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JUSTIN DEMERATH

BENJAMIN CASTILLO

September 19, 2017

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

RE: 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:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Wink-Loving Independent School District is notifying Phoebe Energy Project, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. Please prepare the economic impact report.

The Applicant submitted the Application to the school district on September 14, 2017. The Board voted to accept the application on September 14, 2017. The application has been determined complete as of September 18, 2017.

The company has submitted Tabs portions of tabs 9, 10, 11, and 16 as confidential materials 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.

- Tab 9. Company has provided a non-confidential description of the Land. The confidential material is being submitted separately.
- Tab 10. Company has provided a non-confidential description of the CAD. The confidential material is being submitted separately.
- Tab 11 Maps of projects. The Qualified Investment, Qualified Property and Existing Property is all confidential. The map is being submitted separately.
- Tab 16. Land Description of the Re-Investment zone is Confidential and is being submitted separately.

Accessibility

We have included the accessibility report demonstrating that the document is fully accessible. To maintain the document in this form, we are submitting a password protected electronic version of the document. The password is 1234.

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.

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW

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AUSTIN, TEXAS 78701

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KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

October 3, 2017

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: 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 company has submitted Tabs portions of tabs 9, 10, 11, and 16 as confidential materials 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 portions of Tab 9, 10, 11 and 16 be kept confidential as they detail the planned location of the solar facility. The confidential materials are being submitted separately to protect against unintended disclosure. The location sited for this project results from detailed studies regarding the suitability of this site to produce solar energy. This information includes proprietary commercial information regarding the competitive siting decisions for the possible project and proprietary information regarding the proposed layout of the project. 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 CAD records also reveal the exact location of the planned facility. All of these materials are protected by the trade secret exception set forth in Texas Government Code §552.110. Should the school district approve this application, the company will withdraw its request for confidentiality.

The applicant provided a non-confidential coversheet for Tab 10. As stated above, all the CAD pages provided in response to Tab 10 are confidential since they give exact locations of all land.

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

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

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

Scotty

Carman

First Name

Last Name

Superintendent

Title

Wink-Loving ISD

School District Name

200 N. Rosey Dodd Avenue

Street Address

P.O. Box 637

Mailing Address

Wink

TX

79789

City

State

ZIP

(432) 527-3880

(432) 527-3505

Phone Number

Fax Number

scarman@wlisd.net

Mobile Number (optional)

Email Address

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

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

_____	_____
First Name	Last Name
Partner	
_____	_____
Title	
Moak, Casey & Associates	
_____	_____
Firm Name	
(512) 485-7878	(512) 485-7888
Phone Number	Fax Number
_____	dcasey@moakcasey.com
_____	_____
Mobile Number (optional)	Email Address

4. On what date did the district determine this application complete? September 18, 2017
5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

_____	_____	
First Name	Last Name	
Chief Operating Officer	Longroad Development Company, LLC	
_____	_____	
Title	Organization	
133 Federal Street		
Street Address		
Suite 1202		
Mailing Address		
Boston	MA	02210
City	State	ZIP
(617) 895-6300	N/A	
Phone Number	Fax Number	
_____	michael.alvarez@longroadenergy.com	
Mobile Number (optional)	Business Email Address	

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No
- 2a. If yes, please fill out contact information for that person.

_____	_____	
First Name	Last Name	
_____	_____	
Title	Organization	
_____	_____	
Street Address		
_____	_____	
Mailing Address		
_____	_____	
City	State	ZIP
_____	_____	
Phone Number	Fax Number	
_____	_____	
Mobile Number (optional)	Business Email Address	

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Scott _____ Pryor _____
 First Name Last Name
 Chief Development Officer _____
 Title _____
 7X Energy, Inc. _____
 Firm Name _____
 (512) 680-0052 _____
 Phone Number Fax Number
 scott.pryor@7X.energy _____
 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? Phoebe Energy Project, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32064451308

3. List the NAICS code 221114

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board 1/2018
- 2. Commencement of construction 7/2018
- 3. Beginning of qualifying time period 1/2019
- 4. First year of limitation 1/2020
- 5. Begin hiring new employees 12/2019
- 6. Commencement of commercial operations 12/2019
- 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? 1/2020

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Winkler County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Winkler CAD
- 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: Winkler County, \$0.80, 100% City: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: WCHD, \$0.28 (as of 9/19/17), 100% Water District: _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): _____ Other (describe): _____
(Name, tax rate and percent of project) (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? 20,000,000.00
 - 2. What is the amount of appraised value limitation for which you are applying? 25,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
 - 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
 - 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
 - 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 12: Qualified Property

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

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 2017
(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? 1

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 1,069.25
 - 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 1,143.98

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? 59,487.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,500.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

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 2

Please find on the attached page, a copy of the application fee check in the amount of \$75,000.00 made payable to the Wink-Loving Independent School District.

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

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

TAB 3

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

N/A

TAB 4

Detailed Description of the Project

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, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

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 for this project 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 6

Additional Districts that Comprise the Project:

There are none. The project is located 100% in the Wink-Loving Independent School District in Winkler County, Texas.

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, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

TAB 8

Description of Qualified Property

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, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure solar irradiance and other weather conditions; and Associated equipment to safely operate, maintain and deliver electricity to the grid.

TAB 9

Site Description

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.

TAB 10

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

1. N/A. See attached CAD records.

CONFIDENTIAL

[INSERTED CAD RECORDS ARE CONFIDENTIAL]

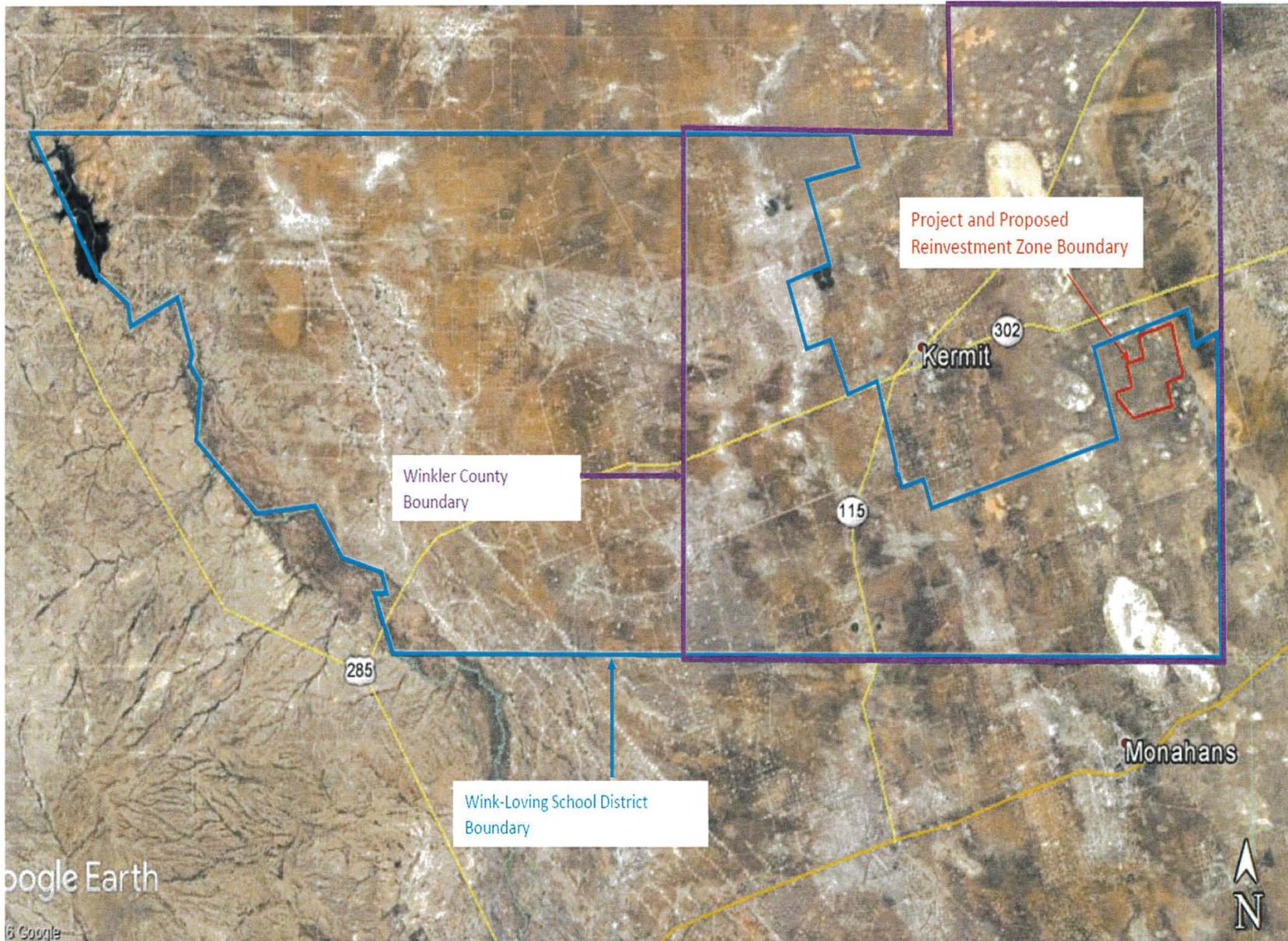
TAB 11

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





Request of Waiver of Job Creation Requirement

September 8, 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. 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	\$999
Winkler	2016	Q3	\$1,030
Winkler	2016	Q4	\$1,075
Winkler	2017	Q1	\$1,173
SUM:			\$4,277
CALCULATION:			\$4,277/4 = \$1,069.25

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	Total All	00	0	10	Total, all industries	\$1,075
2016	3rd Qtr	Winkler County	Total All	00	0	10	Total, all industries	\$1,030
2016	2nd Qtr	Winkler County	Total All	00	0	10	Total, all industries	\$999
2017	1st Qtr	Winkler County	Total All	00	0	10	Total, all industries	\$1,173
2016	1st Qtr	Winkler County	Total All	00	0	10	Total, all industries	\$1,050

**2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
<u>1. Panhandle Regional Planning Commission</u>	\$22.52	\$46,834
<u>2. South Plains Association of Governments</u>	\$18.27	\$38,009
<u>3. NORTEX Regional Planning Commission</u>	\$24.14	\$50,203
<u>4. North Central Texas Council of Governments</u>	\$26.06	\$54,215
<u>5. Ark-Tex Council of Governments</u>	\$19.07	\$39,663
<u>6. East Texas Council of Governments</u>	\$20.52	\$42,677
<u>7. West Central Texas Council of Governments</u>	\$20.31	\$42,242
<u>8. Rio Grande Council of Governments</u>	\$19.32	\$40,188
<u>9. Permian Basin Regional Planning Commission</u>	\$26.00	\$54,079
<u>10. Concho Valley Council of Governments</u>	\$18.78	\$39,066
<u>11. Heart of Texas Council of Governments</u>	\$21.14	\$43,962
<u>12. Capital Area Council of Governments</u>	\$30.06	\$62,522
<u>13. Brazos Valley Council of Governments</u>	\$17.66	\$36,729
<u>14. Deep East Texas Council of Governments</u>	\$18.06	\$37,566
<u>15. South East Texas Regional Planning Commission</u>	\$33.42	\$69,508
<u>16. Houston-Galveston Area Council</u>	\$27.52	\$57,246
<u>17. Golden Crescent Regional Planning Commission</u>	\$26.38	\$54,879
<u>18. Alamo Area Council of Governments</u>	\$21.67	\$45,072
<u>19. South Texas Development Council</u>	\$15.02	\$31,235
<u>20. Coastal Bend Council of Governments</u>	\$27.85	\$57,921
<u>21. Lower Rio Grande Valley Development Council</u>	\$17.55	\$36,503
<u>22. Texoma Council of Governments</u>	\$20.98	\$43,648
<u>23. Central Texas Council of Governments</u>	\$18.65	\$38,783
<u>24. Middle Rio Grande Development Council</u>	\$23.05	\$47,950

Source: Texas Occupational Employment and Wages

Data published: July 2017

TAB 14

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

See attached Excel Spreadsheet

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

Date **9/6/2017**
 Applicant Name **Phoebe Energy Project, LLC**
 ISD Name **Wink-Loving ISD**

Form 50-296A

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district			2017	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				218,000,000	500,000	0	0	218,500,000
Complete tax years of qualifying time period	QTP1	2019-2020	2019	3,630,000	0	0	0	3,630,000
	QTP2	2020-2021	2020	3,630,000	0	0	0	3,630,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				225,260,000	500,000	0	0	225,760,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				225,760,000				

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				
				225,260,000	500,000	0	0	225,760,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	218,000,000	500,000	0	0	218,500,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	3,630,000	0	0	0	3,630,000
Value limitation period***	1	2020-2021	2020	0	0	3,630,000	0	3,630,000
	2	2021-2022	2021	0	0	3,706,000	0	3,706,000
	3	2022-2023	2022	0	0	3,780,251	0	3,780,251
	4	2023-2024	2023	0	0	3,855,856	0	3,855,856
	5	2024-2025	2024	0	0	3,932,973	0	3,932,973
	6	2025-2026	2025	0	0	4,702,148	0	4,702,148
	7	2026-2027	2026	0	0	4,796,191	0	4,796,191
	8	2027-2028	2027	0	0	4,892,114	0	4,892,114
	9	2028-2029	2028	0	0	4,989,957	0	4,989,957
	10	2029-2030	2029	0	0	5,089,756	0	5,089,756
Total Investment made through limitation				221,630,000	500,000	43,375,245	0	265,505,245
Continue to maintain viable presence	11	2030-2031	2030			5,191,551		5,191,551
	12	2031-2032	2031			5,295,382		5,295,382
	13	2032-2033	2032			5,401,290		5,401,290
	14	2033-2034	2033			5,509,315		5,509,315
	15	2034-2035	2034			5,619,502		5,619,502
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035			5,731,892		5,731,892
	17	2036-2037	2036			5,846,530		5,846,530
	18	2037-2038	2037			5,963,460		5,963,460
	19	2038-2039	2038			6,082,729		6,082,729
	20	2039-2040	2039			6,204,384		6,204,384
	21	2040-2041	2040			6,328,472		6,328,472
	22	2041-2042	2041			6,455,041		6,455,041
	23	2042-2043	2042			6,584,142		6,584,142
	24	2043-2044	2043			6,715,825		6,715,825
	25	2044-2045	2044			6,850,141		6,850,141

* 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

9/6/2017

Applicant Name

Phoebe Energy Project, LLC

Form 50-296A

ISD Name

Wink-Loving ISD

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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	0	2017-2018	2017	0	0	0	0	0	0
	0	2018-2019	2018	0	0	0	0	0	0
	0	2019-2020	2019	0	500,000	3,630,000	4,130,000	4,130,000	4,130,000
Value Limitation Period	1	2020-2021	2020	0	500,000	225,260,000	225,760,000	225,760,000	25,000,000
	2	2021-2022	2021	0	475,000	191,471,000	191,946,000	191,946,000	25,000,000
	3	2022-2023	2022	0	451,250	162,750,350	163,201,600	163,201,600	25,000,000
	4	2023-2024	2023	0	428,688	138,337,798	138,766,485	138,766,485	25,000,000
	5	2024-2025	2024	0	407,253	117,587,128	117,994,381	117,994,381	25,000,000
	6	2025-2026	2025	0	386,890	99,949,059	100,335,949	100,335,949	25,000,000
	7	2026-2027	2026	0	367,546	84,956,700	85,324,246	85,324,246	25,000,000
	8	2027-2028	2027	0	349,169	72,213,195	72,562,364	72,562,364	25,000,000
	9	2028-2029	2028	0	331,710	61,381,216	61,712,926	61,712,926	25,000,000
	10	2029-2030	2029	0	315,125	52,174,033	52,489,158	52,489,158	25,000,000
Continue to maintain viable presence	11	2030-2031	2030	0	299,368	45,052,000	45,351,368	45,351,368	45,351,368
	12	2031-2032	2031	0	284,400	45,052,000	45,336,400	45,336,400	45,336,400
	13	2032-2033	2032	0	270,180	45,052,000	45,322,180	45,322,180	45,322,180
	14	2033-2034	2033	0	256,671	45,052,000	45,308,671	45,308,671	45,308,671
	15	2034-2035	2034	0	243,837	45,052,000	45,295,837	45,295,837	45,295,837
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	0	231,646	45,052,000	45,283,646	45,283,646	45,283,646
	17	2036-2037	2036	0	220,063	45,052,000	45,272,063	45,272,063	45,272,063
	18	2037-2038	2037	0	209,060	45,052,000	45,261,060	45,261,060	45,261,060
	19	2038-2039	2038	0	198,607	45,052,000	45,250,607	45,250,607	45,250,607
	20	2039-2040	2039	0	188,677	45,052,000	45,240,677	45,240,677	45,240,677
	21	2040-2041	2040	0	179,243	45,052,000	45,231,243	45,231,243	45,231,243
	22	2041-2042	2041	0	170,281	45,052,000	45,222,281	45,222,281	45,222,281
	23	2042-2043	2042	0	161,767	45,052,000	45,213,767	45,213,767	45,213,767
	24	2043-2044	2043	0	153,678	45,052,000	45,205,678	45,205,678	45,205,678
	25	2044-2045	2044	0	145,995	45,052,000	45,197,995	45,197,995	45,197,995

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

Schedule C: Employment Information

Date 9/6/2017
 Applicant Name Phoebe Energy Project, LLC
 ISD Name Wink-Loving ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E 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	2017-2018	2017	0	0	0	0	0
	0	2018-2019	2018	100 FTE	50,000	0	0	0
	0	2019-2020	2019	350 FTE	50,000			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	N/A	N/A	0	1	59,500
	2	2021-2022	2021	N/A	N/A	0	1	59,500
	3	2022-2023	2022	N/A	N/A	0	1	59,500
	4	2023-2024	2023	N/A	N/A	0	1	59,500
	5	2024-2025	2024	N/A	N/A	0	1	59,500
	6	2025-2026	2025	N/A	N/A	0	1	59,500
	7	2026-2027	2026	N/A	N/A	0	1	59,500
	8	2027-2028	2027	N/A	N/A	0	1	59,500
	9	2028-2029	2028	N/A	N/A	0	1	59,500
	10	2029-2030	2029	N/A	N/A	0	1	59,500
Years Following Value Limitation Period	11 through 25	2030-2044	2030-2044	N/A	N/A	0	1	59,500

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) Yes No
 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 9/6/2017
Applicant Name Phoebe Energy Project, LLC
ISD Name Wink-Loving 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:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Winkler County	2020	10 Years	1,950,000	75%	487,500
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				1,950,000		487,500

Additional information on incentives for this project:

Winkler County Terms: 10 year abatement at 75%.
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TAB 15

Economic Impact

Phoebe Energy Project, LLC, will not be including an Economic Impact Report.

CONFIDENTIAL

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*

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.

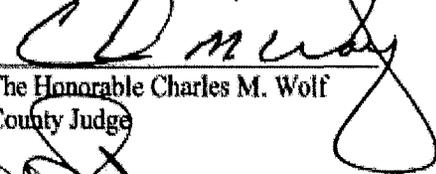
SECTION 6. That the Winkler County Commissioners Court accepts the Application for Tax Abatement submitted by Phoebe Energy Project, LLC.

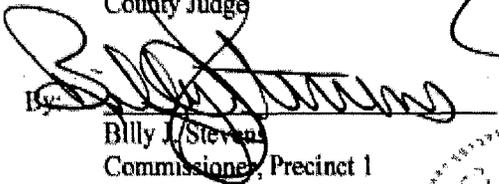
SECTION 7. That if any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

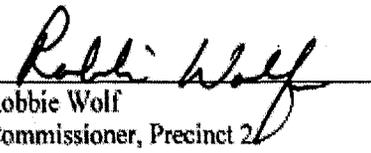
SECTION 8. That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the Winkler County Commissioners Court, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required 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.

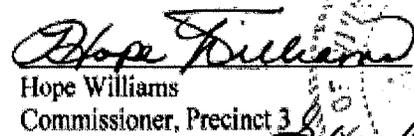
PASSED, APPROVED, AND ADOPTED on this 22nd day of May, 2017.

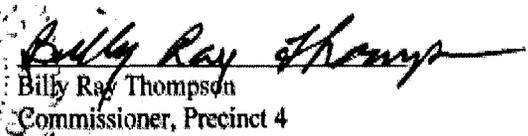
WINKLER COUNTY, TEXAS

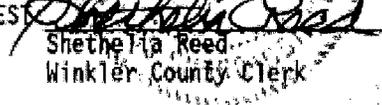
By: 
The Honorable Charles M. Wolf
County Judge

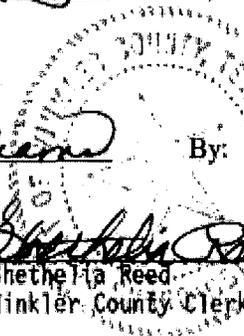
By: 
Billy J. Stevens
Commissioner, Precinct 1

By: 
Robbie Wolf
Commissioner, Precinct 2

By: 
Hope Williams
Commissioner, Precinct 3

By: 
Billy Ray Thompson
Commissioner, Precinct 4

ATTEST: 
Shetheta Reed
Winkler County Clerk



Guidelines & Criteria for Creating the Reinvestment Zone

[ATTACHED ON SUBSEQUENT PAGES]

COMMISSIONERS COURT §
 §
WINKLER COUNTY §

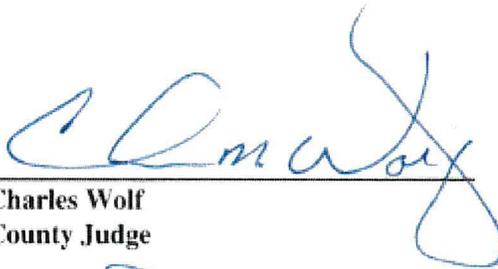
**RESOLUTION APPROVING WINKLER COUNTY'S
TAX ABATEMENT GUIDELINES AND CRITERIA**

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 11(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.

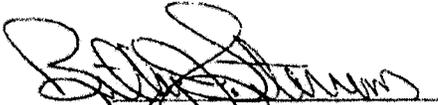
SUNSET PROVISION - SECTION VIII

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.

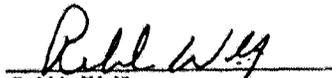
ADOPTED on the 25th day of March, 2013.



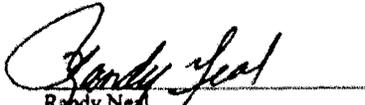
Bonnie Leck
Winkler County Judge



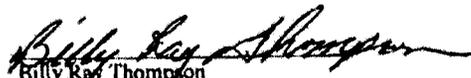
Billy J. Stevens
Commissioner, Precinct 1



Robbie Wolf
Commissioner, Precinct 2



Randy Neal
Commissioner, Precinct 3



Billy Ray Thompson
Commissioner, Precinct 4

ATTEST:



Shethelja Reed
Winkler County Clerk

TAB 17

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

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

Scotty CARMAN
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

Scotty Carman
Signature (Authorized School District Representative)

9-14-17
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

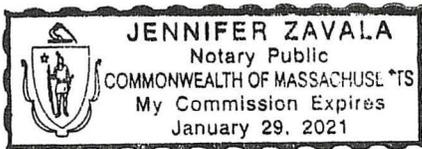
Michael U. Alvarez
Print Name (Authorized Company Representative (Applicant))

COO
Title

sign here

Michael U. Alvarez
Signature (Authorized Company Representative (Applicant))

9-6-17
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

6th day of September 2017
Jennifer Zavala
Notary Public in and for the State of ~~Texas~~ Massachusetts
My Commission expires: January 29, 2021

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.