POWELL & LEON, LLP

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March 15, 2019

Ms. Tabita Collazo
Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application #1284 Crockett County Consolidated Common School District – White Mesa Wind, LLC – Amendment #002 (after Agreement) Transmittal Letter

Dear Ms. Collazo:

White Mesa Wind, LLC (the "Applicant") wishes to amend the Application and Agreement that was approved by the Crockett County Consolidated Common School District on December 19, 2018. Enumerated below are the changes contained in Amendment #002:

1. **Application Section 14:** *Wage and Employment Information*
   a. Item 4: The Applicant commits to creating 9 new qualifying jobs.
   b. Item 6: The Applicant intends to request that the District waive the minimum new qualifying job creation requirement.

2. **Tab 4:** *Detailed Description of the Project*
   The project description has been updated based on the new total capacity of 350 MW.

3. **Tab 7:** *Description of Qualified Investment*
   The qualified investment description has been updated based on the new total capacity of 350 MW.

4. **Tab 8:** *Description of Qualified Property*
   The qualified property description has been updated based on the new total capacity of 350 MW.

5. **Tab 9:** *Description of Land*
   The description has been updated to reflect that the land will not be part of the Qualified Property.

6. **Tab 11:** *Maps*
   New project maps are provided.

7. **Tab 12:** *Request for a Waiver of Job Creation Requirement*
   A new job creation waiver request is attached for nine new qualifying jobs according to the industry standard of one full-time employee for every fifteen turbines.

8. **Tab 14:** *Schedules*
   New financial schedules are provided.

9. **Tab 16:** *Description of Reinvestment Zone*
   The final reinvestment zone designations are attached.

10. **Application Section 16:** *Authorized Signatures and Applicant Certification*
    A new signature page is attached.

If you have any questions, or would like to discuss this matter further, please contact me, or Shelly Leung, at (512) 494-1177.

Respectfully submitted,

Sara Hardner Leon

Enclosures

cc: *Via Electronic Mail: raul.chavarria@ozonaschools.net*
Mr. Raul Chavarria, Superintendent of Schools, Crockett County CCSD

Via Electronic Mail: faith.tyler@apexcleanenergy.com
Ms. Faith Tyler, Project Developer, Apex Clean Energy

Via Electronic Mail: dsewell@sbaustinlaw.com
Mr. David Sewell, Stahl Davies Sewell Chavarria & Friends, LLP

Tab 1

Amended pages attached.

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 2018 (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? 9

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 773.00

   b. 110% of the average weekly wage for manufacturing jobs in the county is . . . . . N/A

   c. 110% of the average weekly wage for manufacturing jobs in the region is 865.70

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? 45,016.40

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 45,100.00

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 4

Detailed description of the project

Apex Clean Energy Holdings, LLC ("Apex") http://www.apexcleanenergy.com/ is an independent renewable energy company based in Charlottesville, VA. Since its founding in 2009, Apex has become one of the fastest-growing companies in the industry. Apex has completed construction of wind facilities and started construction on additional projects in Illinois, Texas, and Oklahoma. Operating assets under management by Apex have grown to approximately 1000 MW as of the first quarter of 2018. The company has a diversified portfolio of over 14,000 MW of wind energy facilities in development around the country (including over 1000 MW in Texas) and owns several operating solar PV assets. The company's management team comprises experts from throughout the industry whose collective prior experience includes the development, financing, construction and operation of over $10 billion in wind and solar energy facilities now operating in the United States.

White Mesa Wind, LLC is proposing to construct, operate, and maintain a renewable energy facility (the "Project") utilizing wind-powered electric generation equipment to be located in Crockett County, Texas. The Project will expand the local tax base in the County and contribute to employment in the County without triggering any new burden to shared services. The Project will be located in Crockett County Consolidated Common School District.

The overall Project is anticipated to have a capacity of 350 MW consisting of 140 GE 2.5 MW wind turbines. Construction of the Project is expected to begin in the first Quarter of 2020 with completion by the end of 2020.

The Project will interconnect into the ERCOT market's power grid at the substation located in Schneeman substation located in Crockett County. An approximately 11-mile transmission line will connect the Project's collector substation to the ERCOT substation.

The Project is expected to be operational for 30 years or more. The Project site is well-suited for energy development alongside current agricultural use and is considered low-risk.

Tab 7

Description of Qualified Investment

The qualified investment is expected to consist of approximately 140 GE 2.5 MW wind turbines for a total operating capacity of approximately 350 MW. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines. There will also be located within the project boundary an electrical substation with one permanent control room; a transmission line to the interconnection point to the northwest of the project site; one permanent operations and maintenance building; office equipment and computers; anemometer towers; electrical transmission interconnects, cables, towers, and control systems for commercial generation of electricity; fencing and other equipment as needed for safety and security; and other personal property supporting the Project.

The Project will lease land from local land owners.

Tab 8

Description of Qualified Property

The qualified investment is expected to consist of approximately 140 GE 2.5 MW wind turbines for a total operating capacity of approximately 350 MW. In addition to the wind turbines, electrical connections will be installed to permit the interconnection and transmission of electricity generated by the wind turbines. There will also be located within the project boundary an electrical substation with one permanent control room; a transmission line to the interconnection point to the northwest of the project site; one permanent operations and maintenance building; office equipment and computers; anemometer towers; electrical transmission interconnects, cables, towers, and control systems for commercial generation of electricity; fencing and other equipment as needed for safety and security; and other personal property supporting the Project.

The Project will lease land from local land owners.

Tab 9

Description of Land

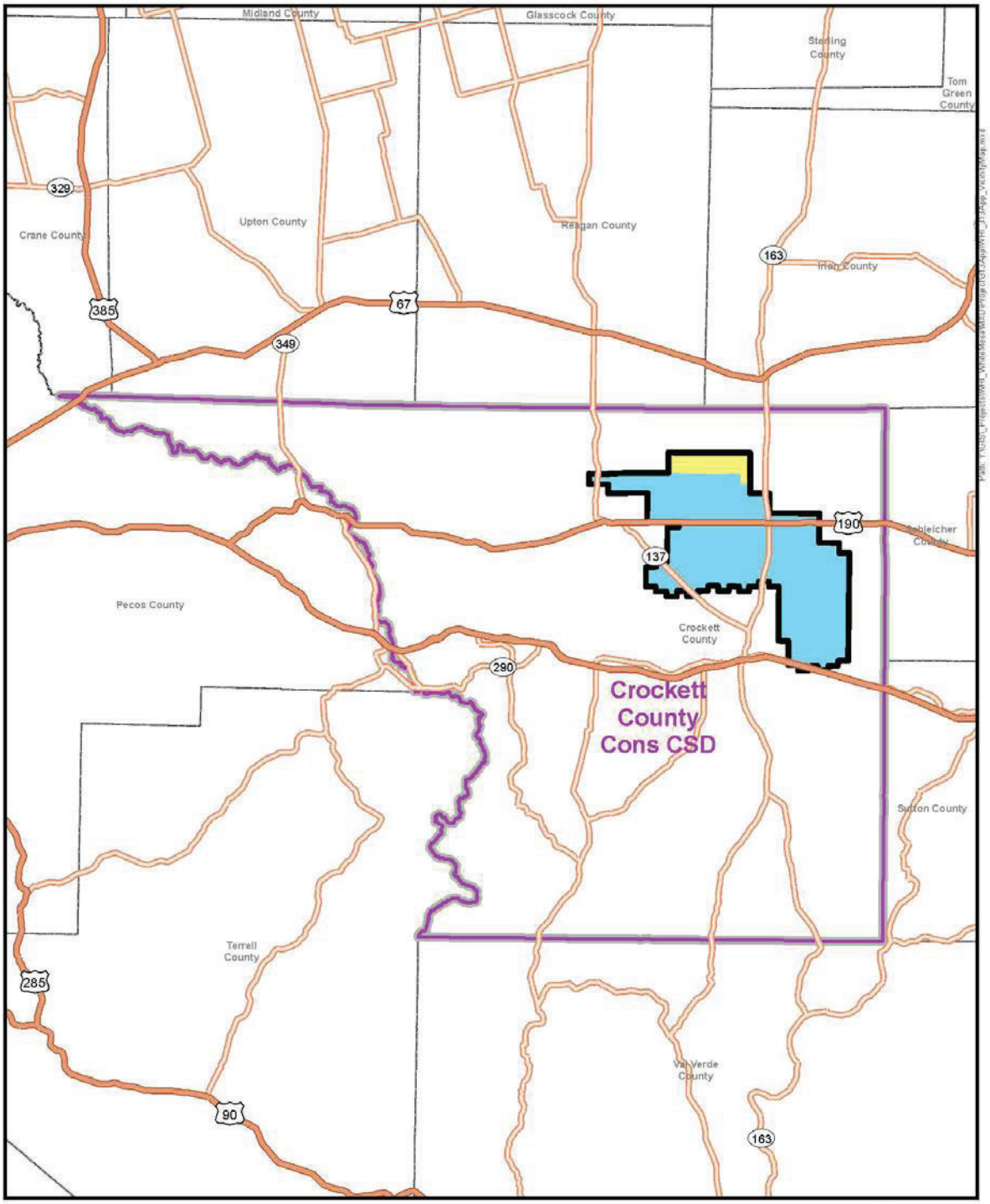
Not applicable. The Land is not part of the qualified property in this application.

Tab 11

Maps

See attached maps.

The locations of project improvements shown on the attached maps should be considered preliminary and are subject to revision.



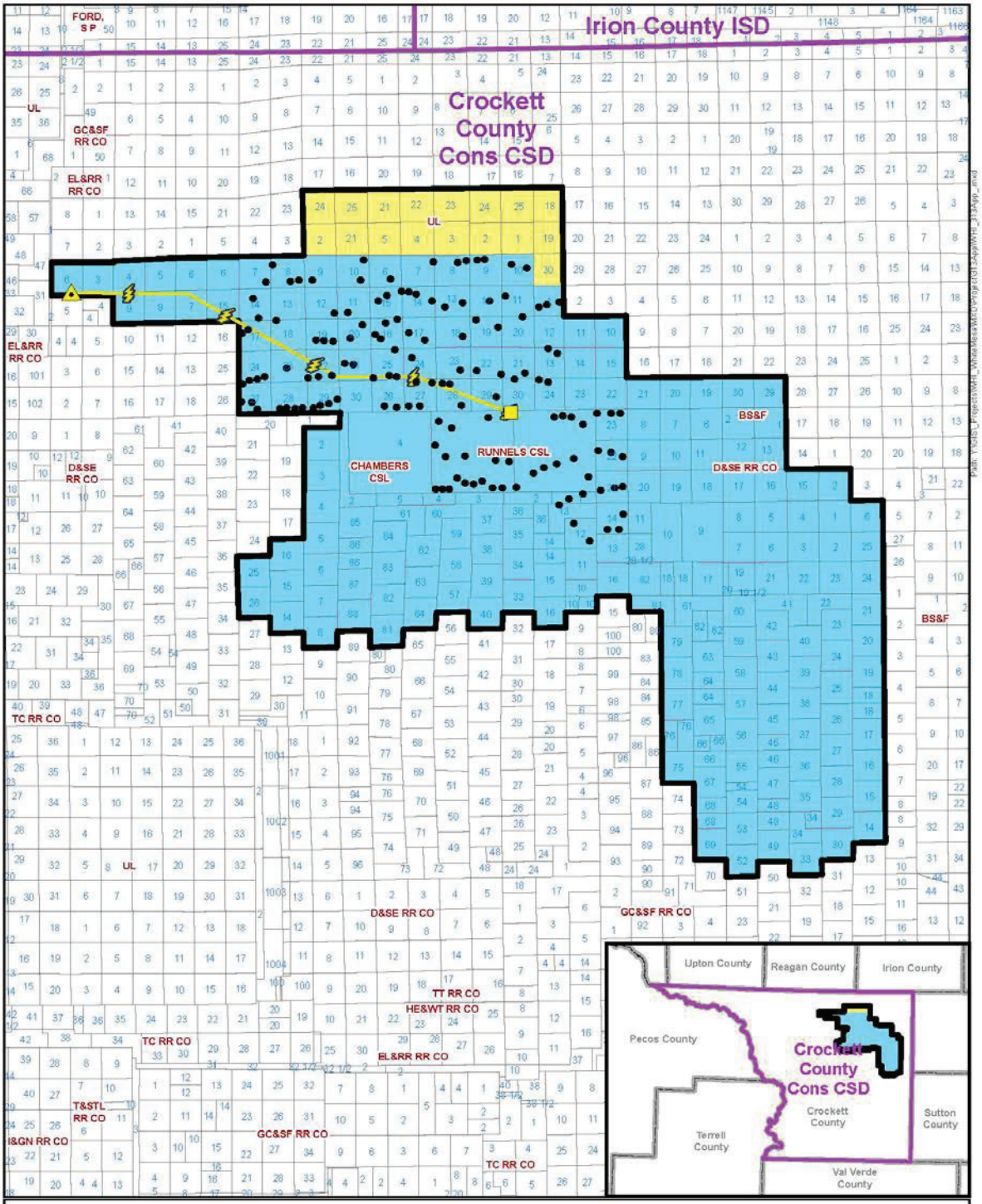
White Mesa:
Reinvestment Zone
Vicinity Map
Crockett County, TX

Project Boundary
Reinvestment Zone #1 (Approved 9/10/18)
Reinvestment Zone #2 (Approved 12/13/18)
Crockett County School District
Crockett County

APEX CLEAN ENERGY

0 2.5 5 10 15 20 Miles

AMENDMENT NO. 2 (03/04/2019)



White Mesa Wind: Reinvestment Zone

Crockett County, TX

- Proposed Turbine Location
- Point of Interconnect
- Project Substation
- Project Transmission Line
- OTLS Section
- Crockett County School District
- Project Boundary
- Reinvestment Zone #2 (Approved 12/13/18)
- Reinvestment Zone #1 (Approved 9/10/18)

Confidential

APEX CLEAN ENERGY

* Turbine Locations Will Change Due to Final Survey/Design

Tab 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See attached letter. Based on the attached letter, White Mesa Wind, LLC is committing to creating 9 jobs to support the project.

AMENDMENT NO. 2 (03/04/2019)

White Mesa Wind, LLC

Crockett County, Texas

January 17, 2019

Re: White Mesa Wind, LLC Employment Estimate

To whom it may concern:

Wind projects create a large number of construction jobs but require a small number of highly skilled technicians to operate a wind project once commercial operations begin. The permanent employees of a wind farm maintain and service the wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. Based upon Apex's extensive experience in wind development and a survey of experienced developers and operators of large scale wind projects, we find that the industry standard for ratio for permanent employment is one (1) full-time employee for every fifteen (15) turbines. This number can and does vary depending upon the operator, turbine type and size, and support and technical assistance offered by the turbine manufacturer. In addition to the on-site employees described above, there may be asset managers or technicians who supervise, monitor and support wind project operations from off-site locations. Based on the ratio of one (1) full-time employee for every fifteen (15) turbines, White Mesa Wind, LLC anticipates creating nine (9) new qualifying jobs in Crockett County Consolidated CSD in connection with this project.

Therefore, we respectfully request that the job creation requirement be waived for this project.

If you have any questions please do not hesitate to contact me at (434) 566-3949.

Sincerely,

Faith Tyler

Faith Tyler, Development Manager

c/o Apex Clean Energy, Inc.
310 4th Street NE, Suite 200 | Charlottesville, VA 22902
T 434.220.7595 | F 434.220.3712
apexcleanenergy.com

Tab 14

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

See attached.

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

Date 12/19/2018
Applicant Name White Mesa Wind, LLC
ISD Name Crockett County Consolidated Common School District

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year 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				$0	$0	$0	$0	$0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				$0	$0	$0	$0	$0
Complete tax years of qualifying time period	QTP1	2019 - 2020	2019	$0	$0	$0	$0	$0
	QTP2	2020-2021	2020	$420,000,000	$0	$0	$0	$420,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$420,000,000	$0	$0	$0	$420,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$420,000,000				

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.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date 12/19/2018
Applicant Name White Mesa Wind, LLC
ISD Name Crockett County Consolidated Common School District

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property {SEE NOTE}	Column E **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**				
				$420,000,000				$420,000,000
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2018 - 2019	2018	$0	$0	$0	$0	$0
	1	2019 - 2020	2019	$0	$0	$0	$0	$0
	2	2020 - 2021	2020	$420,000,000	$0	$0	$0	$420,000,000
Value limitation period***	1	2021 - 2022	2021	$0	$0	$0	$0	$0
	2	2022 - 2023	2022	$0	$0	$0	$0	$0
	3	2023 - 2024	2023	$0	$0	$0	$0	$0
	4	2024 - 2025	2024	$0	$0	$0	$0	$0
	5	2025 - 2026	2025	$0	$0	$0	$0	$0
	6	2026 - 2027	2026	$0	$0	$0	$0	$0
	7	2027 - 2028	2027	$0	$0	$0	$0	$0
	8	2028 - 2029	2028	$0	$0	$0	$0	$0
	9	2029 - 2030	2029	$0	$0	$0	$0	$0
	10	2030 - 2031	2030	$0	$0	$0	$0	$0
Total Investment made through limitation				$420,000,000	$0	$0	$0	$420,000,000
Continue to maintain viable presence	11	2031 - 2032	2031			$0		$0
	12	2032 - 2033	2032			$0		$0
	13	2033 - 2034	2033			$0		$0
	14	2034 - 2035	2034			$0		$0
	15	2035 - 2036	2035			$0		$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036 - 2037	2036			$0		$0
	17	2037 - 2038	2037			$0		$0
	18	2038 - 2039	2038			$0		$0
	19	2039 - 2040	2039			$0		$0
	20	2040 - 2041	2040			$0		$0
	21	2041 - 2042	2041			$0		$0
	22	2042 - 2043	2042			$0		$0
	23	2043 - 2044	2043			$0		$0
	24	2044 - 2045	2044			$0		$0
	25	2045 - 2046	2045			$0		$0

* 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 12/19/2018

Applicant Name White Mesa Wind, LLC

ISD Name Crockett County Consolidated Common School District

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
Pre-Year	0	2018 - 2019	2018	$0	$0	$0	$0	$0	$0
Qualified Investment Period	1	2019 - 2020	2019	$0	$0	$0	$0	$0	$0
	2	2020 - 2021	2020	$0	$0	$403,200,000	$0	$0	$0
Value Limitation Period	1	2021 - 2022	2021	$0	$0	$386,400,000	$403,200,000	$403,200,000	$25,000,000
	2	2022 - 2023	2022	$0	$0	$369,600,000	$386,400,000	$386,400,000	$25,000,000
	3	2023 - 2024	2023	$0	$0	$352,800,000	$369,600,000	$369,600,000	$25,000,000
	4	2024 - 2025	2024	$0	$0	$336,000,000	$352,800,000	$352,800,000	$25,000,000
	5	2025 - 2026	2025	$0	$0	$319,200,000	$336,000,000	$336,000,000	$25,000,000
	6	2026 - 2027	2026	$0	$0	$302,400,000	$319,200,000	$319,200,000	$25,000,000
	7	2027 - 2028	2027	$0	$0	$285,600,000	$302,400,000	$302,400,000	$25,000,000
	8	2028 - 2029	2028	$0	$0	$268,800,000	$285,600,000	$285,600,000	$25,000,000
	9	2029 - 2030	2029	$0	$0	$252,000,000	$268,800,000	$268,800,000	$25,000,000
	10	2030 - 2031	2030	$0	$0	$235,200,000	$252,000,000	$252,000,000	$25,000,000
Continue to maintain viable presence	11	2031 - 2032	2031	$0	$0	$218,400,000	$235,200,000	$235,200,000	$235,200,000
	12	2032 - 2033	2032	$0	$0	$201,600,000	$218,400,000	$218,400,000	$218,400,000
	13	2033 - 2034	2033	$0	$0	$184,800,000	$201,600,000	$201,600,000	$201,600,000
	14	2034 - 2035	2034	$0	$0	$168,000,000	$184,800,000	$184,800,000	$184,800,000
	15	2035 - 2036	2035	$0	$0	$151,200,000	$168,000,000	$168,000,000	$168,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2036 - 2037	2036	$0	$0	$134,400,000	$151,200,000	$151,200,000	$151,200,000
	17	2037 - 2038	2037	$0	$0	$117,600,000	$134,400,000	$134,400,000	$134,400,000
	18	2038 - 2039	2038	$0	$0	$100,800,000	$117,600,000	$117,600,000	$117,600,000
	19	2039 - 2040	2039	$0	$0	$84,000,000	$100,800,000	$100,800,000	$100,800,000
	20	2040 - 2041	2040	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000
	21	2041 - 2042	2041	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000
	22	2042 - 2043	2042	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000
	23	2043 - 2044	2043	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000
	24	2044 - 2045	2044	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000
	25	2045 - 2046	2045	$0	$0	$84,000,000	$84,000,000	$84,000,000	$84,000,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Schedule C: Employment Information

Date 12/19/2018
Applicant Name White Mesa Wind, LLC
ISD Name Crockett County Consolidated Common School District

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
Pre-Year	0	2018 - 2019	2018					
Qualified Investment Period	1	2019 - 2020	2019			0	0	$0
	2	2020 - 2021	2020	266 FTEs	$50,000	0	0	$0
Value Limitation Period	1	2021 - 2022	2021	0	$0	0	9	$45,100
	2	2022 - 2023	2022	0	$0	0	9	$45,100
	3	2023 - 2024	2023	0	$0	0	9	$45,100
	4	2024 - 2025	2024	0	$0	0	9	$45,100
	5	2025 - 2026	2025	0	$0	0	9	$45,100
	6	2026 - 2027	2026	0	$0	0	9	$45,100
	7	2027 - 2028	2027	0	$0	0	9	$45,100
	8	2028 - 2029	2028	0	$0	0	9	$45,100
	9	2029 - 2030	2029	0	$0	0	9	$45,100
	10	2030 - 2031	2030	0	$0	0	9	$45,100
Years Following Value Limitation Period	11 through 25	2031 - 2046	2031 - 2045	0	$0	0	9	$45,100

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ■ Yes ☐
If yes, answer the following two questions:

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

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ■ No

Schedule D: Other Incentives (Estimated)

Date 12/19/2018

Applicant Name White Mesa Wind, LLC

ISD Name Crockett County Consolidated Common School District

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					
	City: N/A					
	Other: N/A					
Tax Code Chapter 312	County: Crockett County	2021	10 years	$3,185,451	$1,927,170	$1,258,281
	Other:					
	Other:					
Local Government Code Chapters 380/381	County: N/A					
	City: N/A					
	Other: N/A					
Freeport Exemptions	N/A					
Non-Annexation Agreements	N/A					
Enterprise Zone/Project	N/A					
Economic Development Corporation	N/A					
Texas Enterprise Fund	N/A					
Employee Recruitment	N/A					
Skills Development Fund	N/A					
Training Facility Space and Equipment	N/A					
Infrastructure Incentives	N/A					
Permitting Assistance	N/A					
Other:	N/A					
Other:	N/A					
Other:	N/A					
Other:	N/A					
			TOTAL	$3,185,451	$1,927,170	$1,258,281

Additional information on incentives for this project: Crockett County property tax abatement agreement is a 75% abatement in Years 1 - 3, a 60% abatement in Years 4 - 6 and a 50% abatement in Years 7 - 10.

Tab 16

Description of Reinvestment or Enterprise Zone

The following documents are attached as part of Tab 16:

1. Crockett County Tax Abatement Guidelines and Criteria dated February 12, 2016
2. Crockett County Commissioners Court Resolution dated September 10, 2018, establishing the White Mesa Reinvestment Zone
3. Crockett County Commissioners Court Resolution dated December 13, 2018, establishing the White Mesa Reinvestment Zone II

Crockett County
State of Texas

Tax Abatement Guidelines and Criteria

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

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

1. Must be reasonably expected to have an increase in positive net economic benefit to Crockett County of at least $1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Crockett County to another.

In addition to the criteria set forth above, the Crockett County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market 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.

It is the goal of Crockett County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Crockett County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

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

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

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

Section 1
Definitions

A. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Crockett County or the City of Ozona for economic development purposes.

B. "Agreement" means a contractual agreement for a tax abatement between a property owner and/or lessee and Crockett County.

C. "Base year value" means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.

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

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

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

G. "Facility" means property improvements completed or in the process of construction which together comprise an interregional whole.

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

I. "New facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

J. "Productive life" means the number of years a property improvement is expected to be in service in a facility.

Section 2
Abatement Authorized

A. Eligible facilities. Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.

B. Creation of New Values. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Crockett County and the property owner or lessee, subject to such limitations as Crockett County may require.

C. New and existing facilities. Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Crockett County and the property owner or lessee, subject to such limitations as Crockett County may require.

D. Eligible property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

E. Ineligible Property. The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten (10) years.

F. Owned/leased facilities. If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

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

1. Must be reasonably expected to have an increase in positive net benefit to Crockett County of at least $1,000,000.00 over the life of the abatement agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Crockett County to another.

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

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Amount of local payroll to be created;
7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
8. Amount which property tax base valuation will be increased during the term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than $1,000,000.00;
9. The costs to be incurred by Crockett County to provide facilities directly resulting from the new improvements;
10. The amount of ad valorem taxes to be paid to Crockett County during the abatement period considering:
    a. the existing values;
    b. the percentage of new value abated;
    c. the abatement period; and
    d. the value after expiration of the abatement period.
11. The population growth of Crockett County that occurs directly as a result of new improvements;
12. The types and values of public improvements, if any, to be made by applicant seeking abatement;
13. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
14. The impact on the business opportunities of existing businesses;
15. The attraction of other new businesses to the area;
16. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
17. Whether the project obtains all necessary permits from the applicable environmental agencies.

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

I. Denial of Abatement. Neither a reinvestment zone nor abatement agreement shall authorized if it is determined that:

1. There would be substantial adverse effect on the provision of government serv or tax base;
2. The applicant has insufficient financial capacity;

3. Planned or potential use of the property would constitute a hazard to public safety, health, or morals;
4. Violation of other codes or laws; or
5. Any other reason deemed appropriate by Crockett County.

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

1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

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

Section 3
Application

A. Any present or potential owner of taxable property in Crockett County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the kind and number of improvements for which an abatement is requested; a map of the reinvestment zone where the improvements will be located and property description; and an estimated time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application. The completed application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Crockett County. For abatement requests for improvements with a planned value equal to or in excess of $1,000,000.00 the fee shall be one thousand and no/100 dollars ($1,000.00), accompanied by the agreement that the Applicant shall pay costs of publishing the statutorily required notices and reasonable attorney and consulting fees as may be incurred by Crockett County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement.

C. Crockett County shall give notice as provided by the Property Tax Code, i.e. written notic to the presiding officer of the governing body of each taxing unit in which the property be subject of the agreement is located not later than the seventh day before the pub hearing and publication in a newspaper of general circulation within such taxi

jurisdiction not later than the seventh day before the public hearing on the establishment of a reinvestment zone. Before acting upon application, Crockett County shall, through public hearing, afford the applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

D. If a city within Crockett County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into or proposes to enter into an abatement agreement with a present or potential owner of a taxable property, such present or potential owner of taxable property may request tax abatement by Crockett County by following the same application process described in Section 3 A hereof. No other notice of hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.

Section 4
Agreement

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

1. Include a list of the kind, number, and location of all proposed improvements to the property;
2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
3. Limit the use of the property consistent with the taxing unit's development goals;
4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit;
6. Allow the taxing unit to cancel or modify the agreement at any time if the property owner fails to comply with the terms of the agreement
7. Provide for open access to substations and transmission lines in Crockett County by including in the abatement agreement a section in substantial conformity with Exhibit "A".

B The owner of the facility and lessee shall also agree to the following:

1. A specified number of permanent full time jobs at facility shall be created, and the owner and lessee shall make reasonable efforts to employ persons who are residents of Crockett County in such jobs, provided, however, that there shall be no obligation to employ residents who are not:
   a. equally or more qualified than nonresident applicants;
   b. available for employment on terms and/or salaries comparable to those required by nonresident applicants; or

c. able to become qualified with 72 hours training provided by Owner.

2. Each person employed in such job shall perform a portion, if not all, of their work in Crockett County.

3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Crockett County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Crockett County residents that are not:
   a. of similar quality to those provided by nonresidents; or
   b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.

4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Crockett County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Crockett County for local contractors to perform work on the construction of the project.

5. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Crockett County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Crockett County.

6. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Crockett County, and to the governing body of each taxing unit, that Owner is in compliance with each applicable term set forth above.

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

Section 5
Recapture

A. In the event that the Owner or its assignee:

1. Allows its ad valorem taxes owed Crockett County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or

2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

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

Section 6
Administration

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

B. Crockett County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Crockett County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

C. Upon completion of construction, the designated representative of Crockett County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

Section 7
Assignment

The abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners Court of Crockett County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement and/or assumption agreement with Crockett County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld.

Section 8

Section 8
Sunset Provision

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

ADOPTED the 12 day of February, 2018.

CROCKETT COUNTY COMMISSIONERS' COURT

Fred Deaton
JUDGE FRED DEATON

COMM. FRANK TAMBUNGA

Pleas Childress III
COMM. PLEAS CHILDRESS, III

COMM. WESLEY BEAN

Eligio M. Martinez
COMM. ELIGIO MARTINEZ

"EXHIBIT F"

SER.00.2018-000117

COMMISSIONERS: COURT OF CROCKETT COUNTY