

O'HANLON, DEMERATH & CASTILLO

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April 13, 2018

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

RE: Application to the Wilson Independent School District from Sage Draw Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Wilson Independent School District is notifying Sage Draw Wind, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The electronic copy is identical to the hard copy that will be hand delivered.

The Applicant submitted the Application to the school district on April 10, 2018. The Board voted to accept the application on April 10, 2018. The application has been determined complete as of April 13, 2018. Please prepare the economic impact report.

A copy of the application will be submitted to the Lynn and Garza County Appraisal Districts.

Sincerely,



Kevin O'Hanlon
School District Consultant

Cc: Lynn County Appraisal District
Garza County Appraisal District
Sage Draw Wind, LLC

Sage Draw Wind, LLC

**Application for Appraised Value
Limitation on Qualified Property**

Presented to Wilson ISD

April 10, 2018

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 Item 1

Executed Application Attached

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

4/10/2018

Date Application Received by District

Jerry

First Name

Burger

Last Name

Superintendent

Title

Wilson Independent School District

School District Name

1411 Green

Street Address

PO Box 9

Mailing Address

Wilson

City

806-628-6271

Phone Number

Texas

State

79381

ZIP

806-628-6441

Fax Number

jburger@esc17.net

Email Address

Mobile Number (optional)

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)*

Mali	Hanley
First Name	Last Name
Consultant	
Title	
O'Hanlon, Demerath & Castillo	
Firm Name	
512-494-9949	512-494-9919
Phone Number	Fax Number
	mhanley@808west.com
Mobile Number <i>(optional)</i>	Email Address

4. On what date did the district determine this application complete? April 12, 2018
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)*

Philip	Moore	
First Name	Last Name	
Vice President, Development	Lincoln Clean Energy, LLC	
Title	Organization	
401 N. Michigan Avenue, Suite 501		
Street Address		
401 N. Michigan Avenue, Suite 501		
Mailing Address		
Chicago	Illinois	60611
City	State	ZIP
512-767-7461		
Phone Number	Fax Number	
	pmoore@lincolnclean.com	
Mobile Number <i>(optional)</i>	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.

Eric	Barnett	
First Name	Last Name	
Development Director	Lincoln Clean Energy, LLC	
Title	Organization	
812 San Antonio, Suite 530		
Street Address		
812 San Antonio, Suite 530		
Mailing Address		
Austin	Texas	78701
City	State	ZIP
512-484-4613		
Phone Number	Fax Number	
	ebarnett@lincolnclean.com	
Mobile Number <i>(optional)</i>	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)

David	Sewell
First Name	Last Name
Attorney	
Title	
Stahl, Bernal, Davies, Sewell & Chavarria, LLP	
Firm Name	
512-346-5558	512-346-2712
Phone Number	Fax Number
dsewell@sbaustinlaw.com	
Business Email Address	

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Sage Draw Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32061883339
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement
- Application has concurrently submitted an application to Southland ISD

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

☒ Land has no existing improvements

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

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

☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, 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 7/1/2018
2. Commencement of construction Q4 2018
3. Beginning of qualifying time period 7/1/2018
4. First year of limitation 2020
5. Begin hiring new employees Q4 2019
6. Commencement of commercial operations Q4 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? Q4 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Lynn County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Lynn 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: Lynn County 0.85, 100% n/a
(Name, tax rate and percent of project)
 Hospital District: Lynn Co Hospital 0.2899, 100% n/a
(Name, tax rate and percent of project)
 Other (describe): n/a High Plains UWD 0.0069, 100%
(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? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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? 3
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 866.00
- b. 110% of the average weekly wage for manufacturing jobs in the county is 867.90
- c. 110% of the average weekly wage for manufacturing jobs in the region is 804.04
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? 41,811.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 41,811.00
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**.

Tab Item 2

Proof of Payment of Application Fee

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 Item 3

Affiliate List



05-165
(Rev.9-11/3)

Texas Franchise Tax Extension Affiliate List

■ Tcode 13298 Franchise

■ Reporting entity taxpayer number

3 2 0 5 9 3 0 3 7 6 1

■ Report year

2 0 1 6

Reporting entity taxpayer name

Lincoln Clean Energy, LLC

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ANTELOPE FLATS WIND, LLC	3 2 0 6 1 8 4 2 0 9 5	■ <input type="radio"/>
2. COYOTE WIND, LLC	3 2 0 6 0 8 1 6 7 2 8	■ <input type="radio"/>
3. DERMOTT WIND, LLC	3 2 0 5 6 7 6 8 1 1 5	■ <input type="radio"/>
4. LOCKETT WINDFARM, LLC	3 2 0 5 7 0 2 5 9 8 6	■ <input type="radio"/>
5. ROCKWOOD ENERGY CENTER, LLC	3 2 0 5 4 4 9 4 9 2 0	■ <input type="radio"/>
6. SHAWNEE ENERGY CENTER, LL	3 2 0 5 5 3 9 4 7 5 6	■ <input type="radio"/>
7. SAGE DRAW WIND, LLC	3 2 0 6 1 8 8 3 3 3 9	■ <input type="radio"/>
8. SANDSAGE SOLAR, LLC	3 2 0 5 6 7 5 1 3 9 2	■ <input type="radio"/>
9. ST. LAWRENCE SOLAR, LLC	3 2 0 5 9 7 7 5 9 0 1	■ <input type="radio"/>
10. STANORAH SOLAR, LLC	3 2 0 5 6 6 8 6 5 4 9	■ <input type="radio"/>
11. TAHOKA WIND, LLC	3 2 0 6 1 8 6 2 3 8 2	■ <input type="radio"/>
12. TX NAZARETH SOLAR, LLC	3 2 0 5 3 6 3 2 8 5 0	■ <input type="radio"/>
13. WAYSIDE WIND, LLC	3 2 0 5 9 3 4 2 6 8 6	■ <input type="radio"/>
14. WILLOW SPRINGS WINDFARM, LLC	3 2 0 5 6 6 9 8 2 6 2	■ <input type="radio"/>
15. STAKED PLAINS ENERGY, LLC	3 2 0 5 9 7 5 9 4 5 9	■ <input type="radio"/>
16.		■ <input type="radio"/>
17.		■ <input type="radio"/>
18.		■ <input type="radio"/>
19.		■ <input type="radio"/>
20.		■ <input type="radio"/>
21.		■ <input type="radio"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only

VE/DE

☐

FM

☐



Tab Item 4

Detailed Description of the Project

Provide 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.

Sage Draw Wind, LLC (“Sage Draw Wind”) is requesting a Chapter 313 Appraised Value Limitation Agreement from Wilson ISD for a proposed renewable energy project using wind turbines (the “Project”) to be constructed partially in Southland ISD (Lynn County and Garza County) and partially in Wilson ISD (Lynn County) (the “Project”). The portion of the Project located in Wilson ISD is the subject of this application. The portion of the Project located in Southland ISD is the subject of a separate application being filed simultaneous with this application.

The installed capacity of the proposed project is expected to be approximately 300 megawatts (MW). While turbine type and size have yet to be finalized, the current plan is to utilize approximately one-hundred and twenty (120) GE 2.5 MW wind turbine generators with 89m towers and rotors of 127m rotor diameter. The Project is anticipated to cover approximately 50,000 acres of privately-owned land, all currently used as farmland or pasture, and such uses can continue as the Project is designed to be compatible with such activities. Construction of the Project is expected to commence in December 2018, and is anticipated to be complete in the fourth quarter of 2019. The siting of the wind turbine generators is currently proposed to be allocated among the counties and school districts as follows:

Southland ISD

65 turbines for a total of 162.5 MW
(30 in Lynn County; 35 in Garza County)

Wilson ISD

55 turbines for a total of 137.5 MW

In addition to the wind turbines, the Project will also include the following improvements:

- an operations and maintenance building (located in Southland ISD, Lynn County)
- underground electrical collection cables (located throughout the Project area)
- meteorological towers
- substation (located in Southland ISD, Lynn County)
- overhead transmission line that will connect the project substation to a substation owned by Sharyland Utilities (the Point of Interconnection, which is located in Lynn County) (a portion of the transmission line is located in Southland ISD, Lynn County)

None of this property is covered under an existing appraisal district account number.

This Project is expected to have a useful life of 30 years or more.

Approximately 200 construction workers are anticipated at peak of construction activity, and approximately 6 permanent full time workers are anticipated for the plan management and operations and maintenance functions for the entire project.

Tab Item 5

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

Sage Draw Wind, LLC ("Sage Draw Wind") is a Delaware limited liability company. Sage Draw Wind has one member with 100% ownership, Lincoln Clean Energy, LLC ("LCE"). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.

In order for the Project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2016. This work consisted of earth-moving to prepare eight (8) holes for turbine foundations (though foundations were not installed) and installation of 2,000 linear feet of road connecting two foundation holes. Additional Production Tax Credit (PTC) work was done prior to the deadline of December 31, 2017. The work consisted of earth moving to prepare eight (8) holes for turbine foundations (though foundations were not installed). These pre-construction activities were not deemed to have created taxable improvements by the Lynn County Central Appraisal District and no tax bill was delivered. The pre-construction activities did not result in the creation of any Qualified Property.

The Applicant's completion of this minor amount of PTC qualification work does not, either legally or financially commit it to constructing the Project in Lynn and Garza Counties.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. In addition to its projects in Texas, the developer is assessing or developing projects in Oklahoma, Nebraska, Indiana, Iowa, North Dakota, South Dakota, Montana, New Mexico, Arkansas, Alabama, and Mississippi. This appraised value limitation is critical to the ability of the Project to move forward in Wilson ISD.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this Project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in states with more favorable economics.

Tab Item 6

The overall Project is anticipated to have a capacity of 300 MW consisting of 120 GE 2.5 MW wind turbine generators, with each having a nameplate capacity of 2.5 MW. The siting of the turbines will be allocated among the counties and school districts as follows:

Southland ISD

65 turbines for a total of 162.5 MW
(30 in Lynn County, 35 in Garza County)

Wilson ISD

55 turbines for a total of 137.5 MW

Based on the location of the turbines shown above, 54% of the Project is located in Southland ISD, and 46% of the Project is located in Wilson ISD.

Based on the location of the turbines shown above, 71% of the Project is located in Lynn County, and 29% of the Project is located in Garza County.

The Project's substation will be located in Southland ISD (Lynn County). The Project's Point of Interconnection is in Lynn County. A portion of the transmission line connecting the Project's substation to the Point of Interconnection will be located in Southland ISD (Lynn County).

Tab Item 7

Description of Qualified Investment

Sage Draw Wind, LLC plans to construct a 300 MW wind farm consisting of 120 turbines in Lynn and Garza Counties and within the boundaries of Wilson ISD and Southland ISD.

The applicant is requesting an appraised value limitation on all of the qualified investment and the qualified property constructed or placed upon the real property within Wilson ISD. For purposes of this application, the Project anticipates using General Electric (GE) 2.5 MW turbines. The qualified investment in Wilson ISD is expected to include approximately fifty-five (55) GE 2.5 MW wind turbine generators, including 89m towers, nacelles, rotors with 127m rotor diameter, and reinforced concrete foundations, pads, underground and overhead electric collection cables, met towers, spare parts and control systems as necessary for the commercial generation of electricity. While the turbine locations have not yet been finalized, they are expected to be sited in a series of rows running approximately east to west in the Northeastern part of Lynn County and Northwestern part of Garza County. The map in Tab 11 shows the preliminary turbine locations. The exact placement of these turbines, as well the exact specifications, heights, and component parts, is subject to ongoing planning, soil and geotechnical studies, and engineering and will be determined before construction commences.

In addition to the wind turbines, the Project will also include the following qualified investment in Wilson ISD:

- underground electrical collection cables

The approximate location of each of these improvements is shown on the map in Tab 11.

Tab Item 8

Description of Qualified Property

See Tab Item 7. The Qualified Property Description is the same as the Qualified Investment.

Tab Item 9

Description of Land

See the maps attached as Tab 11. The Project will include all of the land described below that is located in Lynn County and Garza County. This application covers the portion of the Lynn County land described below that is located in Wilson ISD.

LYNN COUNTY LEGAL DESCRIPTION: BEING APPROXIMATELY 234,222 ACRES OF LAND AND BEING ALL OF AND/OR ANY PORTIONS OF SECTIONS: 1, A-1456, 2, A-1459, 3, A-154, 4, A-588, 9, A-157, 10, A-586, 11, A-1457 AND 12, A-1461, BLOCK 10, E.L. & R.R. RR Co. SURVEY, 389, A-1489, 390, A-1518, 391, A-371, 392, A-1504, 395, A-165, 396, A-589, 397, A-1490, 398, A-1494, 399, A-1488, 400, A-1505, 401, A-193, 402, A-1063, 403, A-33, 404, 1513, 431, A-167 AND 432, A-1021, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 437, A-56, 438, A-574, 439, A-205, 440, A-460, 440, A-1014, 441, A-191 AND 442, A-1012, BLOCK 3, E.L. & R.R. RR Co. SURVEY, 275, A-1492, 276, A-1483, 2, A-1518, 1359, A-1486 AND 1360, A-1511, E.L. & R.R. RR Co. SURVEY, 1331, A-338 AND 1332, A-961, D. & S.E. RR Co. SURVEY, 1, A-1068, BLOCK H, E.L. & R.R. RR Co. SURVEY, 1, A-132, 2, A-1295, 2, A-1170, 2, A-672, 2, A-1468, 2, A-1186, 2, A-1435, 49, A-176, 443, A-36, 444, A-1013, 445, A-35, 446, A-488, 447, A-38, 448, A-1447, 448, 787, 448, A-1183, 448, 1239, 449, A-44, 450, A-808, 450, A-1416, 450, A-1070, 450, A-1415, 451, A-45, 452, A-1425, 452, A-1496, 452, A-785, 452, A-STATE, 453, A-46, 454, A-1335, 454, A-1164, 454, A-1050, 455, A-47, 456, A-587, 457, A-43, 458, A-1236, 458, A-1232, 459, A-48, 460, A-805, 461, A-49, 462, A-717, 462, A-1159, 462, A-1051, 463, A-42, 464, A-1022, 464, A-841, 465, A-41, 466, A-843, 466, A-1332, 467, A-50, 468, A-758, 469, A-37, 471, A-23, 472, A-759, 472, A-1034, 472, A-1119, 473, A-22, 474, A-1030, 474, A-760, 476, A-1476, 476, A-722, 477, A-10, 478, A-724, 479, A-11, 480, A-1117, 480, A-849, 481, A-20, 482, A-846, 482, A-1083, 482, A-1128, 482, A-1106, 482, A-1108, 482, A-1221, 482, A-1266, 482, A-1079, 483, A-21, 485, A-39, 486, A-1145, 486, A-725, 486, A-1056, 490, A-757, 493, A-18, 494, A-850, 494, A-1408, 494, A-1172, 495, A-19, 496, A-1219, 496, A-851, 497, A-13, 498, A-1285, 498, A-820, 498, A-1258, 498, A-1264, 499, A-14, 500, A-818, 503, A-25, 504, A-560, 505, A-26, 506, A-723, 507, A-27, 508, A-954, 509, A-28, 1361, A-40, 1405, A-1484, 1406, A-1512, 1407, A-1058, 1408, A-1074, 1409, A-1059, 1410, A-608, 1411, A-9, 1412, A-606, 1415, A-1060, 1416, A-679, 1417, A-1061, 1418, A-1075, 1419, A-1485 AND 1420, A-1500, BLOCK 1, E.L. & R.R. RR Co. SURVEY, 1413, A-200, 1414, A-461, 1425, A-198, 1426, A-462, 1427, A-199 AND 1428, A-463, BLOCK 18, E.L. & R.R. RR Co. SURVEY, 501, A-67, 502, A-695, 502, A-1111, 502, 1122, 503, A-63, 504, A-1004, 504, A-989, 504, A-1003, 505, A-64, 506, A-938, 506, A-1072, 506, A-1557, 506, A-1169, 506, A-753, 507, A-66, 508, A-1185, 508, A-673, 515, A-70, 516, A-710, 517, A-71, 518, A-1311, 518, A-753, 518, 1255, 519, A-69, 520, A-792, 521, A-72, 522, A-793, 529, A-65, 530, A-1521, 530, A-1550, 530, A-1529 AND 530, A-709, BLOCK 1, G.C. & S.F. RR Co. SURVEY, 223, A-275 AND 224, A-547, BLOCK 2, G.B. & C.N.G. RR Co. SURVEY, 1, A-312, 2, A-533, 3, A-315, 4, A-534, 5, A-313, 9, A-316 AND 10, A-535, BLOCK 2, L. & S.V. RR Co. SURVEY, 433, A-57, BLOCK 3, JOHN H. GIBSON SURVEY, 434, A-727, 434, A-1005 AND 434, A-1127, JOHN H. GIBSON SURVEY, 1, A-806, 1, A-337 AND 1, A-1377, D. & S.E. RR Co. SURVEY, 99, A-341 AND 100, A-825, BLOCK 3, D. & S.E. RR Co. SURVEY, 101, A-124, 102, A-1314, 102, A-788 AND 102, A-1477, BLOCK 3, D. & W. RR Co. SURVEY, 103, A-171, 104, A-807 AND 104, A-1417, BLOCK 3, E.L. & R.R. RR Co. SURVEY, 1362, A-1089, BLOCK 11, E.L. & R.R. RR Co. SURVEY, 404, A-1509, 406, A-1509, 551, A-89, 552, A-1095, 553, A-101, 554, A-1035, 559, A-86, 560, A-1071, 1421, A-1514, 1422, A-651, 1429, A-324 AND 1430, A-464, T.T. RR Co. SURVEY, 555, A-83, 556, A-502, 557, A-82 AND 558, A-557, T. & N.O. RR Co. SURVEY, 1323, A-1499, 1324, A-1503, 1365, A-1047, 1366, A-1096, 1367, A-1, 1368, A-1097, 1369, A-3, 1370, A-1087, 1371, A-2 AND 1372, A-1064, BLOCK 1, B.S. & F. SURVEY, 1321, A-322, 1322, A-1086, 1373, A-1073 AND 1374, A-1501, BLOCK 1, H. & O.B. RR Co. SURVEY, 561, A-81 AND 562, A-503, T. & N.O. RR Co. SURVEY, 601, A-268, 602, A-591, 603, A-269, 604, A-669, 605, A-68 AND 606, A-590,

BLOCK 2, G.C. & S.F. RR Co. SURVEY, 527, A-204, 528, A-690, 528, A-1465, 557, A-192, 558, A-774, 558, A-1175, 559, A-55, 560, A-1309, 560, A-703, 560, A-1300, 560, A-1302 AND 560, A-1303, BLOCK 2, E.L. & R.R. RR Co. SURVEY, 301, A-53 AND 302, A-544, BLOCK 3, E.L. & R.R. RR Co. SURVEY, 303, A-73, 304, A-492, 305, A-76, 306, A-465, 309, A-75 AND 310, A-466, BLOCK 3, G.C. & S.F. RR Co. SURVEY, 307, A-282, 308, A-1330, 308, A-809 AND 308, A-1274, BLOCK 3, H. & O.B. RR Co. SURVEY, 201, A-109, 202, A-763, 203, A-102, 204, A-1410, 204, A-761, 204, A-1440, 205, A-91, 206, A-764, 207, A-97, 208, A-1331, 208, A-730, 208, A-1294, 208, A-1299, 209, A-92, 210, A-761, 210, A-1410, 210, A-732, 211, A-100, 212, A-762, 213, A-110, 214, A-1317, 214, A-1018 AND 214, A-735, BLOCK 4, T.T. RR Co. SURVEY, 1, A-544, 2, A-1375, 2, A-942, 2, A-1215, 3, A-151, 4, A-952, 4, A-1123, 5, A-142, 6, A-815, 6, A-1341, 7, A-152, 8, A-1208, 8, A-860, 8, A-1540, 8, A-1554, 9, A-153, 10, A-991, 10, A-1053, 10, A-733, 11, A-144, 12, A-1351, 12, A-1355, 12, A-1482, 12, A-861, 13, A-143, 14, A-795, 15, A-145, 16, A-1406, 16, A-1404, 16, A-731, 16, A-1405, 17, A-146, 18, A-736, 18, A-1273, 19, A-147, 20, A-737, 20, A-992, 20, A-1131, 21, A-148, 22, A-1353, 22, A-749, 22, A-1048, 23, A-149, 24, A-1139, 24, A-796, 24, A-1124, 25, A-266, 26, A-1346, 26, A-797, 26, A-1218, 27, A-219, 28, A-930, 35, A-222, 36, A-1467, 36, A-1545, 36, A-931, 37, A-223, 38, A-928, 39, 212, 40, A-901, 81, A-172, 82, A-506, 222, A-543 AND 1274, A-474, BLOCK 8, E.L. & R.R. RR Co. SURVEY, 405, A-288 AND 406, A-784, BLOCK 9, H.E. & W.T. RR Co. SURVEY, 410, A-827, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 3, A-457, 221, A-134, 223, A-136, 224, A-545 AND 1273, A-1276, E.L. & R.R. RR Co. SURVEY, 27, A-177, 28, A-1126, 28, A-1436, 28, A-655, 41, A-259, 42, A-798, 42, A-1148 AND 42, 1147, BLOCK H, E.L. & R.R. RR Co. SURVEY, 39, A-296 AND 40, A-738, BLOCK 18, H.E. & W.T. RR Co. SURVEY, 563, A-8 AND 564, A-584, BROOKS & BURLESON SURVEY, 565, A-116, A.B. & M. SURVEY, 1, A-402, 2, A-964, 2, A-702 AND 2, A-1228, BLOCK Q, H.E. & W.T. RR Co. SURVEY, 3, A-133, 4, A-842, 4, A-1270 AND 4, A-1233, BLOCK Q, E.L. & R.R. RR Co. SURVEY, 1, A-321, BLOCK RT, R.T. CO. SURVEY, 1, A-1025, 1, A-1390, 1, A-1000, 1, 1032, 1, A-1376, BLOCK MH, S.N.M.C.D. SURVEY, 1, A-284, 2, A-1389, 2, A-1392, 2, A-1393, 2, A-1246, 2, A-1387, 2, A-1385, 2, A-681, 2, A-1382, 3, A-285, 4, A-1112, 4, A-694, 4, A-1324, 4, A-1356, 5, A-286, 6, A-680 AND 6, A-1379, BLOCK 1, H.E. & W.T. RR Co. SURVEY, 5, A-163, 6, A-687, 7, A-162, 8, A-648, 9, A-161, 16, A-854, 17, A-267 AND 18, A-688, BLOCK 7, E.L. & R.R. RR Co. SURVEY, 3, A-400 AND 4, A-646, BLOCK D20, G.W.T. & P. RR Co. SURVEY, 5, A-438 AND 6, A-647, BLOCK D20, W.T. RR Co. SURVEY, 23, A-401, 24, A-1008, 24, A-1527, 24, A-1357, 24, A-715, 24, A-1427 AND 24, A-1556, H.E. & W.T. RR Co. SURVEY, 12, A-1191, 12, A-979, 12, A-1100, 13, A-1301, 13, A-854, 14, A-1179, 14, A-1263, 14, A-1182, 14, A-812, 15, A-1305, 15, A-814, 15, A-1298, 15, A-1304, 16, A-996, 16, A-816, 16, A-1381, 16, A-STATE, 17, 1340, 17, A-1391, 17, A-1386, 17, A-1383 AND 18, A-1267, BLOCK D23, PUBLIC SCHOOL LAND SURVEY, 1251, A-1272, 1252, A-650, 1257, A-1237, 1258, A-649, A.B. & M. SURVEY, 1, A-271, 2, A-1153, 2, A-697, 2, A-1297, 2, A-1155, 2, A-1154 AND 12, A-667, BLOCK L, G.W.T. & P. RR Co. SURVEY, 3, A-310, 4, A-1141, 4, A-1316, 4, A-660, 4, A-1313, 5, A-309, 6, A-1105, 6, 682 AND 6, 1394, BLOCK L, I. RR Co. SURVEY, 7, A-4, 8, A-626, 11, A-272, 15, A-6, 16, A-668, 259, A-122, 260, A-927, 260, A-1031, 261, A-120, 262, A-659, 263, A-121 AND 264, A-862, BLOCK L, B.S. & F. SURVEY, 17, A-439, 18, 1039, 18, A-1243, 18, A-899 AND 18, A-1167, BLOCK L, D. & S.E. RR Co. SURVEY, 1, A-1279 AND 2, A-456, JASPER HAYS SURVEY, 1263, A-1277, 1264, A-614, 1265, A-1241 AND 1266, A-615, JOHN H. GIBSON SURVEY, 1, A-60, 2, A-1265, 2, A-1259, 2, A-801, 2, A-1261, 13, A-61 AND 14, A-638, BLOCK J, G.W.T. & P. RR Co. SURVEY, 3, A-34, 4, A-625, 15, A-131, 16, A-844, 17, A-52, 18, A-800, 18, A-1203, 18, A-1033, 19, A-51, 20, A-800, 20, A-1528, 20, A-696, 20, A-1433 AND 20, A-1531, BLOCK J, E.L. & R.R. RR Co. SURVEY, 5, A-80 AND 6, A-628, BLOCK J, H. & W. SURVEY, 7, A-270 AND 8, A-639, JOHN H. GIBSON SURVEY, 9, A-119 AND 10, A-363, BLOCK J, B.S. & F. SURVEY, 11, A-115 AND 12, A-637, BLOCK J, A.C.H. & B. SURVEY, 1271, A-1271, 1272, A-612, 1272, A-1250 AND 1272, A-1315, A.B. & M. SURVEY, 9, A-1388, 10, A-1275, 12, A-1116, 13, A-306, 14, A-613, 14, A-1225, 15, A-261 AND 32, A-1322, BLOCK 24, H.E. & W.T. RR Co. SURVEY, 1, A-125, 2, A-1506, 3, A-597, 4, A-616, 5, A-127, 6, A-1336, 6, A-1319, 8, A-627, 9, A-126 AND 10, A-1115, BLOCK O, D. & W. RR Co. SURVEY, 7, A-605, BLOCK O, S. & M. SURVEY, 36, A-1326, 36, A-1325 AND 37, A-1296, BLOCK

24, C.A. JOPLIN SURVEY, AND 1, A-170 AND 2, A-642, BLOCK M, A.L. & R.R. RR Co. SURVEY, AND LEAGUES: 1, A-114, 3, A-112, AND 4, A-113, WILSON COUNTY SCHOOL LAND SURVEY, ALL LYING IN AND BEING SITUATED OUT OF LYNN COUNTY, TEXAS: SAID 234,222 ACRE TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a point at or near the intersection of the common line of Garza County, Texas and said Lynn County with the north line of Borden County, Texas for the southeast corner hereof and having an approximate Latitude and Longitude of 32.9611° and 101.5575°;

THENCE North 87°49'09" West a distance of 14800.40 feet along the common line of said Borden and Lynn Counties to a point for an ell corner hereof and having an approximate Latitude and Longitude of 32.9614° and 101.6057°;

THENCE North 02°01'50" East a distance of 26429.58 feet crossing said Section 9, A-157, Section 4, A-588, Section 396, A-589, Section 431, A-167 and Section 438, A-574 to a point at or near the common line of said Section 438 and Section 437, A-56 for an interior corner hereof and having an approximate Latitude and Longitude of 33.0341° and 101.6052°;

THENCE North 87°59'33" West a distance of 63533.34 feet generally along the south lines of said Section 437, Section 440, A-1014, Section 439, A-205, Section 434, A-1127 and A-1005, Section 101, A-124, Section 406, A-784, Section 405, A-288, Section 410, A-827, Section 17, A-146, Section 18, A-736, Section 19, A-147, Section 20, A-1131, A-992 and A-737, and Section 21, A-148 to a point at or near the common line of said Section 21 and Section 28, A-930 for an interior corner hereof and having an approximate Latitude and Longitude of 33.0348°, and 101.8125°;

THENCE South 01°47'54" West a distance of 5291.17 feet crossing said Section 28 to a point at or near the south line of said Section 28 for an ell corner hereof;

THENCE North 88°10'20" West a distance of 7130.11 feet generally along the south line of said Section 28 and Section 27, A-219 to a point at or near the common line of said Section 27 and Section 35, A-222 for an interior corner hereof;

THENCE South 01°48'51" West a distance of 7150.57 feet crossing said Section 35 and Section 40, A-901 to a point for an ell corner hereof and having an approximate Latitude and Longitude of 33.0006° and 101.8358°;

THENCE North 88°01'41" West a distance of 17885.32 feet crossing said Section 40, Section 39, A-212, Section 38, A-928 and Section 27, A-177 to a point at or near the west line of said Section 27 for the southerly southwest corner hereof and having an approximate Latitude and Longitude of 33.0008° and 101.8941°;

THENCE North 01°23'15" East a distance of 2356.93 feet generally along the west line of said Section 27 and Section 28, A-1126 to a point at or near the northeast corner of Section 26, Block H, EL & RR RR Co. Survey, A-1423 for an interior corner of said Section 28 and hereof;

THENCE North 87°43'53" West a distance of 226.05 feet generally along the common line of said Section 28 and 28 to a point at or near the westerly southwest corner of said Section 28 for an ell corner hereof;

THENCE North $01^{\circ}59'22''$ East a distance of 15849.85 feet generally along the west line of said Section 28, A-1126 and A-1436, Section 41, A-259 and Section 42, A-798 and A-1148 to a point at or near the northwest corner of said A-1148 and an ell corner hereof;

THENCE South $87^{\circ}43'16''$ East a distance of 102.02 feet generally along the north line of said A-1148 to a point at or near the southwest corner of said Section 49, A-176 for an interior corner hereof;

THENCE North $02^{\circ}23'40''$ East a distance of 31585.79 feet generally along the west line of said Section 49, Section 40, A-738, Section 39, A-296, Section 82, A-506, Section 10, A-535, and Section 3, A-315 to a point at or near the northwest corner of said Section 3 for an angle point hereof;

THENCE North $01^{\circ}45'26''$ East a distance of 15944.67 feet generally along the west line of said Section 4, A-534, Section 5, A-313 and Section 309, A-75 to a point at or near the northwest corner of said Section 309 for the westerly northwest corner hereof and having an approximate Latitude and Longitude of 33.1815° and 101.8936° ;

THENCE South $87^{\circ}40'52''$ East a distance of 21310.45 feet generally along the north line of said Section 309, Section 310, A-466, Section 565, A-116 and Section 563, A-8 to a point at or near the northeast corner of said Section 563 for an ell corner hereof and having an approximate Latitude and Longitude of 33.1810° and 101.8239° ;

THENCE South $01^{\circ}51'15''$ West a distance of 10602.69 feet generally along the east line of said Section 563 and Section 564, A-584 to a point at or near the northeast corner of said Section 223, A-275 for an interior corner hereof;

THENCE South $87^{\circ}40'11''$ East a distance of 5364.04 feet generally along the north line of said Section 224, A-547 to a point at or near the northeast corner of said Section 224 for an ell corner hereof;

THENCE South $01^{\circ}39'20''$ West a distance of 10640.57 feet generally along the east line of said Section 224 and Section 304, A-492 to a point at or near the northeast corner of said Section 301, A-53 for an interior corner hereof;

THENCE South $87^{\circ}55'57''$ East a distance of 10610.55 feet generally along the north line of said Section 490, A-757 and Section 205, A-91 to a point at or near the northwest corner of said Section 471, A-23 for an interior corner hereof;

THENCE North $01^{\circ}57'21''$ East a distance of 21370.50 feet generally along the west line of said Section 469, A-37, Section 476, A-722 and A-1478, Section 483, A-21 and Section 493, A-18 to a point at or near the common corner of Section 491, Block 1, EL & RR RR Co. Survey, A-17 and said Section 500, A-818, Section 499, A-14 and Section 493, A-18 and an interior corner hereof and having an approximate Latitude and Longitude of 33.1810° and 101.7715° ;

THENCE North $88^{\circ}04'20''$ West a distance of 5327.73 feet generally along the south line of said Section 500 to a point at or near the southwest corner of said Section 500 for an ell corner hereof;

THENCE North $01^{\circ}54'27''$ East a distance of 5329.35 feet generally along the west line of said Section 500 to a point at or near the northwest corner of said Section 500 for an angle point hereof;

THENCE North $17^{\circ}47'07''$ East a distance of 11117.21 feet crossing said Section 503, A-25 and Section 509, A-28 to a point at or near the north line of said Section 509 for an ell corner hereof and having an approximate Latitude and Longitude of 33.2251° and 101.7788° ;

THENCE South 87°59'55" East a distance of 18237.61 feet generally along the north line of said Section 509, Section 508, A-54, Section 507, A-27 and Section 1, A-321 to a point at or near the northwest corner of said Section 508, A-1185 for an interior corner hereof;

THENCE North 01°44'55" East a distance of 15867.28 feet generally along the west line of said Section 1, A-1032 and A-1025, Section 9, A-161 and Section 16, A-854 to a point at or near the southwest corner of said Section 3, A-400 for an interior corner hereof and having an approximate Latitude and Longitude of 33.2685° and 101.7192°;

THENCE North 88°12'26" West a distance of 15902.78 feet generally along the south line of said Section 4, A-646, Section 23, A-401 and Section 24, A-1556, A-715 and A-1357 to a point at or near the southwest corner of said A-1357 for an ell corner hereof;

THENCE North 02°21'57" East a distance of 7880.88 feet generally along the west line of said Section 24, A-1357 and A-1008 and Section 6, A-647 to a point at or near the northwest corner of said Section 6 for an angle point hereof and having an approximate Latitude and Longitude of 33.2902° and 101.7710°;

THENCE North 50°01'47" East a distance of 5127.04 feet crossing said Section 12, A-1191 and A-979, Section 18, A-1267 and League 3, A-112 to a point for an angle point hereof;

THENCE South 79°27'34" East a distance of 4085.72 feet crossing said League 3 to a point at or near the intersection of the common line of said League 3 and Section 18, A-1267 and U.S. Highway 87 for an angle point hereof;

THENCE North 44°39'15" East a distance of 13436.41 feet generally along said highway and crossing said League 3, and League 4, A-113 to a point for an interior corner hereof and having an approximate Latitude and Longitude of 33.3249° and 101.7153°;

THENCE North 01°35'45" East a distance of 25057.02 feet crossing said League 4, League 1, A-114, Section 2, A-642 and Section 32, A-1322 to a point at or near the common line of Lubbock County, Texas and said Lynn County for the northerly northwest corner hereof and having an approximate Latitude and Longitude of 33.3938° and 101.7155°;

THENCE South 88°50'51" East a distance of 48454.80 feet generally along said common county line to a point at or near the common corner of Crosby County, Texas and said Garza, Lynn and Lubbock Counties for the northeast corner hereof and having an approximate Latitude and Longitude of 33.3951° and 101.5568°;

THENCE generally along the common line of said Garza and Lynn Counties the following five (5) calls:

1. South 01°47'10" West a distance of 50448.57 feet to a point for an angle point;
2. South 01°50'22" West a distance of 27318.21 feet to a point for an angle point;
3. South 01°43'50" West a distance of 48382.52 feet to a point for an angle point;
4. South 01°27'15" West a distance of 5315.79 feet to a point for an angle point;
5. South 01°39'09" West a distance of 26438.87 feet to the **POINT OF BEGINNING** and containing 234,222 acres of land, more or less.

GARZA COUNTY LEGAL DESCRIPTION: BEING APPROXIMATELY 96,900 ACRES OF LAND AND BEING ALL OF AND/OR ANY PORTIONS OF SECTIONS: 12, A-709 AND 1, A-375, BLOCK 10, E.L. & R.R. Co. SURVEY, 301, A-455, 308, A-1073, 307, A-440, 303, A-389, 304, A-1072, 305, A-388 AND 306, A-773, BLOCK 31, H.E. & W.T. RR Co. SURVEY, 4, A-587, 3, A-588, 1, A-585, RM. THOMPSON SURVEY, 1, A-1140, BLOCK C, JT CORY SURVEY, 16, A-623, T.T RR Co. SURVEY, 19, A-387, H. & G.N. RR Co. SURVEY, AND 18, A-1136 AND A-1165, J. MASSEY SURVEY, BLOCK 30, T-7-N, 1, A-586, BLOCK O, RM THOMPSON SURVEY, 14, A-536, BLOCK 1, J. HAYES SURVEY, 2, A-1123, BLOCK C, J. MAXEY SURVEY, 397, A-367, 400, A-710, 393, A-366, 394, A-729, 391, A-371 AND 392, A-711, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 277, A-429, AND 278, A-1068, D. & S.E. RR Co. SURVEY, 275, A-435, AND 276, A-1071, E.L. & R.R. RR Co. SURVEY, 1360, A-723, 1359, A-306. E.L. & R.R. RR Co. SURVEY, 401, A-348, 403, A-350, 404, 721, 405, A-349 AND 406, A-726, T.T. RR Co. SURVEY, 1, A-461, 2, A-1075, 3, A-460, 4, A-1208, 4, A-1214, 4, A-1090, 5, A-411, 6, A-718, 7, A-456, 8, A-1089, 9, A-457, 10, A-1163, 10, A-1159, 10, A-1069, 11, A-410, 14, A-720, 15, A-414 AND 17, A-458, BLOCK 8, T.T. RR Co. SURVEY, 19, A-424 AND 20, A-1076, BLOCK 2, D. & S.E. RR Co. SURVEY, 27, A-549, 28, A-574 AND 29, A-575, BLOCK 1, JASPER HAYS SURVEY, 30, A-1211 AND 31, A-1212, BLOCK 1, G.E. LOCKHART SURVEY, 30, A-1220, BLOCK RM, G.E. LOCKHART SURVEY, 9, A-13, 10, A-1077 AND 10, A-1078, BLOCK 2, G.H. & H.R. RR Co. SURVEY, 7, A-480, 8, A-487, 9, A-513, 11, A-511, 12, A-510 AND 13, A-512, BLOCK 5, K. AYCOCK SURVEY, 1, A-1167, 2, A-1168, 3, A-1169, 3.5, A-1170 AND 4, A-1171, C.W. POST SURVEY, 1, A-1083, D.L. PHILLIPS SURVEY, 2, A-1082, J.T. LOFTIN SURVEY, 1, A-1229, 4, A-1179, A-1215, A-1217 AND A-1180, JOHN B. SLAUGHTER SURVEY, 1, A-1219, 1, A-1205, 2, A-1218 AND 2, A-1221, L.N. BROOKS SURVEY, 2, A-543, BLOCK 8, JASPER HAYS SURVEY, 1214, A-647, 1216, A-646, 1311, A-338, 1312, A-651, T.T. RR. Co. SURVEY, 1313, A-318, 1314, A-704, 1315, A-317, 1316, A-705, 1317, A-319, 1318, A-709, 1319, A-320, 1320, A-701, 1321, A-322, 1323, A-323, 1324, A-700, 1325, A-321, 1326, A-698, 1327, A-324, 1328, A-697, 1329, A-327, 1330, A-696, 1331, A-325, 1332, A-695 AND 1374, A-706, BLOCK 1, H. & O.B. RR Co. SURVEY, 1, A-544, 1, A-554, 3, A-550, AND 4, A-555, JASPER HAYS SURVEY, 1236, A-644, A.B. & M. SURVEY, 1237, A-315 AND 1238, A-653, G.W.T. & P. RR Co. SURVEY, 1307, A-282 AND 1308, A-748, B.S. & F. SURVEY, 1305, A-339, 1306, A-745, 1309, A-341 AND 1310, A-678, T.T.RR Co. SURVEY, 1, A-1063, 2, A-1064, 4, A-1065, 4.5, A-1066 AND 5, A-1062, HORACE G. BRANDON SURVEY, 1, A-1117, BLOCK H, MRS S.E. HARPER SURVEY, 4, A-1121 AND 5, A-1134, BLOCK M, J.T. LOFTON SURVEY, 1303, A-295, 1304, A-742, 1401, A-294, 1402, A-650, 1403, A-296, 1404, A-679, 1405, A-297, 1406, A-744, 1419, A-302, 1420, A-684, BLOCK 1, E.L. & R.R. RR Co. SURVEY, 1, A-439 AND 2, A-891, H.E. & W.T. RR Co. SURVEY, 1297, A-293 AND 1298, A-643, D. & W. RR Co. SURVEY, 1301, A-316 AND 1302, A-741, G.C. & S.F. RR Co. SURVEY, 1206, A-649, 1207, A-328 AND 1208, A-648, H. & O.B. RR Co. SURVEY, 1281, A-287 AND 1282, A-652, B.S. & F. SURVEY, 4, A-291, WILLIAM H. COBBS SURVEY, 1239, A-292 AND 1240, A-666, D. & W. RR Co. SURVEY, 1245, A-344, 1246, A-738, 1253, A-345, 1254, A-739, 1255, A-342 AND 1421, A-347, T.T. RR Co. SURVEY, 1247, A-286 AND 1248, A-892, B.S. & F. SURVEY,

1249, A-278, 1250, A-759, 1251, A-275 AND 1252, A-617, A.B. & M. SURVEY, 3, A-425 AND 4, A-894, BLOCK D18, D. & S.E. RR Co. SURVEY, 1273, A-305, E.L. & R.R. RR Co. SURVEY, 1259, A-309, 1260, A-685, 1261, A-310, 1262, A-686, 1263, A-307, 1264, A-1007, 1267, A-308 AND 1268, A-1079, JOHN H. GIBSON SURVEY, 725, A-428 AND 726, A-893, D. & S.E. RR Co. SURVEY, 1305, A-289 AND 1306, A-656, B.S. & F. SURVEY, A-397, SHELBY COUNTY SCHOOL LAND SURVEY, 724, A-1038, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 1269, A-279, 1270, A-1206, 1270, A-1204, 1270, A-1080 AND 1271, A-276, A.B. & M. SURVEY, 4, A-801, BLOCK 1, K. AYCOCK SURVEY, AND 1, A-384, 2, A-1005, 3, A-823, 7, A-386, 8, A-939, 9, A-822 AND 10, A-1006, BLOCK 24, H.E. & W.T. RR Co. SURVEY, ALL LYING IN AND BEING SITUATED OUT OF GARZA COUNTY, TEXAS: SAID 96,900 ACRE TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a point at or near the intersection of the common line of Lynn County, Texas and said Garza County with the north line of Borden County, Texas for the southwest corner hereof and having an approximate Latitude and Longitude of 32.9611° and 101.5575°;

THENCE generally along the common line of said Lynn and Garza Counties the following five (5) calls:

1. North 01°39'09" East an approximate distance of 26438.87 feet to a point for an angle point;
2. North 01°27'15" East an approximate distance of 5315.79 feet to a point for an angle point;
3. North 01°43'50" East an approximate distance of 48382.52 feet to a point for an angle point;
4. North 01°50'22" East an approximate distance of 27318.21 feet to a point for an angle point;
5. North 01°47'10" East an approximate distance of 50448.57 feet to a point at or near the common corner of Lubbock county, Texas, Crosby County, Texas and said Lynn and Garza Counties and the northwest corner hereof and having an approximate Latitude and Longitude of 33.3951°, 101.5568°;

THENCE South 88°29'59" East a distance of 14380.16 feet generally along the common line of said Crosby and Garza Counties to a point for the northerly northeast corner and having an approximate Latitude and Longitude of 33.3952°, 101.5097°;

THENCE South 14°55'02" West a distance of 13293.36 feet crossing said Section 4, A-801, Section 1, A-384 and Section 724, A-1038 to a point at or near the north line of the Shelby County School Land, A-397 for an interior corner hereof;

THENCE South 87°56'46" East a distance of 7517.75 feet generally along said north line to a point at or near the northeast corner of said Shelby County School Land and an ell corner hereof;

THENCE South 02°20'35" West a distance of 9002.43 feet generally along the east line of said Shelby County School Land and crossing said Section 3, a-550 to a point at or near the north line of said Section 1306, A-656 for an interior corner hereof;

THENCE South 88°16'22" East a distance of 3636.44 feet generally along the north line of said Section 1306 and said Section 1305, A-289 to a point for an ell corner hereof;

THENCE South 01°48'26" West a distance of 16278.66 feet crossing said Section 1305, Section 726, A-893, Section 4, A-894 and Section 1239, A-292 to a point for an angle point hereof and having an approximate Latitude and Longitude of 33.2900°, 101.4837°;

THENCE South 60°56'30" East a distance of 7362.09 feet crossing said Section 1239, W.H. Cobbs Survey, A-291, and Section 5, A-1062 to a point at or near the east line of said Section 5, A-1062 for an angle point hereof;

THENCE South 41°58'34" East a distance of 10679.14 feet crossing said Section 1207, A-328, Section 1208, A-648, and Section 1206, A-649 to a point for an angle point hereof;

THENCE South 35°41'49" East a distance of 5879.46 feet crossing said Section 1206 and Section 1214, A-647 to a point at or near the east line of said Section 1214 for an angle point hereof and having an approximate Latitude and Longitude of 33.2465°, 101.4265°;

THENCE South 00°05'39" East a distance of 23152.38 feet generally along the east lines of said Section 1214, A-647, Section 1236, A-644, Section 5, A-1134, Section 1, A-1117 and Section 3.5, A-1170 to a point at or near the common corner of said Section 3.5, Section 1232, A-938, Section 11, A-511 and Section 12, A-510 for an interior corner hereof and having an approximate Latitude and Longitude of 33.1829°, 101.4243°;

THENCE South 89°02'41" East a distance of 5187.56 feet generally along the north line of said Section 11, A-511 to a point at or near the northeast corner of said Section 11, A-511 for an ell corner hereof;

THENCE South 00°12'13" West a distance of 5301.36 feet generally along the east line of said Section 11, A-511 to a point at or near the north line of said Section 9, A-513 for the southeast corner of said Section 11 and interior corner hereof;

THENCE South 89°12'06" East a distance of 2515.81 feet generally along the north line of said Section 9, A-513 to a point at or near the northeast corner of said Section 9 for an ell corner hereof;

THENCE South 00°13'42" West a distance of 2963.22 feet generally along the east line of said Section 9 to a point for an ell corner hereof;

THENCE North 89°09'53" West a distance of 2524.85 feet crossing said Section 9 to a point for an interior corner hereof;

THENCE South 00°24'10" West a distance of 2377.83 feet to a point at or near the common line of said Section 9 and Section 8, A-487 for an interior corner hereof;

THENCE South 89°30'51" East a distance of 7813.51 feet generally along the north line of said Section 8 and said Section 7, A-480 to a point at or near the northeast corner of said Section 7, A-480 for an ell corner hereof and having an approximate Latitude and Longitude of 33.1542°, 101.3810°;

THENCE South 00°02'12" East a distance of 5625.44 feet generally along the east line of said Section 7 and crossing said Section 9, A-13 to a point for an ell corner hereof;

THENCE North 87°32'19" West a distance of 5330.33 feet crossing said Section 9 and said Section 10, A-1078 to a point for an angle point hereof;

THENCE South 66°19'48" West a distance of 1234.61 feet crossing said Section 10 to a point for an angle point hereof;

THENCE South 02°41'58" West a distance of 4271.65 feet crossing said Section 10 and said Section 10, A-1077 to a point to a point at or near the common line of said Section 10, A-1077 and Section 29, A-575 for an interior corner hereof;

THENCE South 88°21'10" East a distance of 1713.69 feet generally along said common line to a point for an ell corner hereof;

THENCE South 00°15'23" West a distance of 2910.50 feet crossing said Section 29, A-575 to a point for an angle point hereof;

THENCE South 24°42'19" West a distance of 4871.02 feet crossing said Section 29 and said Section 28, A-574 to a point for an ell corner hereof and having an approximate Latitude and Longitude of 33.1055°, 101.4023°;

THENCE North 87°57'01" West a distance of 26071.88 feet crossing said Section 28, Section 31, A-1212, Section 19, A-424 and generally along the south line of said Section 17, A-458, Section 15, A-414, Section 14, A-720 to a point at or near the southerly common corner of said Section 14 and said Section 11, A-410 and an angle point hereof;

THENCE North 87°44'06" West a distance of 16538.32 feet generally along the south line of said Section 11, Section 401, A-348 and Section 405, A-349 to a point at or near the common corner of Section 1, A-500 and said Section 406, A-726, Section 1359, A-306 and Section 405 for an interior corner hereof and having an approximate Latitude and Longitude of 33.1066°, 101.5414°;

THENCE South 02°01'23" West a distance of 10609.03 feet generally along the east line of said Section 1359 and Section 1360, A-723 to a point at or near the easterly common corner of said Section 1360 and Section 276, A-1071 for an angle point hereof;

THENCE South 10°08'25" West a distance of 5344.53 feet generally along the east line of said Section 276 to a point at or near the common corner of said Section 276, Section 275, A-435 and Section 278, A-1068 and an interior corner hereof;

THENCE South 88°56'11" East a distance of 2946.09 feet generally along the north line of said Section 278 to a point at or near the west line of Section 6, A-620 for the northeast corner of said Section 278 and an ell corner hereof and having an approximate Latitude and Longitude of 33.0630°, 101.5346°;

THENCE South 14°27'47" East a distance of 6724.68 feet generally along the east line of said Section 278 and said Section 277, A-429 to a point at or near the westerly common corner of Section 7, A-396 and said Section 18, A-1136 for an interior corner hereof;

THENCE North 76°01'17" East a distance of 5249.84 feet generally along the north line of said Section 18 to a point at or near the northeast corner of said Section 18 for an ell corner hereof;

THENCE South 14°16'24" East a distance of 33068.50 feet generally along the east line of said Section 18, Section 18, A-1165, Section 14, A-536, Section 1, A-586, Section 19, A-387, Section 16, A-623, Section 3, A-588 and Section 1, A-585 to a point at or near the common line of said Garza and Borden Counties for the southerly southeast corner hereof and having an approximate Latitude and Longitude of 32.9617°, 101.4825°;

THENCE generally along said common line of Garza and Borden Counties the following three (3) calls:

1. North 88°54'14" West a distance of 11259.99 feet to a point for an angle point;
2. North 88°54'43" West a distance of 9365.66 feet to a point for an angle point;
3. North 88°55'11" West a distance of 2382.65 feet to the **POINT OF BEGINNING** and containing 96,900 acres of land, more or less.

Note: Bearings and distances shown hereon are NAD83, Texas North Central Zone, and coordinates shown hereon are WGS84 Latitude (North) and Longitude (West) and all are approximate based on GIS mapping. This description does not constitute a boundary survey and is provided for reference purposes only.
Note: THIS DIGITAL COPY IS PROVIDED FOR THE INSERTION INTO
LEGAL DOCUMENTS.

Description of all property not eligible to become qualified property

Applicant completed a minor amount of pre-construction work in 2016 and 2017 at the Project site in order to qualify the Project for the federal income tax Production Tax Credit in accordance with federal law. This pre-construction work consisted of earth-moving to prepare sixteen (16) holes for turbine foundations (though foundations were not installed) and the installation of 2,000 linear feet of road connecting two foundation holes. These pre-construction activities were not deemed to have created taxable improvements by the Lynn County Central Appraisal District, and no tax bill was delivered. The pre-construction activities did not result in the creation of any Qualified Property.

Tract 1: 102.0 acre tract of land, more or less, out of the middle part of the West One-Half (W/2) of Section 1257, Block 1, AB&M Survey, Abstract 1237, Lynn County, Texas.

Tract 3: 165.3 acre tract of land, more or less, being out of the Southwest One-Quarter (SW/4) out of Section 4, Block 3, J Hays Survey, Abstract 555, Garza County, Texas.

Tab Item 10 (cont.)

Description of all property not eligible to become qualified property

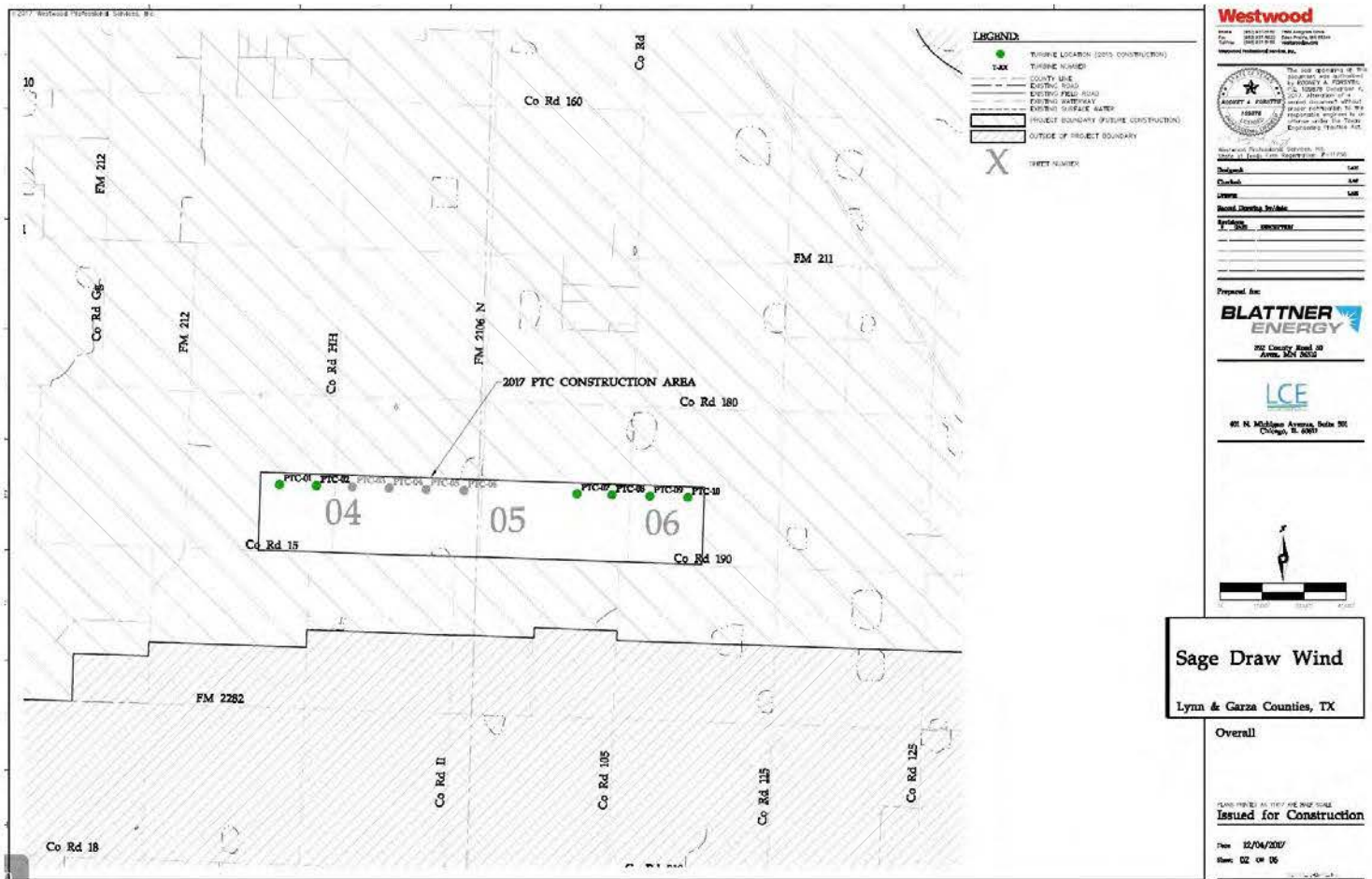
The 2017 pre-construction activities occurred on the following described lands with a map below.

Tract 1: The Southeast Quarter of Section 1258, A.B. 7 M. Survey, 160.0 acres, Lynn County, Texas.

Tract 2: 165.3 acres, more or less, the same being the SW/4 of Section 1252, Certificate No. 1085, AB&M, Abstract No. 650, Lynn County, Texas and Abstract 617, Garza County, Texas, Vol. 25, Pat. No. 137 Vol. 23 situated in Garza County, Texas.

Tract 3: The Southeast Quarter of Section 4, Abstract 555, Jasper Hays Survey, 160.0 Acres, Garza County, Texas

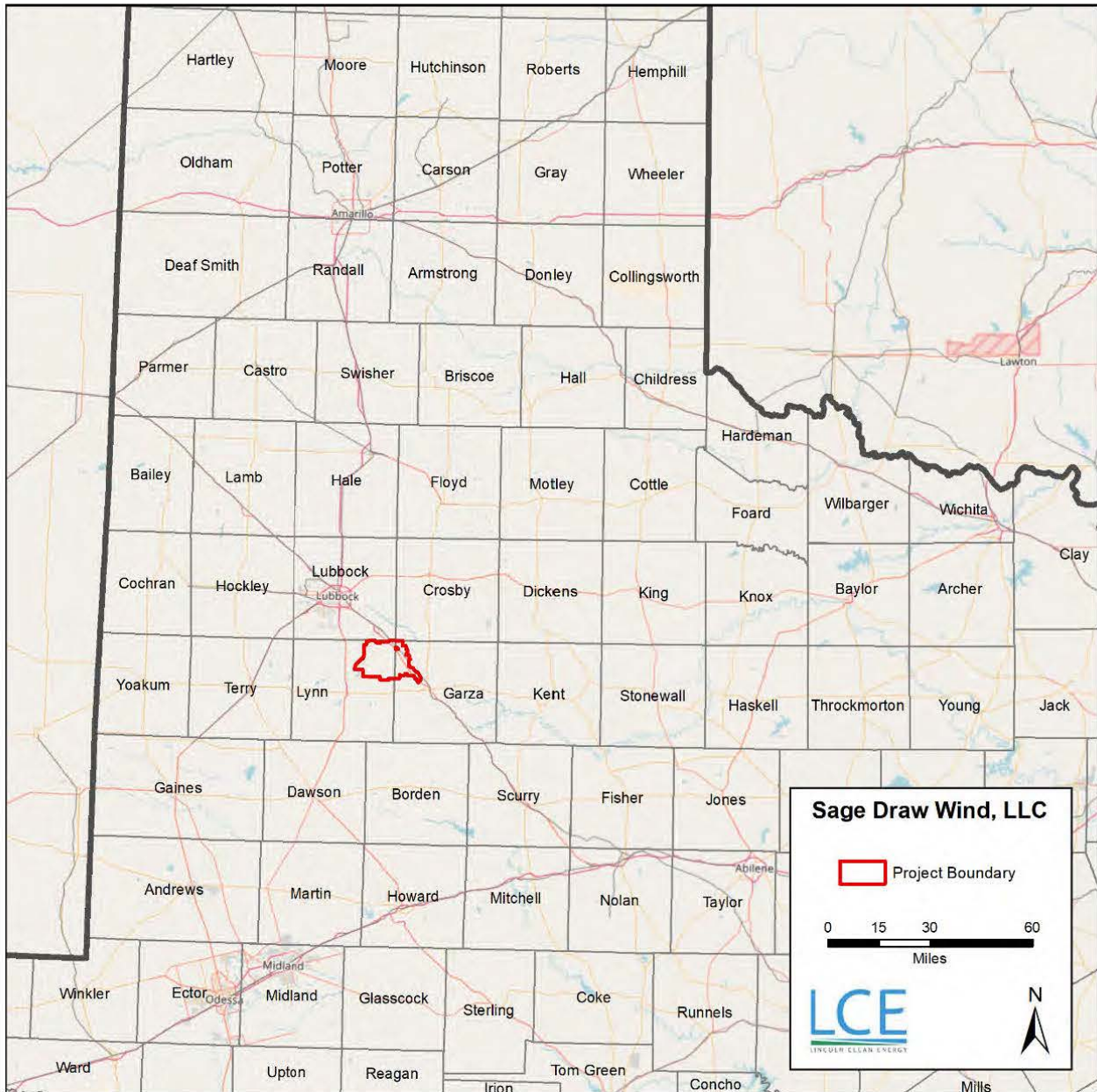
Tract 4: All of the SW/4 of Section No. 1253, Block Three (3), T.T. 7 R.R. Survey, Abstract No. 345, Garza County, Texas



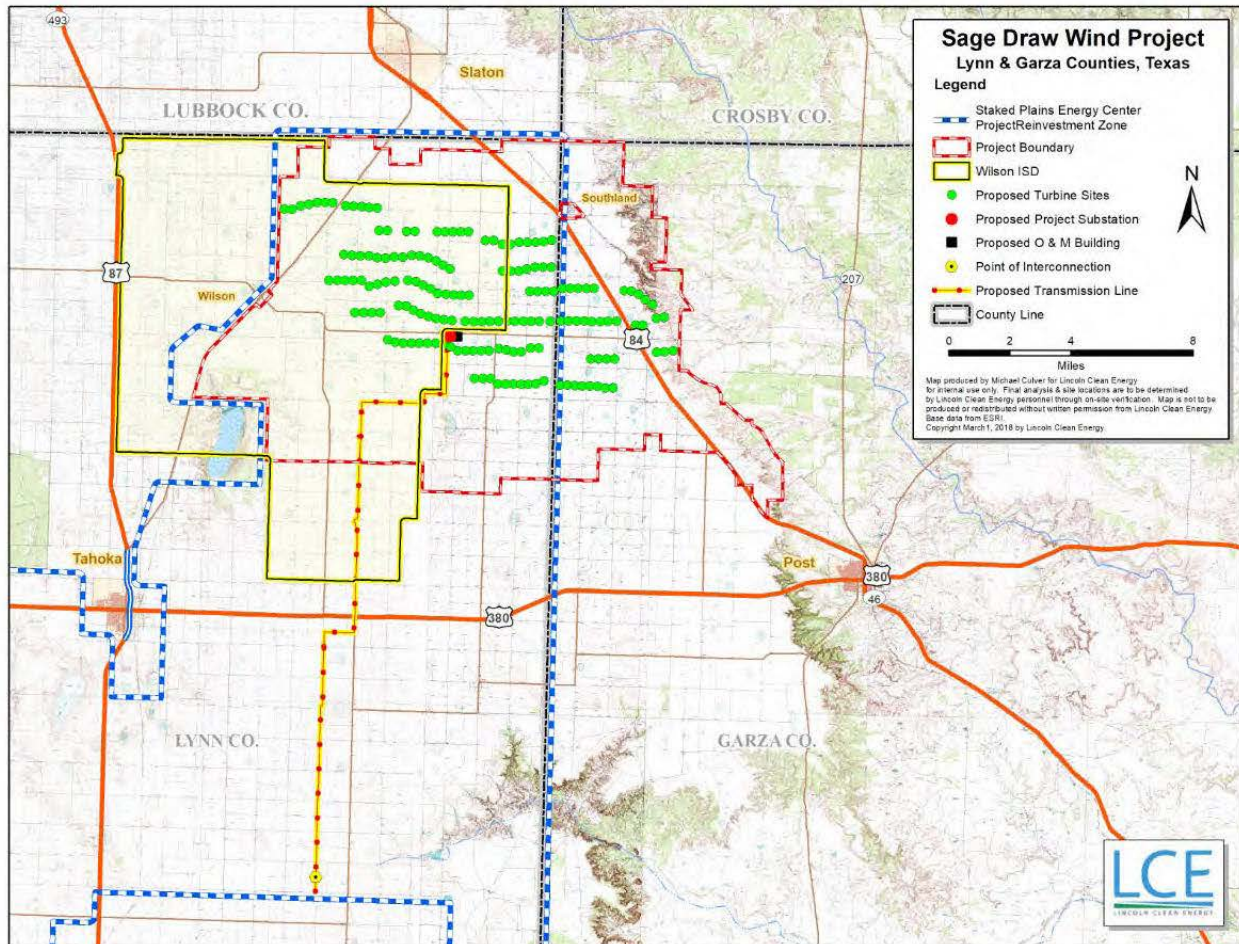
Tab Item 11

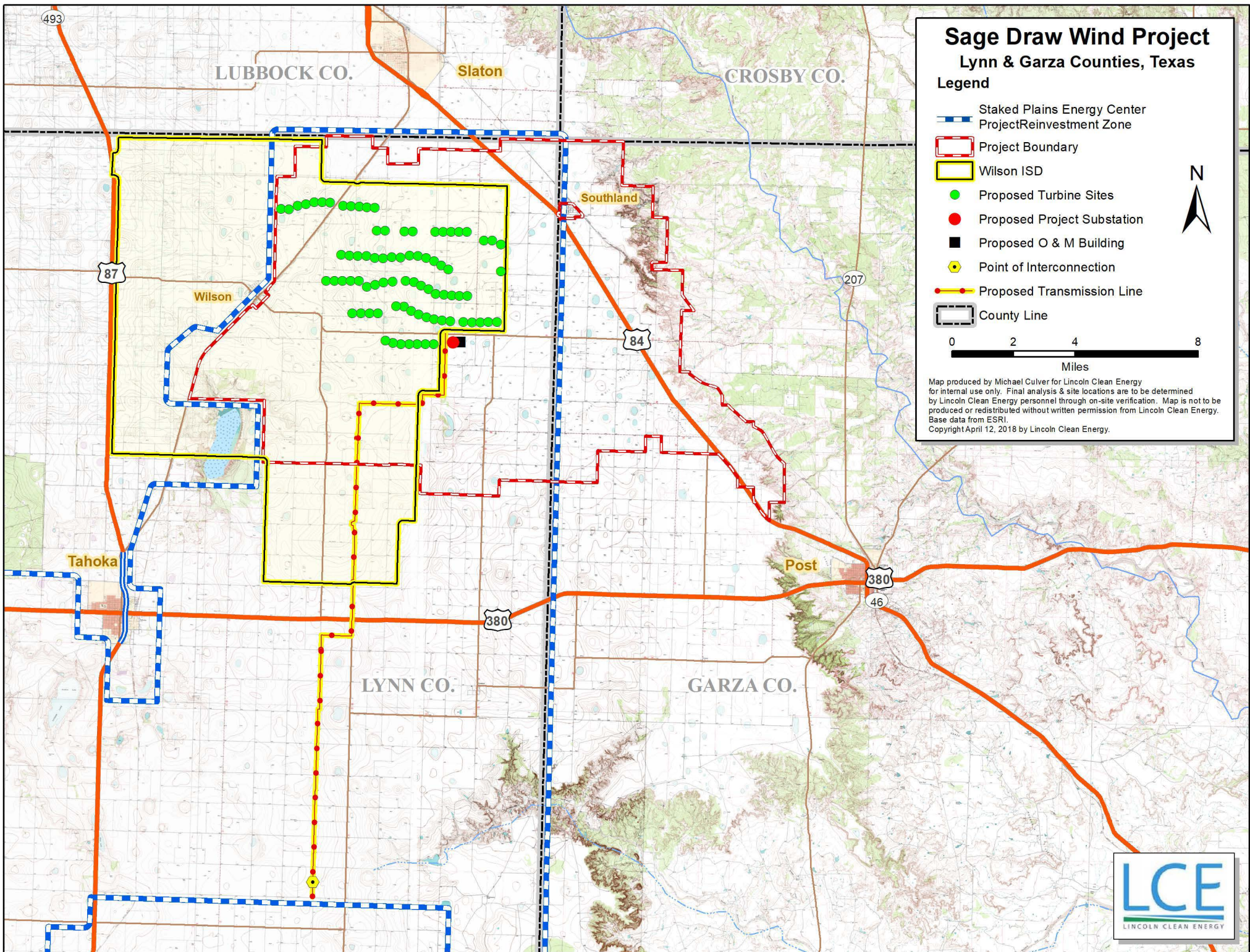
Maps

Vicinity Map:



**Location of Wilson ISD Boundary, County Boundary, Reinvestment Zones, Project Boundary,
Qualified Investment and Qualified Property:**





Tab Item 12

Request for Waiver of Job Creation Requirement

See attached letter. Based on the attached letter, Sage Draw Wind, LLC is committing to creating six (6) jobs to support the entire Project. Although no individual employees will be assigned specifically to manage the portions of the Project located in Southland ISD or Wilson ISD, based on the number of turbines located in in each school district, the created jobs will be allocated among the school districts as follows:

Southland ISD
3 jobs

Wilson ISD
3 jobs



March 20, 2018

Superintendent Jerry Burger
Wilson Independent School District
1411 Green
Wilson, TX 79381

Re: Chapter 313 Job Waiver Request

Dear Superintendent Burger,

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

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that six (6) employees would be needed to operate a 300 MW facility. Because approximately 46% of the project's wind turbine generators will be located in Wilson ISD, we can commit to creating three (3) full-time positions to fill those needs. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

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

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Barnett", with a stylized, cursive script.

Eric Barnett
Development Director
Sage Draw Wind, LLC

Tab Item 13

Calculation of three possible wage requirements with TWC documentation

Average Weekly Wage for All Jobs (All Industries) in Lynn County

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2016	4th Qtr	Lynn	Private	10	Total, All Industries	\$820
2017	1st Qtr	Lynn	Private	10	Total, All Industries	\$903
2017	2nd Qtr	Lynn	Private	10	Total, All Industries	\$845
2017	3rd Qtr	Lynn	Private	10	Total, All Industries	\$895
Average						\$866

110% of \$866.00 = **\$952.60**

Quarterly Employment and Wages (QCEW)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	4th Qtr	Lynn County	Private	00	0	10	Total, all industries	\$820
2017	3rd Qtr	Lynn County	Private	00	0	10	Total, all industries	\$895
2017	2nd Qtr	Lynn County	Private	00	0	10	Total, all industries	\$845
2017	1st Qtr	Lynn County	Private	00	0	10	Total, all industries	\$903

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Lynn County

YEAR	PERIOD	AREA	OWNERSHIP	IND-CODE	INDUSTRY	AVG. WEEKLY WAGES
2016	4th Qtr	Lynn	Private	31-33	Total, Manufacturing	\$674
2017	1st Qtr	Lynn	Private	31-33	Total, Manufacturing	\$653
2017	2nd Qtr	Lynn	Private	31-33	Total, Manufacturing	\$1,151
2017	3rd Qtr	Lynn	Private	31-33	Total, Manufacturing	\$677
Average						\$789

110% of \$789.00 = **\$867.90**

Average Weekly Wage for Manufacturing Jobs in Lynn County

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2016	4th Qtr	Lynn County	Private	31	2	31-33	Manufacturing	\$674
2017	1st Qtr	Lynn County	Private	31	2	31-33	Manufacturing	\$653
2017	2nd Qtr	Lynn County	Private	31	2	31-33	Manufacturing	\$1,151
2017	3rd Qtr	Lynn County	Private	31	2	31-33	Manufacturing	\$677

Average Weekly Wage for Manufacturing Jobs in Region

South Plains Association of Governments Annual Wage:

$$\$38,009/52 = \$730.94$$

$$110\% \text{ of } \$730.15 = \text{\textcolor{red}{\$804.04}}$$

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

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

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

Data intended for TAC 313 purposes only.

Tab Item 14

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

Please See attached Schedules.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period								
Complete tax years of qualifying time period	QTP1	2019-2020	2019	171,500,000				171,500,000
		2020-2021	2020					
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				171,500,000				171,500,000
Enter amounts from TOTAL row above in Schedule A2								
Total Qualified Investment (sum of green cells)				171,500,000				

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				
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018					
	0	2019-20	2019	\$ 171,500,000	\$ -	\$ -	\$ -	\$ 171,500,000
Value limitation period***	1	2020-21	2020	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2021-22	2021	\$ -	\$ -	\$ -	\$ -	\$ -
	3	2022-23	2022	\$ -	\$ -	\$ -	\$ -	\$ -
	4	2023-24	2023	\$ -	\$ -	\$ -	\$ -	\$ -
	5	2024-25	2024	\$ -	\$ -	\$ -	\$ -	\$ -
	6	2025-26	2025	\$ -	\$ -	\$ -	\$ -	\$ -
	7	2026-27	2026	\$ -	\$ -	\$ -	\$ -	\$ -
	8	2027-28	2027	\$ -	\$ -	\$ -	\$ -	\$ -
	9	2028-29	2028	\$ -	\$ -	\$ -	\$ -	\$ -
	10	2029-30	2029	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment made through limitation				\$ 171,500,000	\$ -	\$ -	\$ -	\$ 171,500,000
Continue to maintain viable presence	11	2030-31	2030			\$ -		\$ -
	12	2031-32	2031			\$ -		\$ -
	13	2032-33	2032			\$ -		\$ -
	14	2033-34	2033			\$ -		\$ -
	15	2034-35	2034			\$ -		\$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-36	2035			\$ -		\$ -
	17	2036-37	2036			\$ -		\$ -
	18	2037-38	2037			\$ -		\$ -
	19	2038-39	2038			\$ -		\$ -
	20	2039-40	2039			\$ -		\$ -
	21	2040-41	2040			\$ -		\$ -
	22	2041-42	2041			\$ -		\$ -
	23	2042-43	2042			\$ -		\$ -
	24	2043-44	2043			\$ -		\$ -
	25	2044-45	2044			\$ -		\$ -

* 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 2/23/2018
 Applicant Name Sage Draw Wind, LLC
 ISD Name Wilson ISD

Form 50-296A

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 <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2019-20	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2020-21	2020	\$ -	\$ -	\$ 171,500,000	\$ 171,500,000	\$ 171,500,000	\$ 20,000,000
	2	2021-22	2021	\$ -	\$ -	\$ 158,040,000	\$ 158,040,000	\$ 158,040,000	\$ 20,000,000
	3	2022-23	2022	\$ -	\$ -	\$ 145,646,400	\$ 145,646,400	\$ 145,646,400	\$ 20,000,000
	4	2023-24	2023	\$ -	\$ -	\$ 134,234,304	\$ 134,234,304	\$ 134,234,304	\$ 20,000,000
	5	2024-25	2024	\$ -	\$ -	\$ 123,725,591	\$ 123,725,591	\$ 123,725,591	\$ 20,000,000
	6	2025-26	2025	\$ -	\$ -	\$ 114,048,374	\$ 114,048,374	\$ 114,048,374	\$ 20,000,000
	7	2026-27	2026	\$ -	\$ -	\$ 105,136,501	\$ 105,136,501	\$ 105,136,501	\$ 20,000,000
	8	2027-28	2027	\$ -	\$ -	\$ 96,929,098	\$ 96,929,098	\$ 96,929,098	\$ 20,000,000
	9	2028-29	2028	\$ -	\$ -	\$ 89,370,146	\$ 89,370,146	\$ 89,370,146	\$ 20,000,000
	10	2029-30	2029	\$ -	\$ -	\$ 82,408,096	\$ 82,408,096	\$ 82,408,096	\$ 20,000,000
Continue to maintain viable presence	11	2030-31	2030	\$ -	\$ -	\$ 75,995,507	\$ 75,995,507	\$ 75,995,507	\$ 75,995,507
	12	2031-32	2031	\$ -	\$ -	\$ 70,088,723	\$ 70,088,723	\$ 70,088,723	\$ 70,088,723
	13	2032-33	2032	\$ -	\$ -	\$ 64,647,567	\$ 64,647,567	\$ 64,647,567	\$ 64,647,567
	14	2033-34	2033	\$ -	\$ -	\$ 59,635,067	\$ 59,635,067	\$ 59,635,067	\$ 59,635,067
	15	2034-35	2034	\$ -	\$ -	\$ 55,017,194	\$ 55,017,194	\$ 55,017,194	\$ 55,017,194
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-36	2035	\$ -	\$ -	\$ 50,762,633	\$ 50,762,633	\$ 50,762,633	\$ 50,762,633
	17	2036-37	2036	\$ -	\$ -	\$ 46,842,565	\$ 46,842,565	\$ 46,842,565	\$ 46,842,565
	18	2037-38	2037	\$ -	\$ -	\$ 43,230,465	\$ 43,230,465	\$ 43,230,465	\$ 43,230,465
	19	2038-39	2038	\$ -	\$ -	\$ 39,901,920	\$ 39,901,920	\$ 39,901,920	\$ 39,901,920
	20	2039-40	2039	\$ -	\$ -	\$ 36,834,463	\$ 36,834,463	\$ 36,834,463	\$ 36,834,463
	21	2040-41	2040	\$ -	\$ -	\$ 34,007,415	\$ 34,007,415	\$ 34,007,415	\$ 34,007,415
	22	2041-42	2041	\$ -	\$ -	\$ 31,401,743	\$ 31,401,743	\$ 31,401,743	\$ 31,401,743
	23	2042-43	2042	\$ -	\$ -	\$ 28,999,927	\$ 28,999,927	\$ 28,999,927	\$ 28,999,927
	24	2043-44	2043	\$ -	\$ -	\$ 26,785,844	\$ 26,785,844	\$ 26,785,844	\$ 26,785,844
	25	2044-45	2044	\$ -	\$ -	\$ 24,744,651	\$ 24,744,651	\$ 24,744,651	\$ 24,744,651

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.

Date 2/23/2018
Applicant Name Sage Draw Wind, LLC
ISD Name Wilson ISD

Schedule C: Employment Information

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-19	2018	N/A	N/A	0	0	
	0	2019-202	2019	104 FTE	40000	0	0	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-21	2020	N/A	N/A	0	3	\$ 41,810
	2	2021-22	2021	N/A	N/A	0	3	\$ 41,810
	3	2022-23	2022	N/A	N/A	0	3	\$ 41,810
	4	2023-24	2023	N/A	N/A	0	3	\$ 41,810
	5	2024-25	2024	N/A	N/A	0	3	\$ 41,810
	6	2025-26	2025	N/A	N/A	0	3	\$ 41,810
	7	2026-27	2026	N/A	N/A	0	3	\$ 41,810
	8	2027-28	2027	N/A	N/A	0	3	\$ 41,810
	9	2028-29	2028	N/A	N/A	0	3	\$ 41,810
	10	2029-30	2029	N/A	N/A	0	3	\$ 41,810
Years Following Value Limitation Period	11 through 25	2030-2044	2030-2044	N/A	N/A	0	3	\$ 41,810

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?
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:

(25
- ☒

Yes

☐

No
- 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 2/23/2018
Applicant Name Sage Draw Wind, LLC
ISD Name Wilson 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: Garza	2020	10 years	\$ 665,952	\$ 532,762	\$ 133,190
	City: N/A	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			
	City:	N/A	N/A			
	Other:	N/A	N/A			
Freeport Exemptions		N/A	N/A			
Non-Annexation Agreements		N/A	N/A			
Enterprise Zone/Project		N/A	N/A			
Economic Development Corporation		N/A	N/A			
Texas Enterprise Fund		N/A	N/A			
Employee Recruitment		N/A	N/A			
Skills Development Fund		N/A	N/A			
Training Facility Space and Equipment		N/A	N/A			
Infrastructure Incentives		N/A	N/A			
Permitting Assistance		N/A	N/A			
Other:		N/A	N/A			
Other:		N/A	N/A			
Other:		N/A	N/A			
Other:		N/A	N/A			
TOTAL				\$ 665,952	\$ 532,762	\$ 133,190

Additional information on incentives for this project:

Tab Item 15

Economic Impact Analysis

Not applicable.

Tab Item 16

Description of Reinvestment Zone

The Wilson ISD portion of the Project lies within the reinvestment zone established by order on December 12, 2016 in Lynn County. Documentation for the Reinvestment Zone is attached.

2017-0482

**RESOLUTION AND ORDER CONFIRMING, RATIFYING, AND REAUTHORIZING
THE DESIGNATION OF THE STAKED PLAINS ENERGY
CENTER PROJECT REINVESTMENT ZONE
IN THE JURISDICTION OF LYNN COUNTY, TEXAS**

STATE OF TEXAS }
 }
COUNTY OF LYNN }

WHEREAS, in its public meeting held on December 12, 2016, the Commissioners Court of Lynn County, Texas (the "County"), designated the Staked Plains Energy Center Project Reinvestment Zone pursuant to the Texas Property Redevelopment and Tax Abatement Act (Chapter 312 of the Texas Tax Code) (the "Act") and the County's then-current Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones (the "Old Guidelines and Criteria"); and,

WHEREAS, after its public meeting on December 12, 2016, the County realized that the Old Guidelines and Criteria were undated and that the County could not confirm that the Old Guidelines and Criteria had not expired under their own terms or under § 312.002(c) of the Act; and,

WHEREAS, the County desires to comply with the technical requirements of the Act in its designation of the Staked Plains Energy Center Project Reinvestment Zone; and,

WHEREAS, in its public meeting held on April 10th, 2017, the County adopted new Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones (the "Current Guidelines and Criteria") to be effective for two years from the date of the meeting;

WHEREAS, at least seven days prior to the date of this hearing, the County published in the newspaper of local circulation notice of this public hearing to consider the confirmation, ratification, and reauthorization of the designation of the real property described in the attached Exhibit A as the Staked Plains Energy Center Project Reinvestment Zone in order to comply with the technical requirements of the Act; and,

WHEREAS, at least seven days prior to the date of this hearing, the County delivered written notice of this public hearing to the presiding officer of the governing body of each taxing unit that includes in its boundaries any of the real property described in the attached Exhibit A; and,

WHEREAS, the County confirms that (a) improvements proposed by Tahoka Wind, LLC are feasible and will be beneficial to the Staked Plains Energy Center Project Reinvestment Zone and (b) the designation of the Staked Plains Energy Center Project Reinvestment Zone will contribute to the retention or expansion of primary employment or will attract major investment in the reinvestment zone that would be beneficial to the real property in the zone; and

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WHEREAS, the real property described on Exhibit A meets the criteria established in the Current Guidelines and Criteria for designation as a reinvestment zone; and

WHEREAS, the County desires to waive the requirement that a written application be filed for the designation of the reinvestment zone as permitted by the Current Guidelines and Criteria; and

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing;

NOW, THEREFORE, BE IT ORDERED by the Commissioners Court of Lynn County, that:

1. The County hereby waives the requirement that a written application be filed by Tahoka Wind, LLC for the designation of a reinvestment zone under the Current Guidelines and Criteria.
2. The County hereby confirms, ratifies, and reauthorizes its designation of the real property located in Lynn County, Texas, having the legal description in Exhibit A attached to this Order, as a reinvestment zone known as the "Staked Plains Energy Center Project Reinvestment Zone" under the County's Current Guidelines and Criteria, having determined that (a) the real property described on Exhibit A meets the criteria established in the Current Guidelines and Criteria, (b) the designation of such reinvestment zone will contribute to the retention or expansion of primary employment or will attract major investment in the reinvestment zone that would be beneficial to the real property described on Exhibit A and that will contribute to the economic development of the County.
3. This Resolution and Order is a confirmation, ratification, and reauthorization of the designation of the Staked Plains Energy Center Project Reinvestment Zone originally made by the County on December 12, 2016. This Resolution and Order is not a designation of a new reinvestment zone.
4. The County also hereby confirms, ratifies, and reauthorizes all other actions previously taken by the County with regard to the Staked Plains Energy Center Project Reinvestment Zone prior to the date of this Resolution and Order.

[remainder of this page intentionally blank]

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The foregoing Resolution and Order was lawfully moved by Don Blair,
duly seconded by Larry Durham, and duly adopted by the Lynn
County Commissioner's Court, the 10 day of April 2017.

Abstained
JUDGE MIKE BRADDOCK
County Judge

Matt Woodley
MATT WOODLEY
Commissioner Precinct 1

Don Blair
DON BLAIR
Commissioner Precinct 3

Abstained
JOHN HAWTHORNE
Commissioner Precinct 2

Larry Durham
LARRY DURHAM
Commissioner Precinct 4

ATTEST:

Susan Tipton
SUSAN TIPTON
Lynn County Clerk

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Exhibit A

Real Property Included in the Staked Plains Energy Center Project Reinvestment Zone

LEGAL DESCRIPTION: BEING APPROXIMATELY 234,222 ACRES OF LAND AND BEING ALL OF AND/OR ANY PORTIONS OF SECTIONS: 1, A-1456, 2, A-1459, 3, A-154, 4, A-588, 9, A-157, 10, A-586, 11, A-1457 AND 12, A-1461, BLOCK 10, E.L. & R.R. RR Co. SURVEY, 389, A-1489, 390, A-1518, 391, A-371, 392, A-1504, 395, A-165, 396, A-589, 397, A-1490, 398, A-1494, 399, A-1488, 400, A-1505, 401, A-193, 402, A-1063, 403, A-33, 404, 1513, 431, A-167 AND 432, A-1021, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 437, A-56, 438, A-574, 439, A-205, 440, A-460, 440, A-1014, 441, A-191 AND 442, A-1012, BLOCK 3, E.L. & R.R. RR Co. SURVEY, 275, A-1492, 276, A-1483, 2, A-1518, 1359, A-1486 AND 1360, A-1511, E.L. & R.R. RR Co. SURVEY, 1331, A-338 AND 1332, A-961, D. & S.E. RR Co. SURVEY, 1, A-1068, BLOCK H, E.L. & R.R. RR Co. SURVEY, 1, A-132, 2, A-1295, 2, A-1170, 2, A-672, 2, A-1468, 2, A-1186, 2, A-1435, 49, A-176, 443, A-36, 444, A-1013, 445, A-35, 446, A-488, 447, A-38, 448, A-1447, 448, 787, 448, A-1183, 448, 1239, 449, A-44, 450, A-808, 450, A-1416, 450, A-1070, 450, A-1415, 451, A-45, 452, A-1425, 452, A-1496, 452, A-785, 452, A-STATE, 453, A-46, 454, A-1335, 454, A-1164, 454, A-1050, 455, A-47, 456, A-587, 457, A-43, 458, A-1236, 458, A-1232, 459, A-48, 460, A-805, 461, A-49, 462, A-717, 462, A-1159, 462, A-1051, 463, A-42, 464, A-1022, 464, A-841, 465, A-41, 466, A-843, 466, A-1332, 467, A-50, 468, A-758, 469, A-37, 471, A-23, 472, A-759, 472, A-1034, 472, A-1119, 473, A-22, 474, A-1030, 474, A-760, 476, A-1476, 476, A-722, 477, A-10, 478, A-724, 479, A-11, 480, A-1117, 480, A-849, 481, A-20, 482, A-846, 482, A-1083, 482, A-1128, 482, A-1106, 482, A-1108, 482, A-1221, 482, A-1266, 482, A-1079, 483, A-21, 485, A-39, 486, A-1145, 486, A-725, 486, A-1056, 490, A-757, 493, A-18, 494, A-850, 494, A-1408, 494, A-1172, 495, A-19, 496, A-1219, 496, A-851, 497, A-13, 498, A-1285, 498, A-820, 498, A-1258, 498, A-1264, 499, A-14, 500, A-818, 503, A-25, 504, A-560, 505, A-26, 506, A-723, 507, A-27, 508, A-954, 509, A-28, 1361, A-40, 1405, A-1484, 1406, A-1512, 1407, A-1058, 1408, A-1074, 1409, A-1059, 1410, A-608, 1411, A-9, 1412, A-606, 1415, A-1060, 1416, A-679, 1417, A-1061, 1418, A-1075, 1419, A-1485 AND 1420, A-1500, BLOCK 1, E.L. & R.R. RR Co. SURVEY, 1413, A-200, 1414, A-461, 1425, A-198, 1426, A-462, 1427, A-199 AND 1428, A-463, BLOCK 18, E.L. & R.R. RR Co. SURVEY, 501, A-67, 502, A-695, 502, A-1111, 502, 1122, 503, A-63, 504, A-1004, 504, A-989, 504, A-1003, 505, A-64, 506, A-938, 506, A-1072, 506, A-1557, 506, A-1169, 506, A-753, 507, A-66, 508, A-1185, 508, A-673, 515, A-70, 516, A-710, 517, A-71, 518, A-1311, 518, A-753, 518, 1255, 519, A-69, 520, A-792, 521, A-72, 522, A-793, 529, A-65, 530, A-1521, 530, A-1550, 530, A-1529 AND 530, A-709, BLOCK 1, G.C. & S.F. RR Co. SURVEY, 223, A-275 AND 224, A-547, BLOCK 2, G.B. & C.N.G. RR Co. SURVEY, 1, A-312, 2, A-533, 3, A-315, 4, A-534, 5, A-313, 9, A-316 AND 10, A-535, BLOCK 2, L. & S.V. RR Co. SURVEY, 433, A-57, BLOCK 3, JOHN H. GIBSON SURVEY, 434, A-727, 434, A-1005 AND 434, A-1127, JOHN H. GIBSON SURVEY, 1, A-806, 1, A-337 AND 1, A-1377, D. & S.E. RR Co. SURVEY, 99, A-341 AND 100, A-825, BLOCK 3, D. & S.E. RR Co. SURVEY, 101, A-124, 102, A-1314, 102, A-788 AND 102, A-1477, BLOCK 3, D. & W. RR Co. SURVEY, 103, A-171, 104, A-807 AND 104, A-1417, BLOCK 3, E.L. & R.R. RR Co.

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SURVEY, 1362, A-1089, BLOCK 11, E.L. & R.R. RR Co. SURVEY, 404, A-1509, 406, A-1509, 551, A-89, 552, A-1095, 553, A-101, 554, A-1035, 559, A-86, 560, A-1071, 1421, A-1514, 1422, A-651, 1429, A-324 AND 1430, A-464, T.T. RR Co. SURVEY, 555, A-83, 556, A-502, 557, A-82 AND 558, A-557, T. & N.O. RR Co. SURVEY, 1323, A-1499, 1324, A-1503, 1365, A-1047, 1366, A-1096, 1367, A-1, 1368, A-1097, 1369, A-3, 1370, A-1087, 1371, A-2 AND 1372, A-1064, BLOCK 1, B.S. & F. SURVEY, 1321, A-322, 1322, A-1086, 1373, A-1073 AND 1374, A-1501, BLOCK 1, H. & O.B. RR Co. SURVEY, 561, A-81 AND 562, A-503, T. & N.O. RR Co. SURVEY, 601, A-268, 602, A-591, 603, A-269, 604, A-669, 605, A-68 AND 606, A-590, BLOCK 2, G.C. & S.F. RR Co. SURVEY, 527, A-204, 528, A-690, 528, A-1465, 557, A-192, 558, A-774, 558, A-1175, 559, A-55, 560, A-1309, 560, A-703, 560, A-1300, 560, A-1302 AND 560, A-1303, BLOCK 2, E.L. & R.R. RR Co. SURVEY, 301, A-53 AND 302, A-544, BLOCK 3, E.L. & R.R. RR Co. SURVEY, 303, A-73, 304, A-492, 305, A-76, 306, A-465, 309, A-75 AND 310, A-466, BLOCK 3, G.C. & S.F. RR Co. SURVEY, 307, A-282, 308, A-1330, 308, A-809 AND 308, A-1274, BLOCK 3, H. & O.B. RR Co. SURVEY, 201, A-109, 202, A-763, 203, A-102, 204, A-1410, 204, A-761, 204, A-1440, 205, A-91, 206, A-764, 207, A-97, 208, A-1331, 208, A-730, 208, A-1294, 208, A-1299, 209, A-92, 210, A-761, 210, A-1410, 210, A-732, 211, A-100, 212, A-762, 213, A-110, 214, A-1317, 214, A-1018 AND 214, A-735, BLOCK 4, T.T. RR Co. SURVEY, 1, A-544, 2, A-1375, 2, A-942, 2, A-1215, 3, A-151, 4, A-952, 4, A-1123, 5, A-142, 6, A-815, 6, A-1341, 7, A-152, 8, A-1208, 8, A-860, 8, A-1540, 8, A-1554, 9, A-153, 10, A-991, 10, A-1053, 10, A-733, 11, A-144, 12, A-1351, 12, A-1355, 12, A-1482, 12, A-861, 13, A-143, 14, A-795, 15, A-145, 16, A-1406, 16, A-1404, 16, A-731, 16, A-1405, 17, A-146, 18, A-736, 18, A-1273, 19, A-147, 20, A-737, 20, A-992, 20, A-1131, 21, A-148, 22, A-1353, 22, A-749, 22, A-1048, 23, A-149, 24, A-1139, 24, A-796, 24, A-1124, 25, A-266, 26, A-1346, 26, A-797, 26, A-1218, 27, A-219, 28, A-930, 35, A-222, 36, A-1467, 36, A-1545, 36, A-931, 37, A-223, 38, A-928, 39, 212, 40, A-901, 81, A-172, 82, A-506, 222, A-543 AND 1274, A-474, BLOCK 8, E.L. & R.R. RR Co. SURVEY, 405, A-288 AND 406, A-784, BLOCK 9, H.E. & W.T. RR Co. SURVEY, 410, A-827, BLOCK 9, E.L. & R.R. RR Co. SURVEY, 3, A-457, 221, A-134, 223, A-136, 224, A-545 AND 1273, A-1276, E.L. & R.R. RR Co. SURVEY, 27, A-177, 28, A-1126, 28, A-1436, 28, A-655, 41, A-259, 42, A-798, 42, A-1148 AND 42, 1147, BLOCK H, E.L. & R.R. RR Co. SURVEY, 39, A-296 AND 40, A-738, BLOCK 18, H.E. & W.T. RR Co. SURVEY, 563, A-8 AND 564, A-584, BROOKS & BURLESON SURVEY, 565, A-116, A.B. & M. SURVEY, 1, A-402, 2, A-964, 2, A-702 AND 2, A-1228, BLOCK Q, H.E. & W.T. RR Co. SURVEY, 3, A-133, 4, A-842, 4, A-1270 AND 4, A-1233, BLOCK Q, E.L. & R.R. RR Co. SURVEY, 1, A-321, BLOCK RT, R.T. CO. SURVEY, 1, A-1025, 1, A-1390, 1, A-1000, 1, 1032, 1, A-1376, BLOCK MH, S.N.M.C.D. SURVEY, 1, A-284, 2, A-1389, 2, A-1392, 2, A-1393, 2, A-1246, 2, A-1387, 2, A-1385, 2, A-681, 2, A-1382, 3, A-285, 4, A-1112, 4, A-694, 4, A-1324, 4, A-1356, 5, A-286, 6, A-680 AND 6, A-1379, BLOCK 1, H.E. & W.T. RR Co. SURVEY, 5, A-163, 6, A-687, 7, A-162, 8, A-648, 9, A-161, 16, A-854, 17, A-267 AND 18, A-688, BLOCK 7, E.L. & R.R. RR Co. SURVEY, 3, A-400 AND 4, A-646, BLOCK D20, G.W.T. & P. RR Co. SURVEY, 5, A-438 AND 6, A-647, BLOCK D20, W.T. RR Co. SURVEY, 23, A-401, 24, A-1008, 24, A-1527, 24, A-1357, 24, A-715, 24, A-1427 AND 24, A-1556, H.E. & W.T. RR Co. SURVEY, 12, A-1191, 12, A-979, 12, A-1100, 13, A-1301, 13, A-854, 14, A-1179, 14, A-1263, 14, A-1182, 14, A-812, 15, A-1305, 15, A-814, 15, A-1298, 15, A-1304, 16, A-996, 16, A-816, 16, A-1381, 16, A-STATE, 17, 1340, 17, A-1391, 17, A-1386, 17, A-1383 AND 18, A-1267, BLOCK D23, PUBLIC SCHOOL

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LAND SURVEY, 1251, A-1272, 1252, A-650, 1257, A-1237, 1258, A-649, A.B. & M. SURVEY, 1, A-271, 2, A-1153, 2, A-697, 2, A-1297, 2, A-1155, 2, A-1154 AND 12, A-667, BLOCK L, G.W.T. & P. RR Co. SURVEY, 3, A-310, 4, A-1141, 4, A-1316, 4, A-660, 4, A-1313, 5, A-309, 6, A-1105, 6, 682 AND 6, 1394, BLOCK L, I. RR Co. SURVEY, 7, A-4, 8, A-626, 11, A-272, 15, A-6, 16, A-668, 259, A-122, 260, A-927, 260, A-1031, 261, A-120, 262, A-659, 263, A-121 AND 264, A-862, BLOCK L, B.S. & F. SURVEY, 17, A-439, 18, 1039, 18, A-1243, 18, A-899 AND 18, A-1167, BLOCK L, D. & S.E. RR Co. SURVEY, 1, A-1279 AND 2, A-456, JASPER HAYS SURVEY, 1263, A-1277, 1264, A-614, 1265, A-1241 AND 1266, A-615, JOHN H. GIBSON SURVEY, 1, A-60, 2, A-1265, 2, A-1259, 2, A-801, 2, A-1261, 13, A-61 AND 14, A-638, BLOCK J, G.W.T. & P. RR Co. SURVEY, 3, A-34, 4, A-625, 15, A-131, 16, A-844, 17, A-52, 18, A-800, 18, A-1203, 18, A-1033, 19, A-51, 20, A-800, 20, A-1528, 20, A-696, 20, A-1433 AND 20, A-1531, BLOCK J, E.L. & R.R. RR Co. SURVEY, 5, A-80 AND 6, A-628, BLOCK J, H. & W. SURVEY, 7, A-270 AND 8, A-639, JOHN H. GIBSON SURVEY, 9, A-119 AND 10, A-363, BLOCK J, B.S. & F. SURVEY, 11, A-115 AND 12, A-637, BLOCK J, A.C.H. & B. SURVEY, 1271, A-1271, 1272, A-612, 1272, A-1250 AND 1272, A-1315, A.B. & M. SURVEY, 9, A-1388, 10, A-1275, 12, A-1116, 13, A-306, 14, A-613, 14, A-1225, 15, A-261 AND 32, A-1322, BLOCK 24, H.E. & W.T. RR Co. SURVEY, 1, A-125, 2, A-1506, 3, A-597, 4, A-616, 5, A-127, 6, A-1336, 6, A-1319, 8, A-627, 9, A-126 AND 10, A-1115, BLOCK O, D. & W. RR Co. SURVEY, 7, A-605, BLOCK O, S. & M. SURVEY, 36, A-1326, 36, A-1325 AND 37, A-1296, BLOCK 24, C.A. JOPLIN SURVEY, AND 1, A-170 AND 2, A-642, BLOCK M, A.L. & R.R. RR Co. SURVEY, AND LEAGUES: 1, A-114, 3, A-112, AND 4, A-113, WILSON COUNTY SCHOOL LAND SURVEY, ALL LYING IN AND BEING SITUATED OUT OF LYNN COUNTY, TEXAS: SAID 234,222 ACRE TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a point at or near the intersection of the common line of Garza County, Texas and said Lynn County with the north line of Borden County, Texas for the southeast corner hereof and having an approximate Latitude and Longitude of 32.9611° and 101.5575°;

THENCE North 87°49'09" West a distance of 14800.40 feet along the common line of said Borden and Lynn Counties to a point for an ell corner hereof and having an approximate Latitude and Longitude of 32.9614° and 101.6057°;

THENCE North 02°01'50" East a distance of 26429.58 feet crossing said Section 9, A-157, Section 4, A-588, Section 396, A-589, Section 431, A-167 and Section 438, A-574 to a point at or near the common line of said Section 438 and Section 437, A-56 for an interior corner hereof and having an approximate Latitude and Longitude of 33.0341° and 101.6052°;

THENCE North 87°59'33" West a distance of 63533.34 feet generally along the south lines of said Section 437, Section 440, A-1014, Section 439, A-205, Section 434, A-1127 and A-1005, Section 101, A-124, Section 406, A-784, Section 405, A-288, Section 410, A-827, Section 17, A-146, Section 18, A-736, Section 19, A-147, Section 20, A-1131, A-992 and A-737, and Section 21, A-148 to a point at or near the common line of said Section 21 and Section 28, A-930 for an interior corner hereof and having an approximate Latitude and Longitude of 33.0348°, and 101.8125°;

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THENCE South 01°47'54" West a distance of 5291.17 feet crossing said Section 28 to a point at or near the south line of said Section 28 for an ell corner hereof;

THENCE North 88°10'20" West a distance of 7130.11 feet generally along the south line of said Section 28 and Section 27, A-219 to a point at or near the common line of said Section 27 and Section 35, A-222 for an interior corner hereof;

THENCE South 01°48'51" West a distance of 7150.57 feet crossing said Section 35 and Section 40, A-901 to a point for an ell corner hereof and having an approximate Latitude and Longitude of 33.0006° and 101.8358°;

THENCE North 88°01'41" West a distance of 17885.32 feet crossing said Section 40, Section 39, A-212, Section 38, A-928 and Section 27, A-177 to a point at or near the west line of said Section 27 for the southerly southwest corner hereof and having an approximate Latitude and Longitude of 33.0008° and 101.8941°;

THENCE North 01°23'15" East a distance of 2356.93 feet generally along the west line of said Section 27 and Section 28, A-1126 to a point at or near the northeast corner of Section 26, Block H, EL & RR RR Co. Survey, A-1423 for an interior corner of said Section 28 and hereof;

THENCE North 87°43'53" West a distance of 226.05 feet generally along the common line of said Section 28 and 28 to a point at or near the westerly southwest corner of said Section 28 for an ell corner hereof;

THENCE North 01°59'22" East a distance of 15849.85 feet generally along the west line of said Section 28, A-1126 and A-1436, Section 41, A-259 and Section 42, A-798 and A-1148 to a point at or near the northwest corner of said A-1148 and an ell corner hereof;

THENCE South 87°43'16" East a distance of 102.02 feet generally along the north line of said A-1148 to a point at or near the southwest corner of said Section 49, A-176 for an interior corner hereof;

THENCE North 02°23'40" East a distance of 31585.79 feet generally along the west line of said Section 49, Section 40, A-738, Section 39, A-296, Section 82, A-506, Section 10, A-535, and Section 3, A-315 to a point at or near the northwest corner of said Section 3 for an angle point hereof;

THENCE North 01°45'26" East a distance of 15944.67 feet generally along the west line of said Section 4, A-534, Section 5, A-313 and Section 309, A-75 to a point at or near the northwest corner of said Section 309 for the westerly northwest corner hereof and having an approximate Latitude and Longitude of 33.1815° and 101.8936°;

THENCE South 87°40'52" East a distance of 21310.45 feet generally along the north line of said Section 309, Section 310, A-466, Section 565, A-116 and Section 563, A-8 to a point at or near

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the northeast corner of said Section 563 for an ell corner hereof and having an approximate Latitude and Longitude of 33.1810° and 101.8239°;

THENCE South 01°51'15" West a distance of 10602.69 feet generally along the east line of said Section 563 and Section 564, A-584 to a point at or near the northeast corner of said Section 223, A-275 for an interior corner hereof;

THENCE South 87°40'11" East a distance of 5364.04 feet generally along the north line of said Section 224, A-547 to a point at or near the northeast corner of said Section 224 for an ell corner hereof;

THENCE South 01°39'20" West a distance of 10640.57 feet generally along the east line of said Section 224 and Section 304, A-492 to a point at or near the northeast corner of said Section 301, A-53 for an interior corner hereof;

THENCE South 87°55'57" East a distance of 10610.55 feet generally along the north line of said Section 490, A-757 and Section 205, A-91 to a point at or near the northwest corner of said Section 471, A-23 for an interior corner hereof;

THENCE North 01°57'21" East a distance of 21370.50 feet generally along the west line of said Section 469, A-37, Section 476, A-722 and A-1478, Section 483, A-21 and Section 493, A-18 to a point at or near the common corner of Section 491, Block 1, EL & RR RR Co. Survey, A-17 and said Section 500, A-818, Section 499, A-14 and Section 493, A-18 and an interior corner hereof and having an approximate Latitude and Longitude of 33.1810° and 101.7715°;

THENCE North 88°04'20" West a distance of 5327.73 feet generally along the south line of said Section 500 to a point at or near the southwest corner of said Section 500 for an ell corner hereof;

THENCE North 01°54'27" East a distance of 5329.35 feet generally along the west line of said Section 500 to a point at or near the northwest corner of said Section 500 for an angle point hereof;

THENCE North 17°47'07" East a distance of 11117.21 feet crossing said Section 503, A-25 and Section 509, A-28 to a point at or near the north line of said Section 509 for an ell corner hereof and having an approximate Latitude and Longitude of 33.2251° and 101.7788°;

THENCE South 87°59'55" East a distance of 18237.61 feet generally along the north line of said Section 509, Section 508, A-54, Section 507, A-27 and Section 1, A-321 to a point at or near the northwest corner of said Section 508, A-1185 for an interior corner hereof;

THENCE North 01°44'55" East a distance of 15867.28 feet generally along the west line of said Section 1, A-1032 and A-1025, Section 9, A-161 and Section 16, A-854 to a point at or near the southwest corner of said Section 3, A-400 for an interior corner hereof and having an approximate Latitude and Longitude of 33.2685° and 101.7192°;

THENCE North 88°12'26" West a distance of 15902.78 feet generally along the south line of said Section 4, A-646, Section 23, A-401 and Section 24, A-1556, A-715 and A-1357 to a point at or near the southwest corner of said A-1357 for an ell corner hereof;

THENCE North 02°21'57" East a distance of 7880.88 feet generally along the west line of said Section 24, A-1357 and A-1008 and Section 6, A-647 to a point at or near the northwest corner of said Section 6 for an angle point hereof and having an approximate Latitude and Longitude of 33.2902° and 101.7710°;

THENCE North 50°01'47" East a distance of 5127.04 feet crossing said Section 12, A-1191 and A-979, Section 18, A-1267 and League 3, A-112 to a point for an angle point hereof;

THENCE South 79°27'34" East a distance of 4085.72 feet crossing said League 3 to a point at or near the intersection of the common line of said League 3 and Section 18, A-1267 and U.S. Highway 87 for an angle point hereof;

THENCE North 44°39'15" East a distance of 13436.41 feet generally along said highway and crossing said League 3, and League 4, A-113 to a point for an interior corner hereof and having an approximate Latitude and Longitude of 33.3249° and 101.7153°;

THENCE North 01°35'45" East a distance of 25057.02 feet crossing said League 4, League 1, A-114, Section 2, A-642 and Section 32, A-1322 to a point at or near the common line of Lubbock County, Texas and said Lynn County for the northerly northwest corner hereof and having an approximate Latitude and Longitude of 33.3938° and 101.7155°;

THENCE South 88°50'51" East a distance of 48454.80 feet generally along said common county line to a point at or near the common corner of Crosby County, Texas and said Garza, Lynn and Lubbock Counties for the northeast corner hereof and having an approximate Latitude and Longitude of 33.3951° and 101.5568°;

THENCE generally along the common line of said Garza and Lynn Counties the following five (5) calls:

1. South 01°47'10" West a distance of 50448.57 feet to a point for an angle point;
2. South 01°50'22" West a distance of 27318.21 feet to a point for an angle point;
3. South 01°43'50" West a distance of 48382.52 feet to a point for an angle point;
4. South 01°27'15" West a distance of 5315.79 feet to a point for an angle point;
5. South 01°39'09" West a distance of 26438.87 feet to the **POINT OF BEGINNING** and containing 234,222 acres of land, more or less.

Note: Bearings and distances shown hereon are NAD83, Texas North Central Zone, and coordinates shown hereon are WGS84 Latitude (North) and Longitude (West) and all are approximate based on GIS mapping. This description does

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not constitute a boundary survey and is provided for reference purposes only.

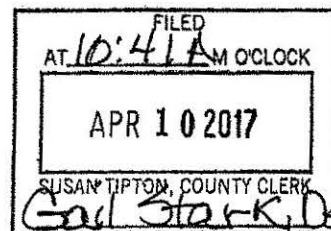
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FILED FOR RECORD
AT 11:45 O'CLOCK A M
ON THE 11 DAY OF April
A.D., 2017
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In the OPR Records

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
Susan Tipton
Susan Tipton
COUNTY CLERK, LYNN COUNTY, TEXAS



LC



GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN REINVESTMENT ZONES

Lynn County, Texas

I. PURPOSE

Lynn County, hereinafter referred to as "County" is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax phase-in, which includes the designation of reinvestment zones, application for tax abatements and entering into tax abatement agreements, to stimulate growth and development.

It is the intent of the County that such incentives will be provided in accord with the procedures and criteria outlined in this document. However, nothing in these Guidelines and Criteria shall imply or suggest to be construed to imply or suggest that tax entities are under any obligation to provide any incentives to any applicant. All such applicants for tax phase-in incentives shall be considered on an individual basis for both the qualification for tax abatement and the amount of any tax abatement. The adoption of these guidelines and criteria shall not 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.

Only that increase in the fair market value 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. Additionally, the Lynn County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

II. DEFINITIONS

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

III. GUIDELINES AND CRITERIA

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement as a minimum must meet the following:

- (a) Be an authorized Facility. A facility may be eligible for abatement if it is a(n):

Aquaculture/Agriculture Facility,

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

- (b) The project must be reasonably expected to have an increase in positive net economic benefit to Lynn County of at least \$150,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and for capital improvement.

In consideration of the request for designation as a reinvestment zone and to receive tax abatement, the following factors will also be considered:

- (1) Jobs. The projected new jobs created including the number of jobs, the retention of existing jobs, the type of jobs, the average payroll, the total payroll and the number of local persons hired.
- (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales tax that will be generated, the infrastructure improvements by the County that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project.
- (3) Community Impact.

The pollution, if any, as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project:

The revitalization of a depressed area;

The business opportunities of existing local vendors;

The alternative development possibilities for proposed site;

The impact on other taxing entities, including the use of municipal or county infrastructure; and/or

Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Lynn County to another.

IV. ABATEMENT AUTHORIZED

- (a) Authorized Date. A facility may be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction; provided, that such facility meets the criteria granting tax abatement in reinvestment zones created in Lynn County pursuant to these Guidelines and Criteria for a period not to exceed ten years.
- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the property owner or lessee (and lessor if required pursuant to IV (E)), subject to such limitations as the Guidelines and Criteria may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) Eligible Property. Abatement may be extended to the value of the following: new, expanded, replaced or modernized buildings and structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement:

- Land,
- Animals,
- Inventories,
- Supplies,
- Tools,
- Furnishings and other forms of movable personal property,
- Vehicles,
- Vessels,
- Aircraft,
- Housing or residential property,
- Fauna,

Flora,
Deferred Maintenance investments,
Property to be rented or leased except as provided in Part IV(f),
Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility,
Property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.

- (f) Owned/Leased Facilities. If a leased facility is granted an abatement, the agreement shall be executed with the lessor and lessee.
- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement or the qualifying facility in service date or whichever is later. The value of new eligible properties shall be abated according to the approved agreement between applicant and the governing body. The governing body, in its sole discretion, shall determine the amount of any abatement. The table in the attached Exhibit "A", incorporated herein by referenced, shall be the maximum abatement available, the actual amount of abatement granted is in the sole discretion of the Lynn County Commissioner's Court, but shall not exceed said maximum.

The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.

- (h) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Part IV(e) shall be fully taxable.
 - (2) The base year value of existing eligible property as determined each year shall be fully taxable.
 - (3) The additional value of new eligible property shall be taxable in the manner described in Part IV(g).

V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner, assignee or lessee of taxable property in Lynn County may request the creation of a reinvestment zone and tax abatement by filing written request either with the County or applicable taxing entity. The completed Application must be accompanied by the payment of a five hundred dollar (\$500) 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 Lynn County.

- (b) The application shall consist of a completed application form accompanied by:
- (1) a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken;
 - (2) a descriptive list of the improvements which will be part of the facility;
 - (3) a map and property description or a site plan;
 - (4) a time schedule for undertaking and completing the planned improvements;
 - (5) in the case of modernizing or replacing existing facilities in whole or in part, 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; and
 - (6) The application form may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.
- (c) Upon receipt of a completed application, the taxing entity receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the jurisdiction receiving such application shall through public hearings afford the applicant and the designated representative of any affected jurisdiction the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the legislative body of the jurisdiction receiving such application to be posted at least seven (7) days prior to the hearing.
- (d) The jurisdiction receiving the application shall approve or disapprove the application for tax abatement within forty-five (45) days after receipt of the application. The presiding officer of the legislative body of the jurisdiction receiving such application shall notify the applicant of the approval or disapproval promptly thereafter.

- (e) A request for reinvestment zone for the purpose of abatement shall not, except pursuant to subsection (e), be granted if the jurisdiction receiving the application finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization expansion or new facility.
- (f) Variance. Requests for variance from the provisions of subsections (a) through (e) of Part V may be made in written form to the presiding officer of the jurisdiction receiving the application. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body of the affected jurisdiction as provided in State Statutes.

VI. PUBLIC HEARING

- (a) Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be reason for the jurisdiction receiving the application to deny the granting of ad valorem tax abatement.
- (b) Neither a reinvestment zone nor an abatement shall be authorized if it is determined that:
 - (1) There would be a substantial adverse affect on the provision of a government service or tax base of an affected jurisdiction.
 - (2) The applicant has insufficient financial capacity.
 - (3) Planned or potential use of the property would constitute a hazard to public safety, health or morals.
 - (4) Planned or potential use of the property violates other governmental codes or laws.

VII. AGREEMENT

- (a) After approval of the tax abatement application, each affected jurisdiction shall formally pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:
 - (1) Estimated value to be abated and the base year value.

- (2) Percent of value to be abated each year as provided in Part IV(g) of these Guidelines and Criteria.
 - (3) The commencement date and the termination date of abatement.
 - (4) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description and improvements list as provided in Part V of these Guidelines and Criteria.
 - (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by state law.
 - (6) Amount of investment and/or average number of jobs involved for the period of abatement.
 - (7) Said contract shall meet all of the requirements of Texas Tax Code Sec. 312 et. seq.
- (b) Such agreement shall be executed within thirty (30) days after the later of the date applicant has forwarded all necessary information to the jurisdiction receiving the application or the date of the approval of the application.
- (c) Each affected jurisdiction shall make its own determination of abatement which shall not bind any other affected jurisdiction.

VIII. RECAPTURE

- (a) In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of more than one (1) year during the abatement period, then the abatement agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to each affected jurisdiction within the County within sixty (60) days from the date of termination.
- (b) Should the jurisdiction establishing a reinvestment zone and signing a tax abatement agreement determine that a company or individual is in default according to the terms and conditions of its agreement, the jurisdiction

shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Further, it will be a default under a tax abatement granted pursuant to these Guidelines and Criteria if the owner of the eligible property subject to the abatement is delinquent in paying any undisputed taxes to any taxing authority in Lynn County, Texas.

(c) In the event that the company or individual:

- (1) Allows its ad valorem taxes owed the County or an affected jurisdiction 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 same during the Cure Period;

The agreement shall be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

IX. ADMINISTRATION

- (a) The Chief Appraiser of the Lynn County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for abatement, including the number of new or retained employees associated with the facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of the jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement 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 jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement shall

annually evaluate each facility and report possible violations of the contract and/or agreement to each affected jurisdiction.

- (d) All proprietary information acquired by an affected jurisdiction for purposes monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.

X. ASSIGNMENT

- (a) Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of each affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with each affected jurisdiction.
- (b) The contractual agreement with the new owner or lessee shall not exceed the termination date of the abatement agreement with the original owner and/or lessee.
- (c) No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any affected jurisdiction for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld.

XI. SUNSET PROVISION

- (a) These Guidelines and Criteria are effective upon the date of the adoption and will remain in force for two (2) years, unless amended by three quarters vote of the Commissioners Court of Lynn County, Texas, at which time all reinvestment zones and tax abatement contracts created pursuant hereto will be reviewed by each affected jurisdiction to determine whether the goals have been achieved. Based on that review, these Guidelines and Criteria may be modified, renewed or eliminated, providing that such actions shall not affect existing contracts.
- (b) These Guidelines and Criteria do not amend any existing Industrial District Contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the affected jurisdiction.
- (c) Prior to the date for review, as defined above, these Guidelines and Criteria may be modified by a two-thirds (2/3) vote of the affected taxing authorities, as provided for under the laws of the State of Texas.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- (b) Property that is in a reinvestment zone that is owned or leased by the following cannot benefit from a tax abatement:
 - (1) A member of the governing body of a municipality or by a member of a planning board or commission of the municipality; or
 - (2) A member of the commissioner's court or a member of a planning board or commission of the County is excluded from property tax abatement.
- (c) If these Guidelines and Criteria have omitted any mandatory requirements of the applicable tax abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of this Guideline Statement.

GLOSSARY

- (a) “Abatement” means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the County or a city for economic development purposes.
- (b) “Aquaculture/Agriculture Facility” means building, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is of food and/or fiber products in commercially marketable quantities.
- (c) “Affected Jurisdiction” means Lynn County and any municipality, or school district, the majority of which is located in Lynn County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Lynn County or any municipality.
- (d) “Agreement” means a contractual agreement between a property owner and/or lessee and the affected jurisdiction for the purpose of tax abatement.
- (e) “Base year value” means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for tax abatement.
- (f) “Deferred maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process of technology.
- (g) “Distribution Center Facility” means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenue generated by activity at the facility are derived from outside of Lynn County.
- (h) “Expansion” means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) “Manufacturing Facility” means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

- (k) “Modernization” means the upgrading and or replacement of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- (l) “New Facility” means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) “New Jobs” means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee.
- (n) “Office Building” means a new office building.
- (o) “Other Basic Industry” means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and results in the creation of new permanent jobs and new wealth in the County.
- (p) “Regional Entertainment/Tourism Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Lynn County.
- (q) “Research Facility” means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereto.
- (r) “Regional Service Facility” means buildings and structures, including fixed machinery and equipment, used or to be used to provide a service from which a majority of revenues generated by activity at the facility are derived from outside Lynn County.
- (s) “Wind Energy Facility” means buildings and structures, including but not limited to wind energy generating turbines, electric transmission lines, electric power substations, electrical gathering equipment, communications systems and roads, fixed machinery and equipment, used or to be used to provide electrical energy.

Tab Item 17

Signature Pages

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 ▶Jerry Burger
Print Name (Authorized School District Representative)

Superintendent

Title

sign
here ▶
Signature (Authorized School District Representative)

Date

04/10/2018

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 ▶Philip Moore
Print Name (Authorized Company Representative (Applicant))

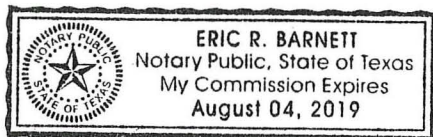
Vice President

Title

sign
here ▶
Signature (Authorized Company Representative (Applicant))

03/08/2018

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of March, 2018
Notary Public in and for the State of Texas

My Commission expires: August 4, 2019

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.