directly as a result of new improvements;

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

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

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

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

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

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

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

I. Denial of Abatement. An Abatement Agreement shall not be authorized if it is determined that:

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

(2) the applicant has insufficient financial capacity;

(3) violation of other codes or laws; or

(4) any other reason deemed appropriate by the County.

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

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

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and

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

SECTION III. APPLICATION

A. Any present or potential owner of taxable property in the County may request Tax Abatement by filing a written application with the Commissioners.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The Commissioners may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs and legal fees associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. The fee for Abatement requests shall be One Thousand and No/100 Dollars (\$1,000.00).

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

D. The application process described in Section III hereof shall be followed regardless of whether a particular reinvestment zone is created by Deaf Smith County or a taxing entity within Deaf Smith County. No other notice or hearing shall be required except compliance with the open meetings act, unless the Commissioners deem them necessary in a particular case.

SECTION IV. AGREEMENT

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

(1) include a list of the kind, number and location of all proposed improvements to the property;

(2) provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Agreement;

- (3) limit the use of the property consistent with the taxing unit's development goals;
- (4) provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Agreement;
- (5) include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Agreement to each taxing unit; and
- (6) allow the taxing unit to cancel or modify the Agreement at any time if the property owner fails to comply with the terms of the Agreement.

SECTION V. RECAPTURE

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

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

SECTION VI. ADMINISTRATION

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

B. The County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement Agreement shall stipulate that employees and/or designated representatives of 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 not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

C. Upon completion of construction, a designated representative of the County shall annually evaluate each facility receiving Abatement to insure compliance with the Agreement and shall formally report such evaluations to the Commissioners.

SECTION VII. ASSIGNMENT

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

SECTION VIII. SUNSET PROVISION

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

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Adopted on this the 27th day of April, 2015.

Deaf Smith County Commissioners

Pat Smith

Pat Smith
Commissioner, Precinct 1

Jerry O'Connor

Jerry O'Connor
Commissioner, Precinct 2

Mike Brumley

Mike Brumley
Commissioner, Precinct 3

Dale Artho

Dale Artho
Commissioner, Precinct 4

D.J. Wagner

D.J. Wagner
County Judge



Canadian Breaks LLC
Chapter 313 Application to Wildorado ISD

CHECKLIST ITEM #17

Signature and Certification Page

See attached.

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

Tracy Duck
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here

[Signature]
Signature (Authorized School District Representative)

7-18-16
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

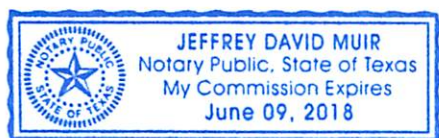
THOMAS HOULE
Print Name (Authorized Company Representative (Applicant))

PRESIDENT
Title

sign
here

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

JULY 13, 2016
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

13 day of JULY, 2016

Jeffrey David Muir
Notary Public in and for the State of Texas

My Commission expires: JUNE 9, 2018

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.