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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

October 20, 2017

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

RE: Amended Application to the Wink-Loving Independent School District
from Phoebe Energy Project, LLC Application and Confidential Materials

To the Local Government Assistance & Economic Analysis Division:

The Applicant has made the following changes to the application:

- Section 1 Question 1: Date Application Received by District has been updated
- Section 9 Questions 5 & 6: Begin hiring new employees and commencement of commercial operations have been updated
- Section 14 Question 7A: Average weekly wage for all jobs (all industries) in the county has been updated.
- Checklist Item #4: Detailed description of the project has been revised.
- Checklist Item #7: Description of Qualified Investment has been revised.
- Checklist Item #8: Description of Qualified Property has been revised.
- Checklist Item #9: Has been revised
- Checklist Item #10: Has been revised
- Checklist Item #11: Maps have been updated
- Checklist Item #12: Job Waiver Request has been revised
- Checklist Item #13: Average weekly Wages for all jobs, all industries in Winkler County has been updated.
- Checklist Item #14: Schedule A1, A2, B has been revised. The applicant revised the schedules with the understanding that the agreement might not be signed by the end of the year.
- Checklist Item #16: Has been revised

The company has submitted a map from Tab 11 as confidential material as part of the application. The confidential materials have been submitted separately. A copy of the non-confidential version of the application will be submitted to the Winkler County Appraisal District.

The Applicant has requested that Tab 11, specifically the detailed layout of the qualified investment and qualified property giving the exact location of the plant be kept confidential. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated

from the materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. The confidential materials are being submitted separately to protect against unintended disclosure. The maps depicting the planned location of the project display proprietary commercial information regarding the specific location of the possible project and the nature of the business that will be conducted at the site. The materials are protected by the trade secret exception set forth in Texas Government Code §552.110.

Please do not hesitate to call with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon
School District Consultant

Cc: Phoebe Energy Project, LLC
Winkler County Appraisal District

TAB 1

Pages 1-9 of Application.

Texas Comptroller of Public Accounts

Application for Appraised Value Limitation on Qualified Property
(Tax Code, Chapter 313, Subchapter B or C)

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

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

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

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

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

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

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

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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

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SECTION 9: Projected Timeline

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

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located _____
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property _____
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: _____ (Name, tax rate and percent of project) City: _____ (Name, tax rate and percent of project)
 Hospital District: _____ (Name, tax rate and percent of project) Water District: _____ (Name, tax rate and percent of project)
 Other (describe): _____ (Name, tax rate and percent of project) Other (describe): _____ (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

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

Texas Comptroller of Public Accounts

SECTION 14: Wage and Employment Information

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

SECTION 15: Economic Impact

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

Texas Comptroller of Public Accounts

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

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

TAB 4

Detailed Description of the Project

Phoebe Energy Project, LLC, proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant within the Wink-Loving Independent School District.

The project will be constructed on approximately 4,452 acres, which is part of a larger, long-term lease agreement with a local landowner. The project will be located entirely in Winkler County and within the Wink-Loving Independent School District. The proposed project will include, but is not limited to, the following:

- Planned 250 MW-AC in size;
- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility and its Qualified Property;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

The parent company of Phoebe Energy Project, LLC, is a national solar developer with project opportunities all across the United States. The ability to enter into a limited appraisal valuation agreement with the Wink-Loving Independent School District is a motivating factor for constructing the project in Winkler County, Texas, as opposed to building and investing in another state or region where state tax incentives are available. Such additional states where Applicant is considering include Tennessee, North Carolina, Mississippi, Nevada, Georgia, Alabama, Utah, New Mexico, California, Arizona, and Virginia.

TAB 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The applicant's parent company, Longroad Development, LLC, is a national solar developer with the ability to locate projects of this type in other counties and states in the US with strong solar characteristics. The applicant is actively developing other projects throughout the US. The applicant requires this appraised value limitation in order to move forward with constructing this project in Texas. Specifically, without the available tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project in Texas becomes unlikely. Other places where Applicant is considering investing and developing projects include states that offer market incentives for generation resources like property tax incentives, including Tennessee, North Carolina, Mississippi, Nevada, Georgia, Alabama (Thebe Project), Utah (Pasithee Project), New Mexico, California, Arizona, and Virginia (Cordelia Project, etc.).

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

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

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

TAB 7

Description of Qualified Investment

Phoebe Energy Project, LLC, anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 250 MW ac. The exact capacity and the specific technology components will be determined during the development and design process.

A 250 MW solar PV generating facility may include a qualified investment consisting of the following improvements:

- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility and its Qualified Property;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

TAB 8

Description of Qualified Property

Phoebe Energy Project, LLC, anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 250 MW ac. The exact capacity and the specific technology components will be determined during the development and design process.

A 250 MW solar PV generating facility may include a qualified investment consisting of the following improvements:

- PV modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Single axis tracking racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, circuit breakers, switches, and control room;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) facility and its Qualified Property;
- Meteorological equipment to measure solar irradiance and other weather conditions; and Associated equipment to safely operate, maintain and deliver electricity to the grid.

TAB 9

N/A

TAB 10

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

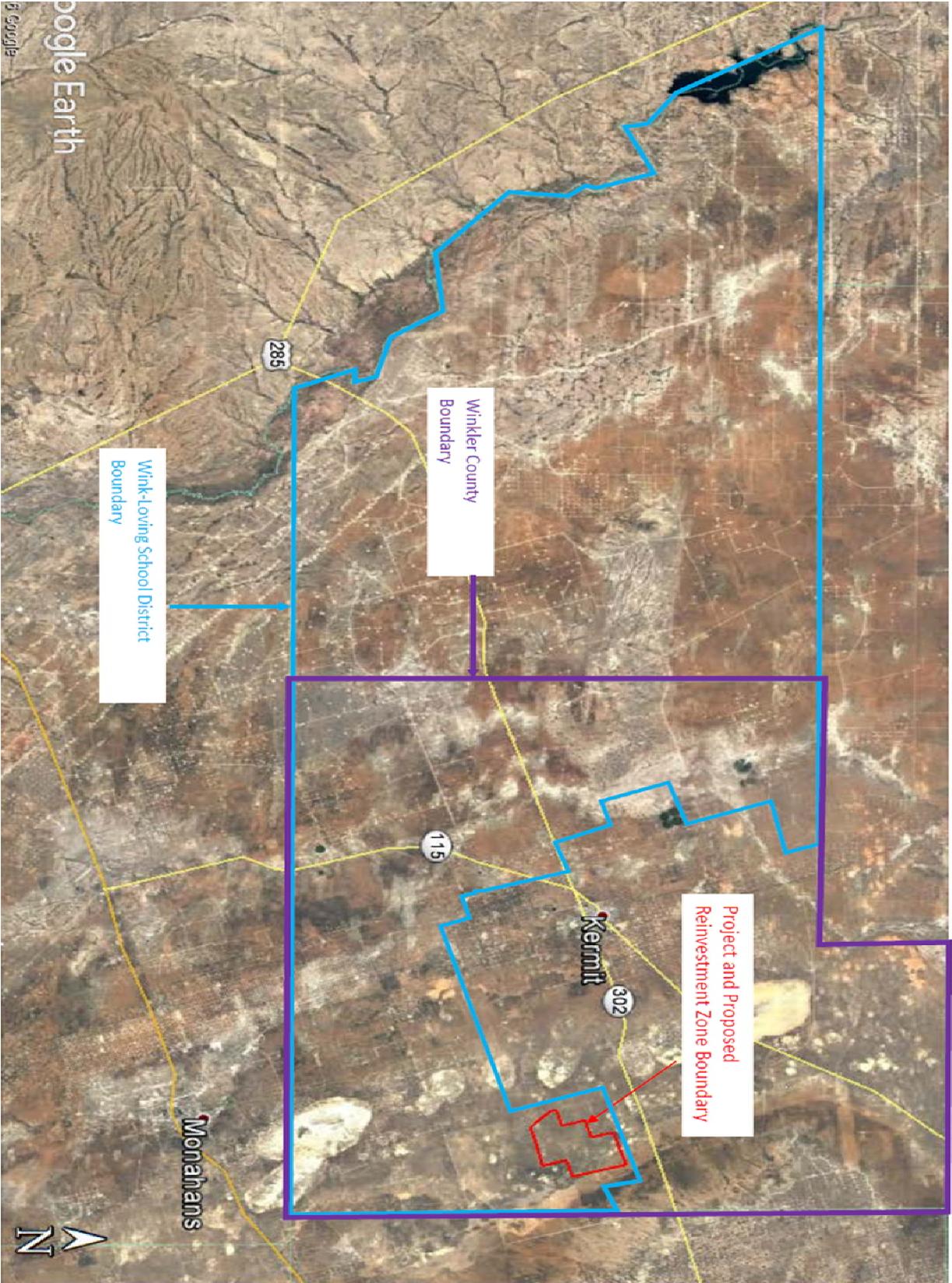
1. N/A

TAB 11

Maps that clearly show:

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

SEE ATTACHED MAPS



Project Vicinity Map and Reinvestment Zone Boundary

TAB 12



Request of Waiver of Job Creation Requirement

October 9, 2017

Scotty Carman, Superintendent
Wink-Loving Independent School District
200 N. Rosey Dodd Avenue
Wink, Texas 79789

Re: Chapter 313 Job Waiver Request

Mr. Carman:

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

Based upon knowledge of staffing requirements Phoebe Energy Project, LLC, requests the job creation requirement under Chapter 313 of the Texas Tax Code be waived. In line with solar industry standards for job requirements, Phoebe Energy Project, LLC has committed to create one (1) new permanent job.

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

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

The waiver request herein is in line with industry standards for the number of jobs specifically relegated to a solar generation facility of this size. The industry-accepted standard and practice is for one full-time employee for every two hundred and fifty megawatts (250 MW) of estimated project size. This is evidenced by previously filed limitation agreement applications by solar developers who similarly requested a waiver of the job requirements and in addition, by readily available documentation and education materials related to the development of solar generation facilities.

Sincerely,

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

Scott Pryor

TAB 13

Calculation of three possible wage requirements with supporting documentation

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

COUNTY	YEAR	QUARTER	Avg. Weekly Wage
Winkler	2016	Q2	\$1,059
Winkler	2016	Q3	\$1,106
Winkler	2016	Q4	\$1,180
Winkler	2017	Q1	\$1,301
SUM:			\$4,646
CALCULATION:			\$4,646/4 = \$1,161.50

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

COUNTY	YEAR	QUARTER	Avg. Weekly Wage
Winkler	2015	Q2	Not Available
Winkler	2016	Q3	Not Available
Winkler	2016	Q4	Not Available
Winkler	2017	Q1	Not Available
SUM:			N/A
CALCULATION:			N/A

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

REGION / WDA	YEAR	Hourly/Annual	Avg. Weekly Wage
Permian Basin	2016	\$26.00/\$54,079	\$1,039.98
CALCULATION:			\$1,039.98 * 1.1 = \$1,143.98

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

Quarterly Employment and Wages (QCEW)

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

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Page 1 of 1 (40 results/page)

▲▼ Year	▲▼ Period	▲▼ Area	▲▼ Ownership	▲▼ Division	▲▼ Level	▲▼ Ind Code	▲▼ Industry	▲▼ Avg Weekly Wages
2016	4th Qtr	Winkler County	Private	00	0	10	Total, all industries	\$1,180
2017	1st Qtr	Winkler County	Private	00	0	10	Total, all industries	\$1,301
2016	1st Qtr	Winkler County	Private	00	0	10	Total, all industries	\$1,150
2016	3rd Qtr	Winkler County	Private	00	0	10	Total, all industries	\$1,106
2016	2nd Qtr	Winkler County	Private	00	0	10	Total, all industries	\$1,059

TAB 16

Description of Reinvestment Zone, including:

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

Legal Description of Reinvestment Zone

PARCEL 1:

AP #2389

Section 15, Block B-7, Survey 1828, P.S.L., Winkler County, Texas.

PARCEL 2:

AP #2390

Section 16, Block B-7, Survey 1829, P.S.L., Winkler County, Texas.

PARCEL 3:

AP #2385

The South Half of Section 10, Block B7, Survey 1811, P.S.L., Winkler County, Texas.

PARCEL 4:

AP #3128

Section 17, Block 40, Survey 1814, P.S.L., Winkler County, Texas.

PARCEL 5:

AP #3135

Section 24, Block 40, Survey 1813, P.S.L., Winkler County, Texas.

PARCEL 6:

AP #3127

The South Half of Section 16, Block 40, Survey 1883, P.S.L., Winkler County, Texas.

PARCEL 7:

AP #3134

Section 23, Block 40, Survey 1891, P.S.L., Winkler County, Texas.

PARCEL 8:

AP #3136

Section 25, Block 40, Survey 198, P.S.L., Winkler County, Texas.

PARCEL 9:

AP #3137

Section 26, Block 40, Survey 166, P.S.L., Winkler County, Texas.

PARCEL 10:

AP #3138

Section 27, Block 40, Survey 165, P.S.L., Winkler County, Texas.

PARCEL 11:

AP #2012

Section 11, Block 40, Survey 1878, P.S.L., Winkler County, Texas.

PARCEL 12:

AP #2013
Section 12, Block 40, Survey 1879, P.S.L., Winkler County, Texas.

PARCEL 13:

AP #3123
Section 13, Block 40, Survey 1880, P.S.L., Winkler County, Texas.

PARCEL 14:

AP #3124
Section 14, Block 40, Survey 1881, P.S.L., Winkler County, Texas.

PARCEL 15:

AP #3129
Section 18, Block 40, Survey 1884, P.S.L., Winkler County, Texas.

PARCEL 16:

AP #3130
Section 19, Block 40, Survey 1885, P.S.L., Winkler County, Texas.

PARCEL 17:

AP #3131
Section 20, Block 40, Survey 1886, P.S.L., Winkler County, Texas.

PARCEL 18:

AP #3132
Section 21, Block 40, Survey 1887, P.S.L., Winkler County, Texas.

PARCEL 19:

AP #3133
Section 22, Block 40, Survey 1888, P.S.L., Winkler County, Texas.

PARCEL 20:

AP #3143
Section 32, Block 40, Survey 199, P.S.L., Winkler County, Texas.

Order Establishing Reinvestment Zone

[ATTACHED ON SUBSEQUENT PAGES]

**RESOLUTION OF THE
WINKLER COUNTY COMMISSIONERS COURT**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 312 TAX ABATEMENT IN PORTIONS OF WINKLER COUNTY, TEXAS, TO BE KNOWN AS THE “HENRY” REINVESTMENT ZONE; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

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

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

WHEREAS, the County has adopted guidelines and criteria governing tax abatement agreements in a resolution dated on or about March 25, 2013; and,

WHEREAS, pursuant to statute, the County refreshed the aforesaid guidelines and criteria governing tax abatement in a resolution dated May 8th, 2017 (the “Abatement Guidelines and Criteria”); and,

WHEREAS, on May 22, 2017, the Winkler County Commissioners Court held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on EXHIBIT A and mapped on EXHIBIT B; and,

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

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

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

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

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

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

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Winkler County Commissioners Court, hereby creates a reinvestment zone under

the provisions of Texas Tax Code § 312.401, encompassing the area described by the descriptions in "EXHIBIT A" and "EXHIBIT B", and such reinvestment zone is hereby designated and shall hereafter be referred to as the *Henry Reinvestment Zone*.

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

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

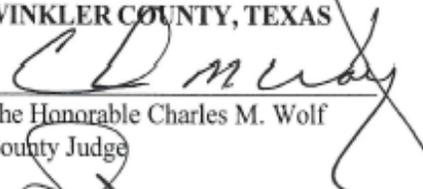
SECTION 6. That the Winkler County Commissioners Court accepts the Application for Tax Abatement submitted by Phoebe Energy Project, LLC.

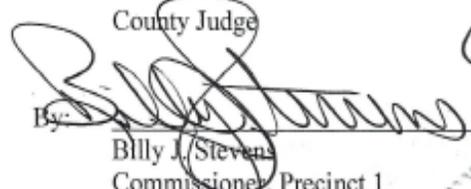
SECTION 7. That if any section, paragraph, clause, or provision of this resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

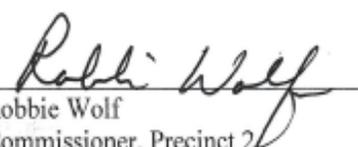
SECTION 8. That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the Winkler County Commissioners Court, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required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

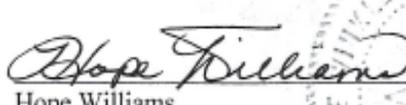
PASSED, APPROVED, AND ADOPTED on this 22nd day of May, 2017.

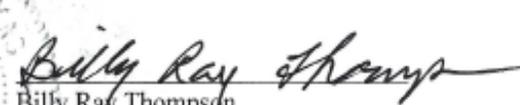
WINKLER COUNTY, TEXAS

By: 
The Honorable Charles M. Wolf
County Judge

By: 
Billy J. Stevens
Commissioner, Precinct 1

By: 
Robbie Wolf
Commissioner, Precinct 2

By: 
Hope Williams
Commissioner, Precinct 3

By: 
Billy Ray Thompson
Commissioner, Precinct 4

ATTEST: 
Shethelia Reed
Winkler County Clerk

EXHIBIT A
LEGAL DESCRIPTION OF “HENRY”
REINVESTMENT ZONE

PARCEL 1:

AP #2389
Section 15, Block B-7, Survey 1828, P.S.L., Winkler County, Texas.

PARCEL 2:

AP #2390
Section 16, Block B-7, Survey 1829, P.S.L., Winkler County, Texas.

PARCEL 3:

AP #2385
The South Half of Section 10, Block B7, Survey 1811, P.S.L., Winkler County, Texas.

PARCEL 4:

AP #3128
Section 17, Block 40, Survey 1814, P.S.L., Winkler County, Texas.

PARCEL 5:

AP #3135
Section 24, Block 40, Survey 1813, P.S.L., Winkler County, Texas.

PARCEL 6:

AP #3127
The South Half of Section 16, Block 40, Survey 1883, P.S.L., Winkler County, Texas.

PARCEL 7:

AP #3134
Section 23, Block 40, Survey 1891, P.S.L., Winkler County, Texas.

PARCEL 8:

AP #3136
Section 25, Block 40, Survey 198, P.S.L., Winkler County, Texas.

PARCEL 9:

AP #3137
Section 26, Block 40, Survey 166, P.S.L., Winkler County, Texas.

PARCEL 10:

AP #3138
Section 27, Block 40, Survey 165, P.S.L., Winkler County, Texas.

PARCEL 11:

AP #2012
Section 11, Block 40, Survey 1878, P.S.L., Winkler County, Texas.

PARCEL 12:

AP #2013

Section 12, Block 40, Survey 1879, P.S.L., Winkler County, Texas.

PARCEL 13:

AP #3123

Section 13, Block 40, Survey 1880, P.S.L., Winkler County, Texas.

PARCEL 14:

AP #3124

Section 14, Block 40, Survey 1881, P.S.L., Winkler County, Texas.

PARCEL 15:

AP #3129

Section 18, Block 40, Survey 1884, P.S.L., Winkler County, Texas.

PARCEL 16:

AP #3130

Section 19, Block 40, Survey 1885, P.S.L., Winkler County, Texas.

PARCEL 17:

AP #3131

Section 20, Block 40, Survey 1886, P.S.L., Winkler County, Texas.

PARCEL 18:

AP #3132

Section 21, Block 40, Survey 1887, P.S.L., Winkler County, Texas.

PARCEL 19:

AP #3133

Section 22, Block 40, Survey 1888, P.S.L., Winkler County, Texas.

PARCEL 20:

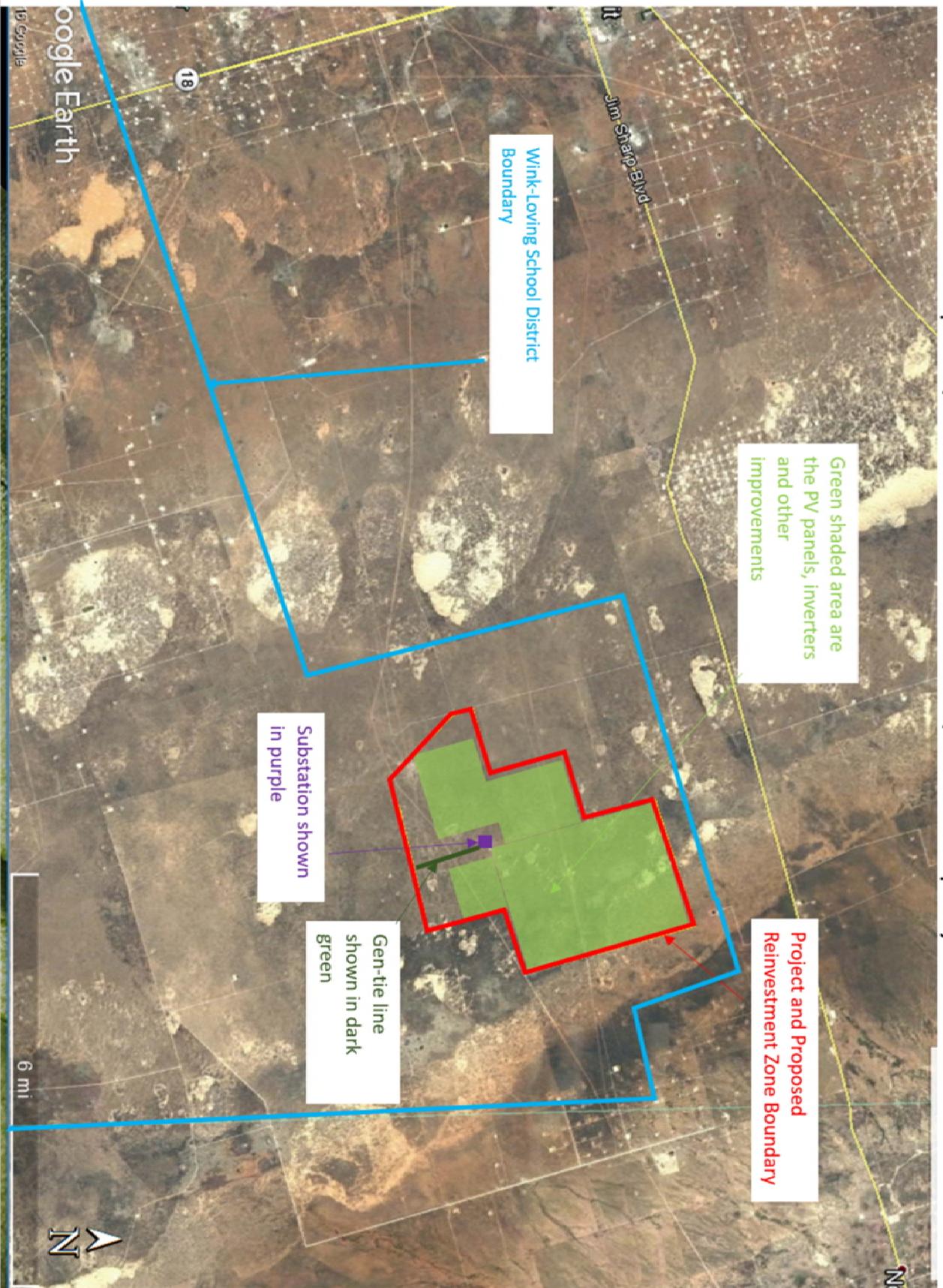
AP #3143

Section 32, Block 40, Survey 199, P.S.L., Winkler County, Texas.

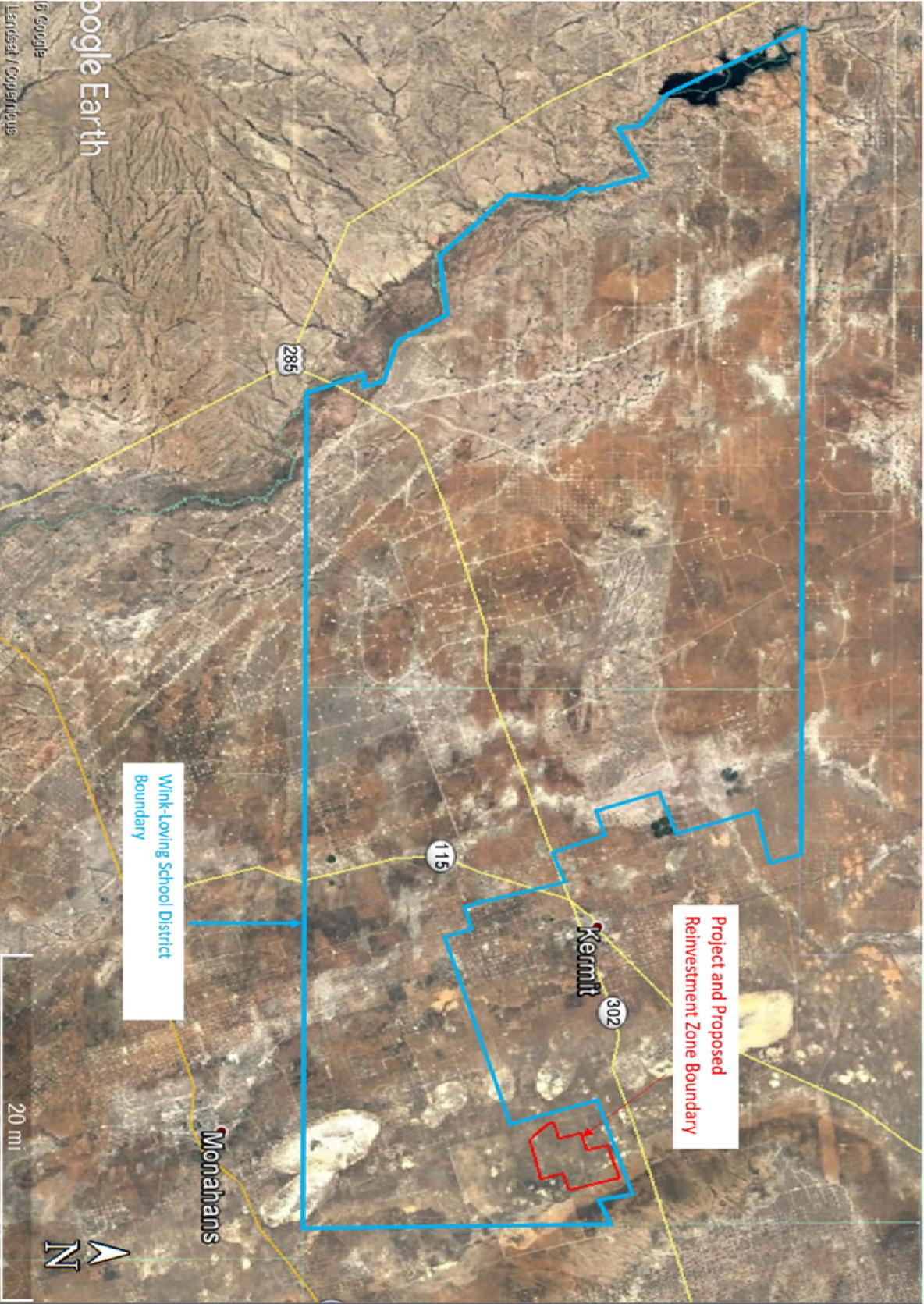
EXHIBIT B
MAP OF “HENRY”
REINVESTMENT ZONE

[FOLLOWS ON SUBSEQUENT PAGE]

Map of Qualified Investment and Qualified Property



Project Vicinity Map and Reinvestment Zone Boundary



Guidelines & Criteria for Creating the Reinvestment Zone

[ATTACHED ON SUBSEQUENT PAGES]

COMMISSIONERS COURT §
 §
WINKLER COUNTY §

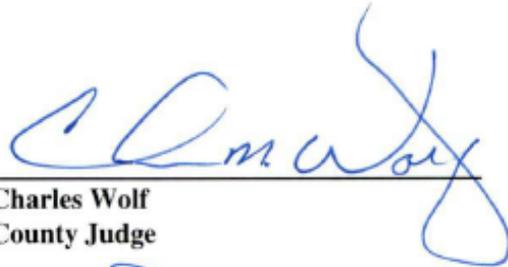
**RESOLUTION APPROVING WINKLER COUNTY'S
TAX ABATEMENT GUIDELINES AND CRITERIA**

WHEREAS, The Winkler County Commissioner's Court met in a regularly called session on May 8, 2017 and found that the Winkler County Tax Abatement Guidelines and Criteria have been reviewed; and

WHEREAS, This Court wishes to renew the Criteria and Guidelines, as revised, for the purpose of making tax abatement incentives available within the County;

NOW, THEREFORE, BE IT RESOLVED that the attached Tax Abatement Guidelines and Criteria are hereby approved and renewed for a period of two years effective May 8, 2017.

PASSED AND APPROVED on the **8th** day of **May, 2017** by the Winkler County Commissioners Court.



Charles Wolf
County Judge

ATTEST:

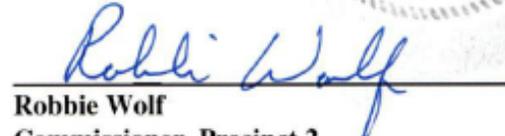


Shethelia Reed
County Clerk





Billy Stevens
Commissioner, Precinct 1



Robbie Wolf
Commissioner, Precinct 2



Hope Williams
Commissioner, Precinct 3



Billy Ray Thompson
Commissioner, Precinct 4

**WINKLER COUNTY
STATE OF TEXAS**

TAX ABATEMENT GUIDELINES AND CRITERIA

The following Guidelines and Criteria have been adopted by the Winkler County Commissioners' Court to establish a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long-term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property, except as otherwise provided.

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

1. Must be reasonably expected to have an increase in positive net economic benefit to Winkler County of at least \$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,
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Winkler County to another.

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

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

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

It is the goal of Winkler 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 Winkler County Commissioners' Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of the date adopted by the Winkler County Commissioners' Court and shall at all times be kept current with regard to the needs of Winkler County and reflective of the official views of the County Commissioners' Court. These Guidelines and Criteria shall be reviewed every two (2) years.

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

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

DEFINITIONS – SECTION I

- A. “Abatement” means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Winkler County or the Cities of Kermit and/or Wink for economic development purposes.
- B. “Agreement” means a contractual agreement between a property owner and/or lessee and Winkler 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 Winkler County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Winkler County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to, hotels and office buildings.
- 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 building, structures, machinery, or equipment, or both.
- I. “New Facility” means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- J. “Productive Life” means the number of years property improvement(s) is/are expected to be in service in a facility.

ABATEMENT AUTHORIZED – SECTION II

- 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 Winkler County and the property owner or lessee, subject to such limitations as Winkler 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 Winkler County and the property owner or lessee, subject to such limitations as Winkler County may require.
- D. Eligible Property. Abatement may be extended to the value of the buildings, structures, fixed machinery and equipment, site improvements, 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 tax abatement: land; supplies; tools; furnishings, and other forms of movable personal property; housing; deferred maintenance; property to be rented or leased, except as provided in Section II(F); property which has a productive life of less than ten (10) years.
- F. Owned/Leased Facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.
- G. Economic Qualifications. In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
- (1) Must be reasonably expected to have an increase in positive net economic benefit to Winkler County of at least \$1,000,000.00 over the life of the abatement agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
 - (2) Must not be expected to solely or primarily have the effect of transferring employment from one part of Winkler County to another.
- H. Standards for Tax Abatement. The following factors, among others, shall be considered in determining whether to grant tax abatement:
- (1) Value of existing improvements, if any;
 - (2) Type and value of proposed improvements;
 - (3) Productive life of proposed improvements;
 - (4) Number of existing jobs to be retained by proposed improvements;
 - (5) Number and type of new jobs to be created by proposed improvements;
 - (6) Amount of local payroll to be created;
 - (7) Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
 - (8) Amount 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 \$1,000,000.00;
 - (9) The costs to be incurred by Winkler County to provide facilities directly resulting from the new improvements;
 - (10) The amount of ad valorem taxes to be paid to Winkler 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 Winkler County that occurs directly as a result of new improvements;
 - (12) The types and values of public improvements, if any, to be made by applicant seeking abatement;
 - (13) Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
 - (14) The impact on the business opportunities of existing business;
 - (15) The attraction of other new businesses to the area;

- (16) The overall compatibility with the zoning ordinances and comprehensive plan for the area;
- (17) Whether the project obtains all necessary permits from the applicable environmental agencies.

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

- I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) There would be substantial adverse effect on the provision of government services or tax base;
 - (2) The applicant has insufficient financial capacity;
 - (3) Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
 - (4) Violation of other codes or laws; or
 - (5) Any other reason deemed appropriate by Winkler County.
- J. Taxability. From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Section II(E) shall be fully taxable; and
 - (2) The base year value of existing eligible property as determined each year shall be fully taxable.

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

APPLICATION – SECTION III

- A. Any present or potential owner of taxable property in Winkler County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge of Winkler County.
- B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to this application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Winkler County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00, the fee shall be ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00).
- C. Winkler 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

the public hearing, and publication in a newspaper of general circulation within such taxing jurisdiction no later than the seventh day before the public hearing. Before acting upon the application, Winkler County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced herein above, and the public the opportunity to show cause why the abatement should or should not be granted.

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

AGREEMENT – SECTION IV

- A. After approval, the Commissioners' Court of Winkler County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required which shall:
1. Include a list of the kind, number and location of all proposed improvements to the property;
 2. Provide access to and authorize inspection of the property by the taxing unit to insure compliance with the agreement;
 3. Limit the use of the property consistent with the taxing unit's development goals;
 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
 5. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit; and
 6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement.
- B. The owner of the facility and lessee shall also agree to the following:
1. A specified number of permanent full time jobs at facility shall be created, and the owner and lessee shall make reasonable efforts to employ persons who are residents of Winkler County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
 - a. Equally or more qualified than nonresident applicants;
 - b. Available for employment on terms and/or salaries comparable to those required by nonresident applicants; or
 - c. Able to become qualified with 72 hours training provided by owner.
 2. Each person employed in such job shall perform a portion, if not all, of their work in Winkler County.
 3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Winkler County businesses in the construction, operation and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Winkler County residents that are not:

- a. Of similar quality to those provided by nonresidents; or
 - b. Made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, owner or its construction contractor, if any, shall advertise in local newspapers in Winkler County for local contractors to perform work on the construction project.
 5. On May 1st of each year that the agreement shall be in effect, owner shall certify to the County Judge of Winkler County, and to the governing body of each taxing unit, that owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to the Commissioners' Court.

RECAPTURE – SECTION V

- A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed to Winkler County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; 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 Winkler County determine that the applicant or its assignee is in default according to the terms and conditions of its agreement, Winkler 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 ("cure period"), then the agreement may be terminated.

ADMINISTRATION – SECTION VI

- A. The Chief Appraiser of the Winkler County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners' Court of Winkler County of the amount of the assessment.
- B. Winkler 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 Winkler 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 a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Winkler County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners' Court.

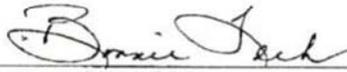
ASSIGNMENT – SECTION VII

The abatement agreement 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 Commissioners' Court of Winkler County, 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 and/or assumption agreement with Winkler County. 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.

SUNSET PROVISION – SECTION VIII

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters vote of the Commissioners' Court of Winkler County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the Guidelines and Criteria will be modified, renewed or eliminated.

ADOPTED on the 25th day of March, 2013.



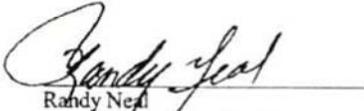
Bonnie Leck
Winkler County Judge



Billy J. Stevens
Commissioner, Precinct 1



Robbie Wolf
Commissioner, Precinct 2

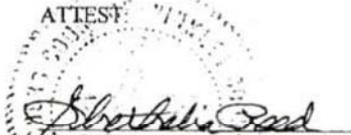


Randy Neal
Commissioner, Precinct 3



Billy Ray Thompson
Commissioner, Precinct 4

ATTEST


Shethelja Reed
Winkler County Clerk

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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

Scotty Calman
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

[Signature]
Signature (Authorized School District Representative)

10-11-17
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

Michael U. Alvarez
Print Name (Authorized Company Representative (Applicant))

COO
Title

sign here

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

10.9.17
Date

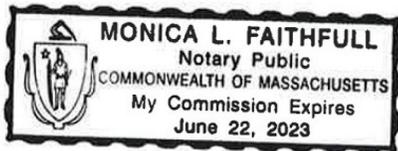
GIVEN under my hand and seal of office this, the

9th day of October, 2017

[Signature]

Notary Public in and for the State of ~~Texas~~ Massachusetts

My Commission expires: 01/22/2023



(Notary Seal)

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.