
SARA LEON
& ASSOCIATES, LLC

May 24, 2019

Via Electronic Mail and Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Lyford Consolidated Independent School District and El Sauz Ranch Wind, LLC

First Year of Qualifying Time Period – 2020
First Year of Limitation – 2022

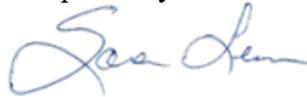
Dear Local Government Assistance and Economic Analysis Division:

The Lyford Consolidated Independent School District Board of Trustees approved the enclosed Application for Appraised Value Limitation on Qualified Property at a duly called meeting held on May 13, 2019. The Application was determined to be complete on May 23, 2019. The Applicant proposes to construct a wind energy project using wind turbines and transmission located in Willacy County. The wind farm and its associated infrastructure will be constructed within the jurisdiction of Lyford Consolidated Independent School District and Willacy County, Texas.

A copy is being provided to the Willacy County Appraisal District by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thanks so much for your kind attention to this matter.

Respectfully submitted,



Sara Hardner Leon

Enclosures

cc: *Via Electronic Mail: info@willacycad.org*
Mr. Agustin Lopez, Chief Appraiser, Willacy County Appraisal District

Via Electronic Mail: eduardo.infante@lyfordcisd.net
Mr. Eduardo Infante, Superintendent of Schools, Lyford Consolidated Independent School District

Via Electronic Mail: jeff.ferguson@apexcleanenergy.com
Mr. Jeff Ferguson, Senior Vice President of Project Development, APEX Clean Energy, Inc.

Via Electronic Mail: robjrpena@texas-kwh.com
Mr. Robert Pena, President, Texas Energy Consultants, LLC

Application for Appraised Value Limitation
On Qualified Property

Submitted to:

Lyford Consolidated Independent School District



By:

APEX Clean Energy, Inc.



El Sauz Ranch Wind, LLC

May 13, 2019

Attachment 1

Please see 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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

First Name Last Name

Title

Firm Name

Phone Number Fax Number

Mobile Number *(optional)* Email Address

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name Last Name

Title Organization

Street Address

Mailing Address

City State ZIP

Phone Number Fax Number

Mobile Number *(optional)* Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

First Name Last Name

Title Organization

Street Address

Mailing Address

City State ZIP

Phone Number Fax Number

Mobile Number *(optional)* Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

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? _____
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____
3. List the NAICS code _____
4. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
- 4a. If yes, please list application number, name of school district and year of agreement
- _____

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

SECTION 10: The Property

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

SECTION 11: Investment

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

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

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): _____ \$
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): _____ \$

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

SECTION 15: Economic Impact

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

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 → Eduardo Infante Superintendent
Print Name (Authorized School District Representative) Title

sign here → Eduardo Infante 5.13.19
Signature (Authorized School District Representative) Date

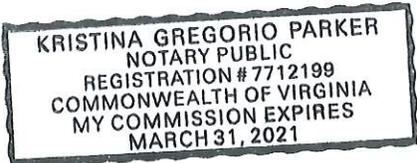
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here → Mark Goodwin President
Print Name (Authorized Company Representative (Applicant)) Title

sign here → Mark Goodwin 4/29/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
29 day of April, 2019
Kristina Parker
 Notary Public in and for the State of ~~Texas~~ Virginia
 My Commission expires: 03/31/21

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.

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>

Attachment 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee to Lyford CISD.

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)*

Attachment 3

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

Not Applicable.

Attachment 4

Detailed description of the project.

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.

El Sauz Ranch Wind, LLC, (“El Sauz Ranch Wind”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. APEX Clean Energy, Inc., (“APEX”) the exclusive developer of El Sauz Ranch Wind, is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal.

APEX currently has many projects in development across the United States and is evaluating other renewable energy project opportunities across the country.

El Sauz Ranch Wind, LLC was recently created for the purpose of interconnecting El Sauz into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. El Sauz Ranch Wind is requesting an appraised value limitation from Lyford CISD for a proposed wind energy project using wind turbines and transmission located in Willacy County. The wind farm and its associated infrastructure will be constructed within the jurisdiction of Lyford CISD and Willacy County, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 300 megawatts (“MW”). To construct the wind farm, El Sauz Ranch Wind expects: 107 wind turbines comprised of 107 wind turbines with a nameplate capacity of 2.82 MW of which:

- 81 wind turbines within the Santa Rosa ISD boundaries,
- 25 wind turbines within the Lyford CISD boundaries, and
- 1 wind turbine within the Raymondville ISD boundaries.

In addition to the wind turbine generating units, there will be the supporting electrical collection system and roads to be constructed and improved as necessary, as well as a collection substation to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building constructed within the Project’s boundary.

Construction of the wind farm is expected to take approximately 12 months to complete, contingent upon favorable economics for the project.

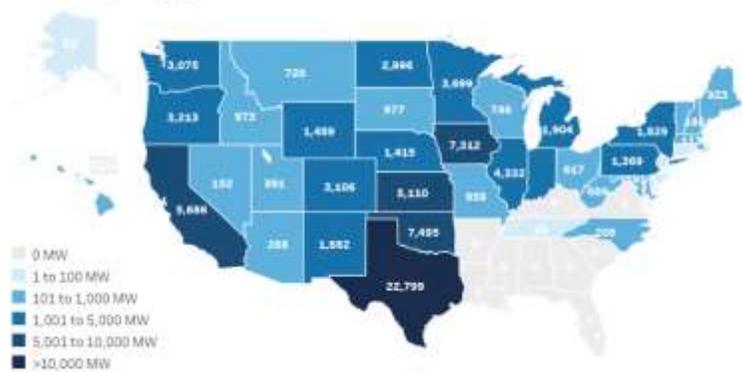
While the wind regime for El Sauz Ranch Wind is very good, there are many favorable locations for wind projects that could be developed across the United States. El Sauz Ranch Wind has

modeled its economics with an expectation that having a Limitation of Appraised Value Agreement with Lyford CISD is a key and invaluable portion of the project.

In today's competitive energy market, project investors and power purchasers require wind energy projects to have secured tax incentives, so that they can compete with wind projects across the U.S. and can locate projects in a wide variety of locations should El Sauz Ranch Wind be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association ("AWEA") there are now over 54,000 turbines with a combined capacity of 89,379 MW operating in 41 states within the United States, Guam and Puerto Rico. During 2017, the U.S. wind industry grew 9% adding 7,017 MW of new wind power capacity. During the first quarter of 2018, the U.S. wind industry installed an additional 406 MW of wind power capacity.

Wind Capacity by State



A graphic provided by AWEA demonstrates the national geographic diversity of capacity throughout the United States for 2017.

Clearly locations for the development of wind projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

APEX, the developer of El Sauz Ranch Wind, LLC, is a national developer of wind projects, and has operations across the US and states within the contiguous United States. As construction is one of the most significant costs in creating wind farm, the physical improvements of El Sauz Ranch Wind, once completed, cannot be feasibly moved to another location. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

El Sauz Ranch Wind, LLC was formed for the express purpose of developing a community sponsored wind farm that would help bring significant economic development to an area that is historically economically distressed. APEX identified Texas, and in particular Willacy County, for its strong wind resource, access to available transmission capacity and the ERCOT market, and

favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation.

APEX prefers to develop and build the proposed El Sauz Ranch Wind Project as described throughout this Application but should it not be granted the limitation, then it is likely that El Sauz Ranch Wind would not be economically viable compared to other projects in development across the U.S.

As of January 2019, El Sauz Ranch Wind has no physical assets on site. El Sauz Ranch Wind has invested additional capital in an Interconnection Study with ERCOT, avian studies, environmental studies, federal aviation studies, and in leasing land for the project.

Should the Appraised Value Limitation be granted, El Sauz Ranch Wind has created a development and investment plan that is capitalized to implement the project. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar wind projects.

Attachment 5

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

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

El Sauz Ranch Wind, LLC was formed in 2018. In support of its creation, the participating members of APEX, executed documents necessary to form the entity including an Operating Agreement and a Development Agreement with El Sauz Ranch Wind, LLC.

APEX has entered into the following representative agreements and contracts for the development of a project within Lyford CISD and intends to assign these assets to El Sauz Ranch Wind, LLC:

- Grants of leases and easements of land,
- Avian Study and contract,
- Bat Acoustic Study and contract,
- Threatened & Endangered Species Studies and contract,
- FIS Submission, and
- Interconnection Application with ERCOT

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. APEX management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, APEX currently operates over 2,500 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Oklahoma	Kansas
Colorado	Illinois
North Dakota	Indiana
South Dakota	Ohio
Idaho	New York
Wyoming	Maine
Minnesota	Virginia
Iowa	Tennessee

For these reasons, APEX studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, APEX would seek to move to alternative sites outside of the State of Texas.

El Sauz Ranch Wind is currently in a period of assessment to determine whether the identified site within Lyford CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 300 MW could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the El Sauz Ranch Wind Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$266.17M needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the Project.

Attachment 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 (if applicable).

5a. If no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

It is anticipated that 76% of the planned property for the project will be located within San Perlita ISD boundaries, 23% will be located within Lyford CISD boundaries, and 1% will be located within Raymondville ISD boundaries all within Willacy County, Texas. However, El Sauz Ranch Wind will NOT be applying for an appraised value limitation for the portion of the project located within Raymondville ISD boundaries.

School District	County	Percentage of Project	Anticipated Number of Turbines
San Perlita ISD	Willacy County, Texas	76%	81
Lyford CISD	Willacy County, Texas	23%	25
Raymondville ISD	Willacy County, Texas	1%	1

Attachment 7

Description of Qualified Investment

- 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(7) (Tab 7).***

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property within Lyford CISD, which is located in Willacy County, Texas.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 25 wind turbines, with a nameplate capacity of 2.82 MW wind turbines for a combined total generating capacity of approximately 300 MW; up to 25 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 25 electric power transformers; underground conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new electrical substation interconnected to the Ajo to Rio Hondo, 345kV transmission line located in Willacy County.

Additionally, the map provided does not represent the final location of the improvements; however, all of the improvements that make up the amount of Qualified Investment will be made within the Project Reinvestment Area as shown on Map Exhibit on Attachment 11a.

During 2019, the Applicant obtained a Reinvestment Zone designation approval from Willacy County Commissioners Court for the proposed Project area and areas of consideration.

- 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).***

Not Applicable. The proposed Operations and Maintenance building and electrical substation facility to be constructed will be located within the San Perlita ISD boundaries.

Attachment 8

Description of Qualified Property

El Sauz Ranch Wind, LLC plans to construct an estimated 70 MW of 300 MW wind farm located within Lyford CISD boundaries. Additional improvements of Qualified Property located within Lyford CISD boundary include:

- 25 Wind Turbines: with a nameplate capacity of 2.82 MW;
- 25 Wind Turbine Foundations;
- Several thousand feet of Transmission Collection System cable & Junction Boxes;
- Overhead Transmission and Interconnection infrastructure;
- All weather Road work sloped for drainage;

El Sauz Ranch Wind anticipates using 25 wind turbines with a nameplate capacity of 2.82 MW. Although final turbine selection and exact location of the infrastructure may change, all of equipment outlined above is expected to be located Lyford CISD boundaries. Current plans are to install turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind resource evaluation, engineering, land leasing, and turbine selection. The final number and location of turbines and supporting structures will be determined before construction begins. However, any changes in the number and location of turbines will not have a significant impact on the total investment. El Sauz Ranch Wind intends to connect to Ajo to Rio Hondo, 345kV transmission line internal to the Project, located within Lyford CISD boundaries. All of the infrastructure will remain within the project boundary and within the Reinvestment Zone. The map on Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 9

Description of Land

Not Applicable.

Attachment 10

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

Not Applicable.

Attachment 11

Maps that clearly show:

- 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***

Attachment 11a

a. Project vicinity

Please see attached map below.

El Sauz Ranch Wind, LLC

Willacy County, Texas

Re: Confidentiality of Maps Submitted with El Sauz Ranch Wind, LLC Chapter 313 Appraised Value limitation Application with Lyford CISD

To Whom It May Concern:

As an attachment to El Sauz Ranch Wind, LLC Chapter 313 Appraised Value Limitation Application submitted to Lyford CISD on May 13, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps (Attachments 11b & 11c), attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Lyford CISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition, and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113 of the Texas Government Code.

As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

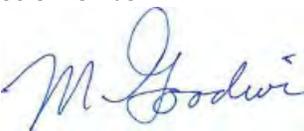
To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,

EL SAUZ RANCH WIND, LLC

By: Apex GCL, LLC
Its: Sole Member

By: Apex Clean Energy Holdings, LLC
Its: Sole Member

By: 

Mark Goodwin
President and CEO

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

Attachment 11b

- 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***

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11c

c. Qualified property including location of new buildings or new improvements

CONFIDENTIAL- FOR SEPARATE FILING

Attachment 11d

d. Existing property

Not Applicable.

Attachment 11e

e. Land location within vicinity map

Please see attached map below.



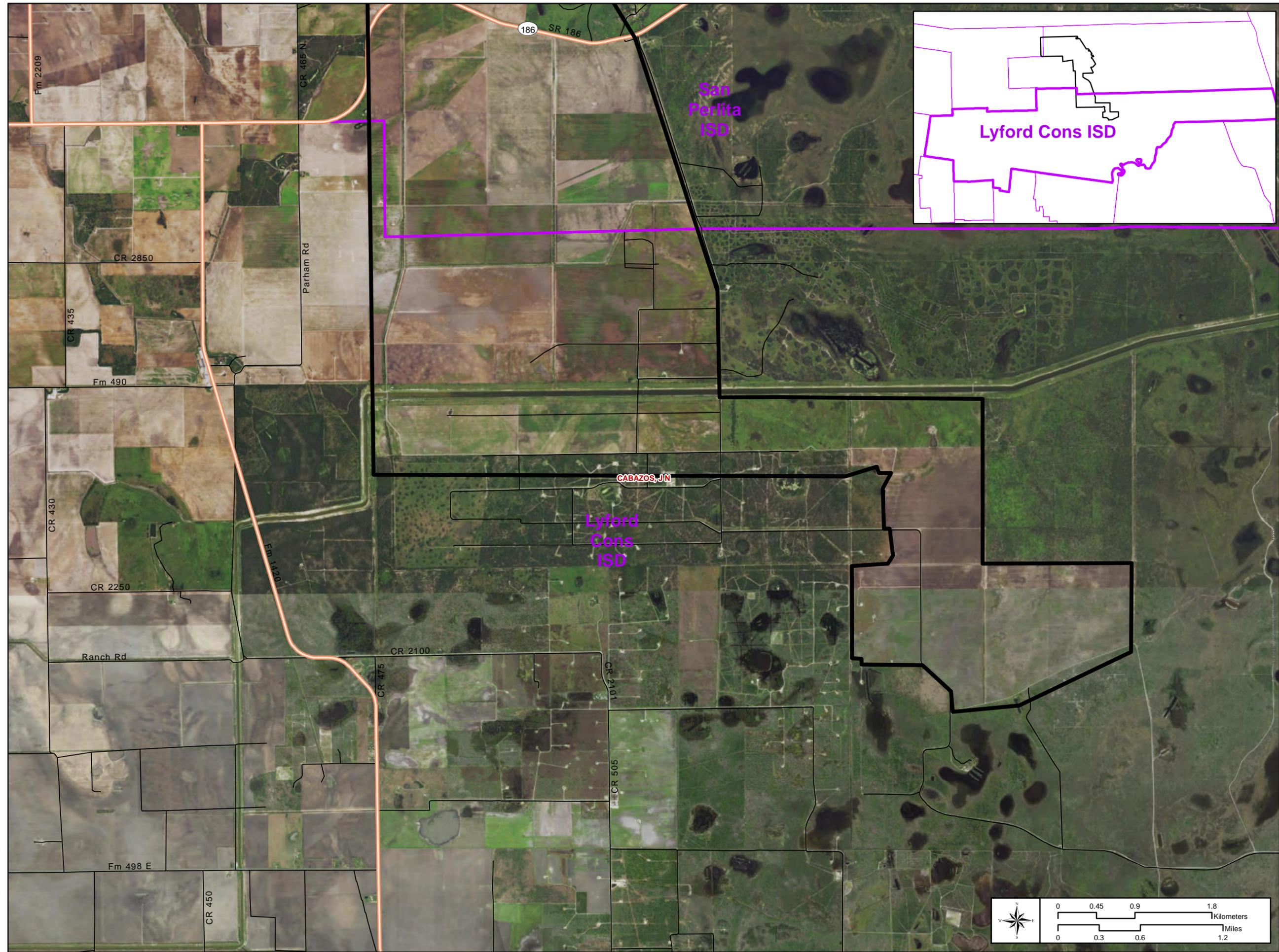
**El Sauz Ranch
Land Location
Within Vicinity
Willacy County, TX**

- Project Boundary
- OTLS Section
- ISD Boundary
- Major Roads
- Streets

*Turbine Locations will change due to final survey/design.

BUSINESS PROPRIETARY
DO NOT RELEASE WITHOUT
PERMISSION OF
APEX CLEAN ENERGY
CHARLOTTESVILLE, VA

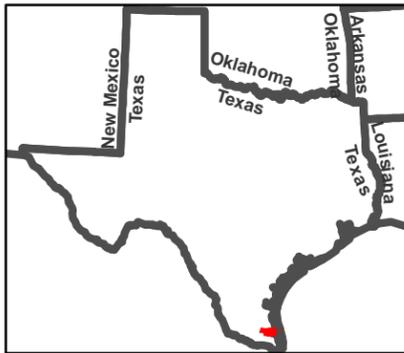
Date: 4/26/2019 Author: HVS
Coordinate System: NAD 1983 2011 StatePlane Texas South FIPS 4205 Ft US
Projection: Lambert Conformal Conic
Datum: NAD 1983 2011
Units: Foot US



Attachment 11f

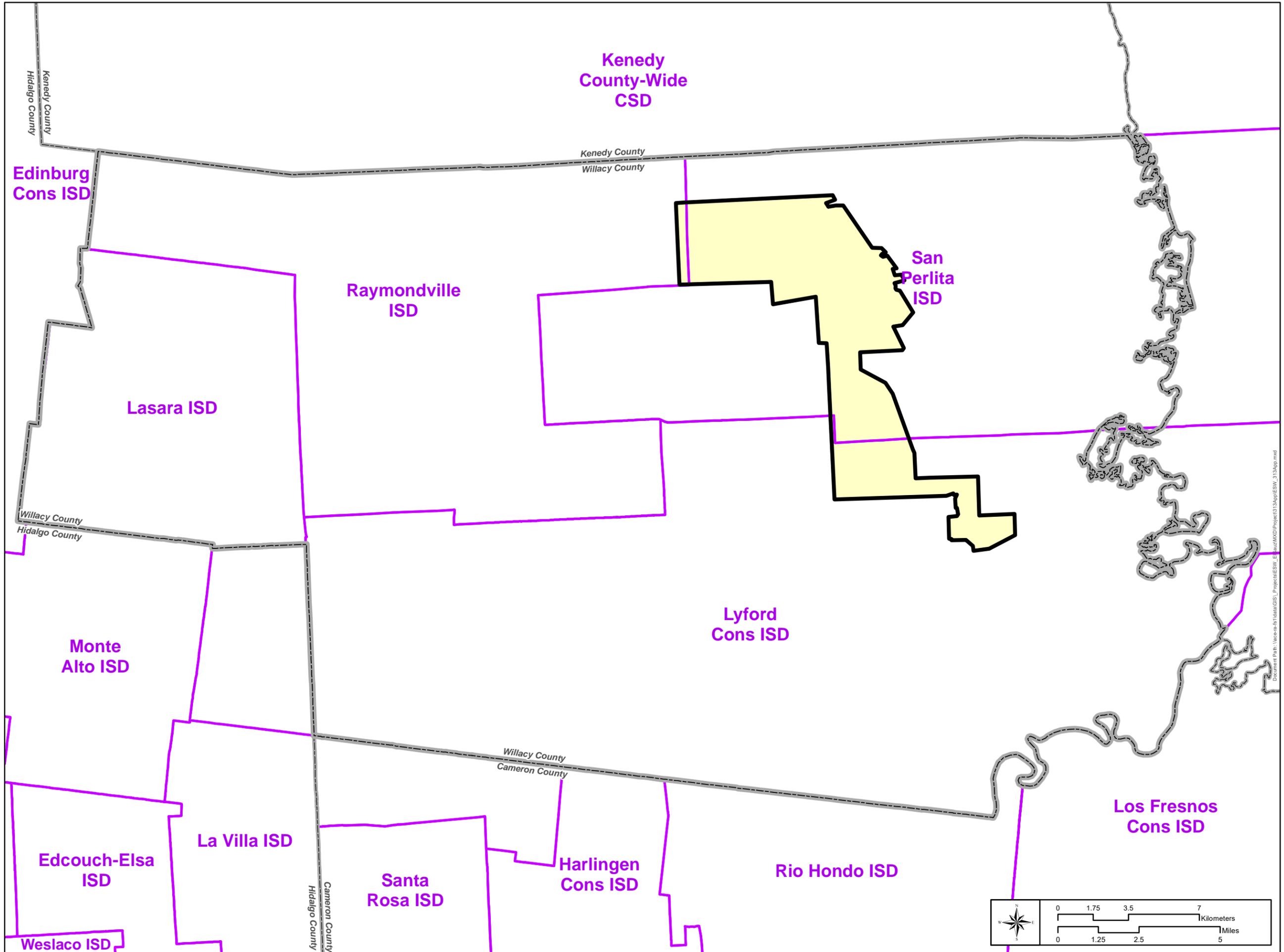
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map below.

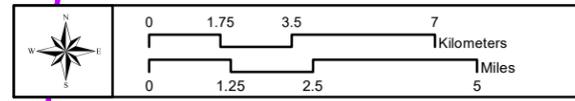


**El Sauz Wind:
Reinvestment Zone
Willacy County, TX**

-  Project Boundary
-  County Boundary
-  County School District Boundary
-  Reinvestment Zone



Date: 1/16/2019 Author: MR CONFIDENTIAL
 Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet
 Projection: Lambert Conformal Conic
 Datum: North American 1983
 Units: Foot US



Document Path: \\sacba-65\hidalgo\GIS\Project\ESW_E_Sauz\MXD\Project313\app\ESW_313app.mxd

Attachment 12

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

Please see attached waiver request below.

El Sauz Ranch Wind, LLC

Willacy County, Texas

May 13, 2019

Eduardo Infante, Superintendent
Lyford Consolidated Independent School District
8240 Simon Gomez Rd
Lyford, TX 78569

Re: Ch-313 Application for Appraised Value Limitation – Job Waiver Request

Dear Superintendent Infante,

This letter is to advise you that El Sauz Ranch Wind, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement by adding Section 313-025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. El Sauz Ranch Wind, LLC, requests that Lyford CISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately three (3) permanent jobs.

As background information on the creation of the full-time jobs by wind energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin. The permanent employees of a wind project maintain, and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations.

Sincerely,

EL SAUZ RANCH WIND, LLC

By: Apex GCL, LLC
Its: Sole Member

By: Apex Clean Energy Holdings, LLC
Its: Sole Member

By: 

Mark Goodwin
President and CEO

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

Attachment 13

Calculation of Wage Requirements – Willacy County

Supporting data for Section 14(7)(a)

Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Willacy County	Total All	0	0	10	Total, All Industries	\$643.00
2018	2 nd Qtr	Willacy County	Total All	0	0	10	Total, All Industries	\$663.00
2018	3 rd Qtr	Willacy County	Total All	0	0	10	Total, All Industries	\$676.00
2018	4 th Qtr	Willacy County	Total All	0	0	10	Total, All Industries	\$745.00
Average weekly wage for previous four quarters								\$681.75

*Source: Quarterly Employment and Wages (QCEW) data for Willacy County,
<https://texaslmi.com/LMIbyCategory/QCEW>*

Supporting Data for Section 14(7)(b)

110% of the average weekly wage for manufacturing jobs in the county

Year	Period	Area	Ownership	Division	Level	Ind. Code	Industry	Avg. Weekly Wages
2018	1 st Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$949.00
2018	2 nd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$854.00
2018	3 rd Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$883.00
2018	4 th Qtr	Willacy County	Private	31	2	31-33	Manufacturing	\$843.00
Average weekly wage for previous four quarters								\$882.25
110% of Average Weekly Wages								\$970.48

*Source: Quarterly Employment and Wages (QCEW) data for Willacy County,
<https://texaslmi.com/LMIbyCategory/QCEW>*

Supporting Data for Section 14(7)(c)

110% of the average weekly wage for manufacturing jobs in the region

Average Hourly Wages	\$17.86
Average Annual Wages	\$37,152.00
Average Weekly Wages @40hrs/week	\$714.46
110% of Average Weekly Wages	\$785.91

*Source: 2017 Manufacturing Average Wages by Council of Government Region Wages for All Occupations. Project location region: 21. Lower Rio Grande Valley Development Council.
<http://www.tracer2.com/admin/uploadedPublications/COGWages.pdf>*

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage	
2018	01	Willacy	Total All	10	Total, All Industries	0	\$	643.00
2018	02	Willacy	Total All	10	Total, All Industries	0	\$	663.00
2018	03	Willacy	Total All	10	Total, All Industries	0	\$	676.00
2018	04	Willacy	Total All	10	Total, All Industries	0	\$	745.00

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2018	01	Willacy	Private	31-33	Manufacturing	2	\$ 949.00
2018	02	Willacy	Private	31-33	Manufacturing	2	\$ 854.00
2018	03	Willacy	Private	31-33	Manufacturing	2	\$ 883.00
2018	04	Willacy	Private	31-33	Manufacturing	2	\$ 843.00

**2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
1. Panhandle Regional Planning Commission	\$23.65	\$49,190
2. South Plains Association of Governments	\$19.36	\$40,262
3. NORTEX Regional Planning Commission	\$23.46	\$48,789
4. North Central Texas Council of Governments	\$26.80	\$55,747
5. Ark-Tex Council of Governments	\$18.59	\$38,663
6. East Texas Council of Governments	\$21.07	\$43,827
7. West Central Texas Council of Governments	\$21.24	\$44,178
8. Rio Grande Council of Governments	\$18.44	\$38,351
9. Permian Basin Regional Planning Commission	\$26.24	\$54,576
10. Concho Valley Council of Governments	\$19.67	\$40,924
11. Heart of Texas Council of Governments	\$21.53	\$44,781
12. Capital Area Council of Governments	\$31.49	\$65,497
13. Brazos Valley Council of Governments	\$17.76	\$39,931
14. Deep East Texas Council of Governments	\$17.99	\$37,428
15. South East Texas Regional Planning Commission	\$34.98	\$72,755
16. Houston-Galveston Area Council	\$28.94	\$60,202
17. Golden Crescent Regional Planning Commission	\$26.94	\$56,042
18. Alamo Area Council of Governments	\$22.05	\$48,869
19. South Texas Development Council	\$15.07	\$31,343
20. Coastal Bend Council of Governments	\$28.98	\$60,276
21. Lower Rio Grande Valley Development Council	\$17.86	\$37,152
22. Texoma Council of Governments	\$21.18	\$44,060
23. Central Texas Council of Governments	\$19.30	\$40,146
24. Middle Rio Grande Development Council	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

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.

Attachment 14

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

Please see attached schedules below.

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

Date 4/25/2019
 Applicant Name El Sauz Ranch Wind, LLC
 ISD Name Lyford CISD

Form 50-296A
 Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				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	--	2019-2020	2019					
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	0.00	0.00	0.00	0.00	0.00
	QTP2	2021-2022	2021	\$ 61,219,161	0.00	0.00	0.00	\$ 61,219,161
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 61,219,161	\$ -	0.00	0.00	\$ 61,219,161
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 61,219,161				

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 4/25/2019
 Applicant Name El Sauz Ranch Wind, LLC
 ISD Name Lyforc CISD

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	Column B	Column C	Column D	Column E
				New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other 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		\$ 61,219,161		\$ -	\$ -	\$ 61,219,160.72
Each year prior to start of value limitation period** <i>insert as many rows as necessary</i>	0	2019-2020	2019					
	1	2020-2021	2020					
	2	2021-2022	2021	\$ 61,219,161				\$ 61,219,160.72
Value limitation period***	1	2022-2023	2022					
	2	2023-2024	2023					
	3	2024-2025	2024					
	4	2025-2026	2025					
	5	2026-2027	2026					
	6	2027-2028	2027					
	7	2028-2029	2028					
	8	2029-2030	2029					
	9	2030-2031	2030					
	10	2031-2032	2031					
Total Investment made through limitation				\$ 61,219,160.72	\$ -	\$ -	\$ -	\$ 61,219,160.72
Continue to maintain viable presence	11	2032-2033	2032					
	12	2033-2034	2033					
	13	2034-2035	2034					
	14	2035-2036	2035					
	15	2036-2037	2036					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037					
	17	2038-2039	2038					
	18	2039-2040	2039					
	19	2040-2041	2040					
	20	2041-2042	2041					
	21	2042-2043	2042					
	22	2043-2044	2043					
	23	2044-2045	2044					
	24	2045-2046	2045					
	25	2046-2047	2046					

* 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 4/25/2019
 Applicant Name El Sauz Ranch Wind, LLC
 ISD Name Lyford CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Pre-Year	0	2019-2020	2019						
Qualified Investment Period	1	2020-2021	2020	N/A	N/A				
	2	2021-2022	2021	N/A	N/A	\$ 61,219,161	\$ 61,219,161	\$ 61,219,161	\$ -
Value Limitation Period	1	2022-2023	2022	N/A	N/A	\$ 58,158,203	\$ 58,158,203	\$ 58,158,203	\$ 20,000,000
	2	2023-2024	2023	N/A	N/A	\$ 55,250,293	\$ 55,250,293	\$ 55,250,293	\$ 20,000,000
	3	2024-2025	2024	N/A	N/A	\$ 52,487,778	\$ 52,487,778	\$ 52,487,778	\$ 20,000,000
	4	2025-2026	2025	N/A	N/A	\$ 49,863,389	\$ 49,863,389	\$ 49,863,389	\$ 20,000,000
	5	2026-2027	2026	N/A	N/A	\$ 47,370,220	\$ 47,370,220	\$ 47,370,220	\$ 20,000,000
	6	2027-2028	2027	N/A	N/A	\$ 45,001,709	\$ 45,001,709	\$ 45,001,709	\$ 20,000,000
	7	2028-2029	2028	N/A	N/A	\$ 42,751,623	\$ 42,751,623	\$ 42,751,623	\$ 20,000,000
	8	2029-2030	2029	N/A	N/A	\$ 40,614,042	\$ 40,614,042	\$ 40,614,042	\$ 20,000,000
	9	2030-2031	2030	N/A	N/A	\$ 38,583,340	\$ 38,583,340	\$ 38,583,340	\$ 20,000,000
	10	2031-2032	2031	N/A	N/A	\$ 36,654,173	\$ 36,654,173	\$ 36,654,173	\$ 20,000,000
Continue to maintain viable presence	11	2032-2033	2032	N/A	N/A	\$ 34,821,464	\$ 34,821,464	\$ 34,821,464	\$ 34,821,464
	12	2033-2034	2033	N/A	N/A	\$ 33,080,391	\$ 33,080,391	\$ 33,080,391	\$ 33,080,391
	13	2034-2035	2034	N/A	N/A	\$ 31,426,372	\$ 31,426,372	\$ 31,426,372	\$ 31,426,372
	14	2035-2036	2035	N/A	N/A	\$ 29,855,053	\$ 29,855,053	\$ 29,855,053	\$ 29,855,053
	15	2036-2037	2036	N/A	N/A	\$ 28,362,300	\$ 28,362,300	\$ 28,362,300	\$ 28,362,300
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	N/A	N/A	\$ 26,944,185	\$ 26,944,185	\$ 26,944,185	\$ 26,944,185
	17	2038-2039	2038	N/A	N/A	\$ 25,596,976	\$ 25,596,976	\$ 25,596,976	\$ 25,596,976
	18	2039-2040	2039	N/A	N/A	\$ 24,317,127	\$ 24,317,127	\$ 24,317,127	\$ 24,317,127
	19	2040-2041	2040	N/A	N/A	\$ 23,101,271	\$ 23,101,271	\$ 23,101,271	\$ 23,101,271
	20	2041-2042	2041	N/A	N/A	\$ 21,946,207	\$ 21,946,207	\$ 21,946,207	\$ 21,946,207
	21	2042-2043	2042	N/A	N/A	\$ 20,848,897	\$ 20,848,897	\$ 20,848,897	\$ 20,848,897
	22	2043-2044	2043	N/A	N/A	\$ 19,806,452	\$ 19,806,452	\$ 19,806,452	\$ 19,806,452
	23	2044-2045	2044	N/A	N/A	\$ 18,816,129	\$ 18,816,129	\$ 18,816,129	\$ 18,816,129
	24	2045-2046	2045	N/A	N/A	\$ 17,875,323	\$ 17,875,323	\$ 17,875,323	\$ 17,875,323
25	2046-2047	2046	N/A	N/A	\$ 16,981,557	\$ 16,981,557	\$ 16,981,557	\$ 16,981,557	

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 4/25/2019
Applicant Name El Sauz Ranch Wind, LLC
ISD Name Lyford CISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				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	2019-2020	2019					
Qualified Investment Period	1	2020-2021	2020	N/A	\$ -	0	0	N/A
	2	2021-2022	2021	266 FTEs	\$ 36,049.00	0	3	\$ 40,867.32
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022			0	3	\$ 40,867.32
	2	2023-2024	2023			0	3	\$ 40,867.32
	3	2024-2025	2024			0	3	\$ 40,867.32
	4	2025-2026	2025			0	3	\$ 40,867.32
	5	2026-2027	2026			0	3	\$ 40,867.32
	6	2027-2028	2027			0	3	\$ 40,867.32
	7	2028-2029	2028			0	3	\$ 40,867.32
	8	2029-2030	2029			0	3	\$ 40,867.32
	9	2030-2031	2030			0	3	\$ 40,867.32
	10	2031-2032	2031			0	3	\$ 40,867.32
Years Following Value Limitation Period	11 through 25	2032-2046	2032-2045			0	3	\$ 40,867.32

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 Yes No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? Yes No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? Yes No

Schedule D: Other Incentives (Estimated)

Date 4/19/2019
Applicant Name El Sauz Ranch Wind, LLC
ISD Name Lyford CISD

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Willacy County	2022	10 Years	\$ 391,312.88	80%	\$ 78,262.58
	City:					
	Other:					
	Other:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
TOTAL				\$ 391,312.88	80%	\$ 78,262.58

Additional information on incentives for this project:

Attachment 15

***Economic Impact Analysis, other payments made in the state or other economic information
(if applicable).***

Not Applicable.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

- a. Evidence that the area qualifies as an 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***

“*” To be submitted before date of final application approval by school board

Attachment 16a

a. Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Not Applicable.

Attachment 16b

b. Legal description of reinvestment zone

Please see attached.

EXHIBIT A

LEGAL DESCRIPTION

All that real property located in Willacy County, Texas, more fully described as follows:

Tract 1:

Being 1,195.472 Acres, more or less, out of the Northern portion of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 1,195.472 acre tract being more particularly located and described as follows:

Beginning at a fence corner post found for the Northwest corner of the Withers Tract, being the subdivision of the West portion of Partition of Share No. 60 recorded in Volume 2, Page 607, Transcribed from Cameron County to Willacy County records, and being on the East boundary of Gulf Coast Irrigation Company Subdivision recorded in Volume 1, Page 489, Transcribed from Cameron County to Willacy County records;

Thence, along said East boundary line of said Gulf Coast Irrigation Company Subdivision and along a fence line, North 00 Deg. 08 Min. 10 Sec. West, a distance of 3,755.65 feet to a fence corner post found for the Northeast corner of said Gulf Coast Irrigation Company Subdivision and a corner of this tract;

Thence, along the North boundary line of said Gulf Coast Irrigation Company Subdivision and along a fence line, North 89 Deg. 24 Min. 26 Sec. West, a distance of 1,099.52 feet to a one-half inch diameter iron rod set under a fence on the Projection of the approximate centerline of an 18 ft. (+/-) wide dirt road, for a corner of this tract;

Thence, along the approximate centerline of said 18 ft. dirt road, North 00 Deg. 01 Min. 45 Sec. West, a distance of 2,669.44 feet to a one-half inch diameter iron rod set on the approximate centerline of said 18 ft. wide dirt road and approximate 7.5 ft. South of the Southern high bank of a 45 ft. (+/-) wide drainage ditch, for a corner of this tract;

Thence, parallel to and 7.5 ft. South of the Southern high bank of said drainage ditch as follows:

North 89° 51' 54" East, a distance of 2,066.19 feet, to a one-half inch diameter iron rod set,

North 17° 33' 43" East, a distance of 170.58 feet, to a one-half inch diameter iron rod set and

South 89° 46' 58" East, a distance of 1,592.51 feet to a one-half inch diameter iron rod set on the approximate centerline of an 18 ft. wide dirt road, for a corner of this tract;

Thence, in a Northerly extension of said 18 ft. wide dirt road, North 04 Deg. 55 Min. 18 Sec. East, a distance of 1,346.60 feet to a 4 inch diameter wooden post found for a corner of this tract;

Thence, along the Northern boundary line of this tract, South 85 Deg. 27 Min. 04 Sec. East, at 4,423.55 feet, a 4 inch diameter wooden post found for reference on the Western high bank of a 45 ft (+/-) wide drainage ditch for a total distance of 4,461.90 feet to the approximate centerline of said drainage ditch, for a corner of this tract;

Thence, leaving said drainage ditch along the Western edge of a 17 ft. (+/-) wide dirt road, South 00 Deg. 19 Min. 20 Sec. East, a distance of 6,629.43 feet to a fence line intersection for the Northeast corner of said subdivision of the Withers Tract, for a Southeast corner of this tract;

Thence, along said North boundary line of said Withers Tract and the South boundary line of this tract along a fence line, South 82 Deg. 26 Min. 06 Sec. West, a distance of 7,264.29 feet to the PLACE OF BEGINNING.

Containing 1,195.472 acres of land, more or less.

Tract 2:

Being the Surface of 1,824 Acres, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 1,824 Acres being more particularly located and described as follows:

Commencing at the Northwest corner of Share 13 of the said San Juan de Carricitos Grant and also being on a West line of Share 64 of said Grant; THENCE, along this West line of said Share 64 and also being the East line of Shares 34 and 61 of said Grant, North 00 Deg. 09 Min. West, a distance of 14,289.76 feet for the Southwest corner and PLACE OF BEGINNING of this tract;

Thence, continuing along the said West line of Share 64 and the East line of said Share 61, North 00 Deg. 09 Min. West, a distance of 2,530.24 feet, for a corner of this tract;

Thence, continuing along the said West line of Share 64, also being the East line of said Share 61 and the East boundary line of the Harding-Gill Subdivision of Share 16, North 00 Deg. 03 Min. East, a distance of 5,240 feet to the intersection of the Westerly extension of State Highway No. 186, for the Northwest corner of this tract;

Thence, along the centerline of said State Highway, South 89 Deg. 58 Min. East, a distance of 2,690 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, South 65 Deg. 39 Min. East, a distance of 2,653 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, South 76 Deg. 39 Min. East, a distance of 3,783 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, North 78 Deg. 28 Min. East, a distance of 1,691.71 feet to the intersection of the centerline of a Private Road, for the Northeast corner of this tract;

Thence, along the centerline of said Private Road, South 19 Deg. 14 Min. 37 Sec. East, a distance of 1,920.23 feet, for a corner of this tract;

Thence, continuing along the centerline of said Private Road South 16 Deg. 53 Min. 25 Sec. East, a distance of 4,872.20 feet to the centerline of a drain ditch, for the Southeast corner of this tract;

Thence, with the Westerly extension of the centerline of said drain ditch, North 88 Deg. 27 Min. 43 Sec. West, a distance of 12,496.21 feet to the PLACE OF BEGINNING.

Containing 1,824 Acres, more or less.

EXHIBIT A

LEGAL DESCRIPTION

All that real property located in Willacy County, Texas, more fully described as follows:

Tract 1:

BEING 21,492 ACRES, MORE OR LESS, OUT OF THE H.P. EL SAUZ RANCH IN SHARE 64 OF THE SAN JUAN DE CARRICITOS GRANT, WILLACY COUNTY, TEXAS; SAID 21,492 ACRE TRACT BEING MORE PARTICULARLY LOCATED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SHARE 13; THENCE N 00°55'40" W A DISTANCE OF 6511.77'; TO THE POINT OF BEGINNING; THENCE N 00°55'40" W A DISTANCE OF 6511.77'; THENCE N 00°55'40" W A DISTANCE OF 12308.23'; THENCE N 00°43'40" W A DISTANCE OF 5337.34'; THENCE N 00°49'45" W A DISTANCE OF 6653.66'; THENCE S 88°53'20" W A DISTANCE OF 1354.00'; THENCE S 89°38'20" W A DISTANCE OF 7095.00'; THENCE N 02°13'40" W A DISTANCE OF 494.00'; THENCE N 89°21'20" E A DISTANCE OF 7218.00'; THENCE N 01°04'40" W A DISTANCE OF 7282.00'; THENCE S 81°38'20" W A DISTANCE OF 7270.00'; THENCE N 00°50'40" W A DISTANCE OF 3759.00'; THENCE S 89°45'20" W A DISTANCE OF 14821.00'; THENCE N 00°50'30" W A DISTANCE OF 13400.41'; THENCE N 88°52'39" E A DISTANCE OF 25696.64'; THENCE S 11°16'53" E A DISTANCE OF 783.11'; THENCE S 67°28'30" W A DISTANCE OF 1468.88'; THENCE S 20°18'13" E A DISTANCE OF 915.09'; THENCE N 67°28'09" E A DISTANCE OF 1161.25'; THENCE S 89°51'36" E A DISTANCE OF 1349.26'; THENCE S 31°31'19" E A DISTANCE OF 2677.71'; THENCE S 08°42'39" W A DISTANCE OF 241.61'; THENCE S 33°03'04" E A DISTANCE OF 298.83'; THENCE S 69°44'31" E A DISTANCE OF 282.60'; THENCE S 30°56'59" E A DISTANCE OF 5025.32'; THENCE N 86°08'28" E A DISTANCE OF 1745.48'; THENCE S 28°07'58" E A DISTANCE OF 1063.87'; THENCE S 82°25'10" W A DISTANCE OF 704.66'; THENCE S 40°37'25" W A DISTANCE OF 197.34'; THENCE S 00°38'22" W A DISTANCE OF 175.68'; THENCE S 43°12'47" E A DISTANCE OF 215.30'; THENCE S 55°59'49" E A DISTANCE OF 26.99'; THENCE N 76°27'30" E A DISTANCE OF 421.98'; THENCE N 51°43'11" E A DISTANCE OF 380.11'; THENCE S 32°04'00" E A DISTANCE OF 2659.23'; THENCE S 78°28'04" W A DISTANCE OF 563.18'; THENCE S 08°48'12" E A DISTANCE OF 1000.83'; THENCE N 77°40'26" E A DISTANCE OF 1323.74'; THENCE S 21°46'00" E A DISTANCE OF 1281.90'; THENCE S 79°42'17" W A DISTANCE OF 1817.27'; THENCE S 24°05'32" E A DISTANCE OF 442.33'; THENCE S 11°58'43" W A DISTANCE OF 232.36'; THENCE S 06°06'25" W A DISTANCE OF 259.53'; THENCE S 15°49'41" E A DISTANCE OF 174.16'; THENCE S 54°38'30" E A DISTANCE OF 249.17'; THENCE S 75°31'55" E A DISTANCE OF 444.39'; THENCE S 31°47'35" E A DISTANCE OF 4084.27'; THENCE S 41°41'22" W A DISTANCE OF 2950.59'; THENCE N 87°45'54" W A DISTANCE OF 1411.04'; THENCE S 26°32'25" E A DISTANCE OF 4074.11'; THENCE S 33°34'10" W A DISTANCE OF 382.39'; THENCE S 89°54'58" W A DISTANCE OF 7104.15';

THENCE S 00°41'08" E A DISTANCE OF 2945.12'; THENCE S 52°07'00" E A DISTANCE OF 1354.50'; THENCE S 06°06'19" W A DISTANCE OF 2862.80'; THENCE S 77°25'40" E A DISTANCE OF 2761.58'; THENCE N 77°41'20" E A DISTANCE OF 1639.24'; THENCE S 20°01'29" E A DISTANCE OF 1901.67'; THENCE S 17°40'17" E A DISTANCE OF 4872.20'; THENCE S 17°30'52" E A DISTANCE OF 3404.46'; THENCE S 00°35'57" E A DISTANCE OF 3902.57'; THENCE N 89°58'18" E A DISTANCE OF 10166.14'; THENCE S 00°03'15" E A DISTANCE OF 6663.12'; THENCE N 89°14'03" E A DISTANCE OF 5748.44'; THENCE S 00°34'15" W A DISTANCE OF 3161.43'; THENCE S 68°21'37" W A DISTANCE OF 4166.88'; THENCE S 59°19'38" W A DISTANCE OF 1043.82'; THENCE S 76°27'44" W A DISTANCE OF 2315.79'; THENCE N 01°34'08" W A DISTANCE OF 834.77'; THENCE N 44°53'44" W A DISTANCE OF 1334.88'; THENCE N 89°07'38" W A DISTANCE OF 2400.56'; THENCE N 15°23'22" W A DISTANCE OF 261.12'; THENCE S 89°45'32" W A DISTANCE OF 479.97'; THENCE N 00°31'40" W A DISTANCE OF 3539.78'; THENCE N 89°12'44" E A DISTANCE OF 1567.25'; THENCE N 01°48'12" E A DISTANCE OF 274.11'; THENCE N 55°01'16" E A DISTANCE OF 119.15'; THENCE N 00°37'13" W A DISTANCE OF 1050.61'; THENCE S 89°31'35" W A DISTANCE OF 243.01'; THENCE N 00°13'07" E A DISTANCE OF 1554.39'; THENCE N 27°11'43" E A DISTANCE OF 451.42'; THENCE N 13°17'21" E A DISTANCE OF 1153.46'; THENCE S 89°08'28" W A DISTANCE OF 20219.27'; WHICH IS THE POINT OF BEGINNING; HAVING AN AREA OF 936,212,046 SQUARE FEET, 21,492 ACRES.

Bearings and distances per Survey of H.P. El Sauz Ranch, San Juan De Carricitos Grant, Willacy County, Texas dated February, 1978, Document number D-257.

Less and Except:

Being all of the surface of 843.613 acres of land, more or less, out of the HP El Sauz Ranch in Willacy County, Texas and being out of Share 64 of the San Juan de Carricitos Grant as shown on the Map of Sauz Pasture recorded in Volume 2, Page 27 of the Willacy County Map Records; said 843.613 Acre Tract being more particularly located and described as follows:

COMMENCING at a fence corner post on the apparent recognized boundary between HP El Sauz Ranch and the Gulf Coast Irrigation Company Subdivision as recorded in Volume 1, Page 489 of the Willacy County Transcribed Records from Cameron County for the southeast corner of Share 46 and for a corner of said HP El Sauz Ranch; **THENCE**, along said recognized line, being a projected line from said fence corner post to a fence corner post at the northeast corner of said Gulf Coast Irrigation Company Subdivision, North 89 deg 48 min 23 East a distance of 3418.13 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set for the southwest corner and **POINT OF BEGINNING** of this 843.613 Acre Tract;

THENCE, along the approximate centerline of a dirt road, North 00 deg 37 min 23 sec West a distance of 3365.00 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set at the intersection of said dirt road with the approximate centerline of an east-west drain ditch for a corner of this tract;

THENCE, continuing along the approximate centerline of said dirt road, North 00 deg 35 min 23 sec West a distance of 4751.00 feet to a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set at the intersection of said dirt road with the approximate centerline of an east-west drain ditch for a corner of this tract;

THENCE, continuing along the approximate centerline of said dirt road, North 00 deg 39 min 23 sec West a distance of 2632.00 feet to a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set at the intersection of said dirt road with the approximate centerline of an east-west drain ditch for the northwest corner of this tract;

THENCE, along the approximate centerline of said drain ditch, North 88 deg 57 min 37 sec East, at 3335.00 feet a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set on line for reference at a road crossing, a total distance of 3376.76 feet to a point on the approximate centerline of a north-south drain ditch for the northeast corner of this tract;

THENCE, along the approximate centerline of said drain ditch, South 00 deg 41 min 23 sec East, at 2615.00 feet a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set on line for reference at a road crossing, a total distance of 2639.85 feet to a point in said drain ditch for a corner of this tract;

THENCE continuing along the approximate centerline of said drain ditch, South 00 deg 47 min 23 sec East a distance of 5380.24 feet to a point in said drain ditch for a corner of this tract;

THENCE, South 28 deg 23 min 53 sec East, at 100.00 feet a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set on line for reference at a crossing, a total distance of 192.95 feet to a point on the approximate centerline of a drain ditch for a corner of this tract;

THENCE, along the approximate centerline of said drain ditch, South 00 deg 50 min 23 sec East a distance of 2608.00 feet to a ½ inch iron pin with a yellow plastic cap stamped “M&R INC” set on said recognized line between El Sauz Ranch and the Gulf Coast Irrigation Company Subdivision for the southeast corner of this tract;

THENCE, along said recognized boundary line, South 89 deg 48 min 23 sec West a distance of 3496.50 feet to the **POINT OF BEGINNING**.

Containing 843.613 acres of land, more or less.

Less and Except:

Being 368.991 Acres, more or less, out of the Northern portion of the HP El Sauz Ranch in Shares 60 and 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 368.991 Acre Tract being more particularly located and described as follows:

COMMENCING at the Southeast corner of the Withers Tract, being the subdivision of the West portion of the Partition of Share No. 60 recorded in Volume 2, Page 607, Transcribed from Cameron County to Willacy County records, THENCE, along the South line of Share 60, North 89 Deg. 52 Min. East, a distance of 6667.87 feet and South 01 Deg. 00 Min. 55 Sec. East, a distance of 807.96 feet to a one-half inch diameter iron rod set in the centerline intersection of two 14 ft. wide dirt roads, for the PLACE OF BEGINNING of the tract herein described;

THENCE, along the approximate centerline of said 14 ft. wide dirt roads, North 01 Deg. 00 Min. 55 Sec. West, a distance of 2933.44 feet to a 4 inch diameter wooden post found, for the Northwest corner of this tract;

THENCE, continuing along said 14 ft. wide dirt roads in a Easterly direction, South 89 Deg. 00 Min. 53 Sec. East, a distance of 2858.59 feet to a one-half inch diameter iron rod set on the extension of the approximate centerline of said 14 ft. wide dirt roads and approximately 7.5 ft. West of the Southwestern high bank of a 45 ft. (+/-) wide drainage ditch, for a corner of this tract;

THENCE, parallel to and 7.5 ft. South of the Southern high bank of said drainage ditch as follows:

S 20° 56' 11" E, a distance of 32.42 feet,
S 88° 56' 49" E, a distance of 2655.82 feet and
S 66° 02' 40" E, a distance of 43.79 feet to a one-half inch diameter iron rod set for the Northeast corner of this tract;

THENCE, along the East boundary line of this tract, South 00 Deg. 53 Min. 38 Sec. West, a distance of 2875.01 feet to a one-half inch diameter iron rod, set for the Southeast corner of this tract;

THENCE, along the South boundary line of this tract and the approximate centerline of a 14 ft. wide dirt road, North 89 Deg. 04 Min. 52 Sec. West, a distance of 5469.02 feet to the PLACE OF BEGINNING;

CONTAINING 368.991 Acres of land, more or less.

Less and Except:

Being 2,925.81 Acres, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan De Carricitos Grant, Willacy County, Texas; said 2,925.81 Acres being more particularly located and described as follows:

COMMENCING at the Northwest corner of Share 13 of the San Juan De Carricitos Grant and also being on the West line of Share 64 of said Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 6,351.48 feet for a corner and PLACE OF BEGINNING of this tract;

THENCE, continuing along said West line of Share 64 and the East line of Shares 34 and 61 of said Grant, North 00 Deg. 09 Min. West, a distance of 7,938.28 feet to a point on the Westerly extension of the centerline of a drain ditch for the Northwest corner of this tract;

THENCE, along the Westerly extension of the centerline of said drain ditch, South 88 Deg. 27 Min. 43 Sec. East, a distance of 12,496.21 feet to a point on the centerline of a Private Road for the Northeast corner of this tract;

THENCE, along the centerline of said Private Road, South 16 Deg. 44 Min. East, a distance of 3,404.46 feet for a corner of this tract;

THENCE, continuing along the centerline of said Private Road, South 00 Deg. 10 Min. 55 Sec. West, a distance of 6,301.66 feet for the Southeast corner of this tract;

THENCE, along a fence the following courses:
South 89 Deg. 50 Min. 46 Sec. West, 4,109.43 feet,
South 89 Deg. 58 Min. 16 Sec. West, 4,548.63 feet and
North 89 Deg. 49 Min. 01 Sec. West, a distance of 3,434.86 feet to a point on the Southerly extension of the centerline of a dirt road for a corner of this tract;

THENCE, along the Southerly extension and the centerline of said dirt road the following courses:

North 50 Deg. 29 Min. 04 Sec. West, 184.74 feet,
North 06 Deg. 03 Min. 41 Sec. West, 115.76 feet,
North 09 Deg. 47 Min. 03 Sec. West, 230.08 feet,
North 03 Deg. 14 Min. 19 Sec. West, 221.21 feet,
North 26 Deg. 51 Min. 37 Sec. West, 309.48 feet,
North 38 Deg. 22 Min. 12 Sec. West, 498.53 feet,
North 27 Deg. 24 Min. 22 Sec. West, 157.10 feet, and
North 01 Deg. 29 Min. 27 Sec. East, a distance of 468.09 feet to a point on a fence for a corner of this tract;

THENCE, along said fence, South 89 Deg. 55 Min. 05 Sec. West, a distance of 640.00 feet to the PLACE OF BEGINNING.

CONTAINING 2,925.81 Acres of land, more or less.

AND

Being 39.084 Acres of land, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 39.084 acres being more particularly located and described as follows:

COMMENCING at the Northwest corner of Share 13 of the San Juan de Carricitos Grant and also being on the West line of Share 64 of said Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 4,411.67 feet to a fence corner and PLACE OF BEGINNING of this tract;

THENCE, continuing along a fence line and along said West line of Share 64 and the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 1,939.81 feet to a fence corner and a corner of this tract;

THENCE, along a fence line, North 89 Deg. 55 Min. 05 Sec. East, a distance of 590.44 feet to a point on the centerline of a dirt road for a corner of this tract;

THENCE, along the centerline of said dirt road the following courses:

South 01 Deg. 29 Min. 27 Sec. West, 468.09 feet;

South 27 Deg. 24 Min. 22 Sec. East, 157.10 feet;

South 38 Deg. 22 Min. 12 Sec. East, 498.53 feet;

South 26 Deg. 51 Min. 37 Sec. East, 309.48 feet;

South 03 Deg. 14 Min. 19 Sec. East, 221.21 feet;

South 09 Deg. 47 Min. 03 Sec. East, 230.08 feet;

South 06 Deg. 03 Min. 41 Sec. East, 115.76 feet;

and South 50 Deg. 29 Min. 04 Sec. East, a distance of 184.74 feet to a point on a fence line for a corner of this tract;

THENCE, along said fence line the following courses:

North 89 Deg. 49 Min. 01 Sec. West, 486.15 feet;

and North 88 Deg. 33 Min. 06 Sec. West, a distance of 797.68 feet to the PLACE OF BEGINNING.

CONTAINING 39.084 Acres of land, more or less.

Less and Except:

A tract of land consisting of 461 acres, more or less, out of Lot Tract 8 of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 461 acres being more specifically described as follows:

COMMENCING at the Northwest corner of share 13 on the Westernmost west line of Share 64 of the San Juan de Carricitos Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 4,411.67 feet to a fence corner post, THENCE, along a fence line as follows:

S 88° 33' 06" E, a distance of 797.68 feet,
S 89° 49' 01" E, a distance of 3,921.02 feet,
N 89° 58' 16" E, a distance of 4,548.63 feet,
N 89° 50' 46" E, a distance of 4,108.46 feet,
N 89° 42' 33" E, a distance of 1,482.37 feet and
N 89° 19' 15" E, a distance of 3,421.27 feet to a fence corner post and PLACE OF BEGINNING of the tract herein described;

THENCE, continuing along said fence line, North 89 Deg. 46 Min. 13 Sec. East, a distance of 5,204.56 feet to a point in the approximate centerline of a 38.0 foot wide drain ditch, for the Southeast corner of this tract;

THENCE, proceeding in a Northerly direction along the centerline of said 38.0 foot wide drain ditch a distance of approximately 2,000 feet, more or less, to a point in the centerline of a drain ditch, for the Northeast corner of this tract;

THENCE, in a Westerly direction along the centerline of said drain ditch, to the centerline of a Private Road and the edge of the parcel described in that certain Deed and Conveyance dated effective March 3, 1989 from Helen F. Pinnell, Grantor, to Curtis G. Pinnell, Trustee, Grantee, and recorded on April 2, 1990 as document no. 252012 in Volume 6, pages 1-5 of the Official Records of Willacy County, Texas (hereinafter referred to as "the prior deed") for the Northwestern corner of this tract;

THENCE, along the centerline of said Private Road, South 00 Deg. 10 Min. 55 Sec. West, a distance of 1,978.31 feet, more or less, to the Southeast Corner of the parcel described in the prior deed, for the Southwest corner of this tract;

THENCE in an Easterly direction approximately 4,850 feet, more or less, to the Place of Beginning;

Containing 461 acres, more or less.

AND

A tract of land consisting of 404.507 acres, more or less, out of Lot Tract 8 of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 404.507 acres being more specifically described as follows:

Commencing at the Northwest corner of Share 13 on the Westernmost west line of Share 64 of the San Juan de Carricitos Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 4,411.67 feet to a fence corner post, THENCE, along a fence line as follows:

S 88° 33' 06" E, a distance of 797.68 feet,
S 89° 49' 01" E, a distance of 3,921.02 feet,
N 89° 58' 16" E, a distance of 4,548.63 feet,
N 89° 50' 46" E, a distance of 4,108.46 feet,
N 89° 42' 33" E, a distance of 1,482.37 feet and
N 89° 19' 15" E, a distance of 3,421.27 feet to a fence corner post and PLACE OF BEGINNING of the tract herein described;

THENCE, continuing along said fence line, North 89 Deg. 46 Min. 13 Sec. East, a distance of 5,204.56 feet to a point in the approximate centerline of a 38.0 foot wide drain ditch;

THENCE, along the centerline of said drain ditch, South 00 Deg. 37 Min. 08 Sec. West, a distance of 4,474.08 feet to the intersection with the centerline of a 37 foot wide drain ditch;

THENCE, along the centerline of said drain ditch, South 89 Deg. 56 Min. 00 Sec. West, a distance of 3,574.19 feet to the intersection of the extension of the West edge of a 8.5 foot wide caliche road;

THENCE, along the extension and the West edge of said caliche road, North 00 Deg. 07 Min. 08 Sec. East, a distance of 1,396.66 feet to the South edge of an 11.0 foot paved road;

THENCE, along the South edge of said 11.0 foot paved road, North 89 Deg. 54 Min. 28 Sec. West, a distance of 242.98 feet, to the West edge of a 14.0 foot caliche road;

THENCE, along the West edge of said caliche road as follows:

N 01° 14' 16" E, a distance of 1,573.12 feet,
N 28° 24' 55" E, a distance of 427.15 feet and
N 19° 08' 52" E, a distance of 159.35 feet, to the centerline intersection of a 20 foot wide drain ditch;

THENCE, along the centerline of said drain ditch as follows:

N 88° 41' 04" W, a distance of 538.76 feet,
N 04° 26' 55" W, a distance of 335.09 feet and
S 89° 15' 59" W, a distance of 1,070.59 feet, to the intersection with a fence line;

THENCE, along said fence line, North 00 Deg. 20 Min. 05 Sec. East, a distance of 628.36 feet to the PLACE OF BEGINNING;

CONTAINING 404.507 Acres of land, more or less.

Less and Except:

The Surface interest in and to the Eastern most 251 acres of the 1,000 acres in the Northwest corner of a certain 83,218.18 acre tract in the San Juan de Carricitos Grant, Willacy County, Texas; consisting of a certain tract of 81,697.5 acres, more or less, as augmented by 1,520.68 acres, more or less, of accretion, as depicted on that certain "Map of the H.P. El Sauz Ranch, showing survey of Laguna Madre Shoreline in the San Juan de Carricitos Grant, Willacy County, Texas", compiled and surveyed during July 1977 through February 1978 by Claunch and Associates, Land Surveyors, Brownsville, Texas, as recorded in Volume 99, at pages 194-98 in the Miscellaneous Deed Records of Willacy County, Texas; the said portion of the San Juan de Carricitos Grant also being that certain tract described as containing 81,697.5 acres and which was partitioned to Alice and Edwin Atwood from the Estate of H.M. King, according to a "Map of Sauz Pasture", prepared by E.M. Card, Civil Engineer, dated May 27, 1935; and the said Northwest 1,000 acres thereof being more particularly located and described as follows:

Beginning at the Northwest corner of the said 83,218.18 acre tract, being on the "Old County Line" and also being the common Northwest corner of Share 64 and Southwest corner of Share 28; the said place of beginning being the Northwest corner of the 1,000 acres herein described;

Thence, with the Northern boundary of the 83,218.18 acre tract North 88° 51' 44" East, a distance of 18,352.8 feet to the Northeast corner of this tract;

Thence, South 4° 06' 03" West a distance of 2,396.7 feet to the Southeast corner of this tract;

Thence, Westerly, parallel with and at a perpendicular distance of 2,386.64 feet South from the North boundary of this tract, South 88° 51' 44" West 18,150.5 feet to the Southwest corner of this tract on the Western boundary of the above mentioned 83,218.18 acre tract;

Thence, with the Western boundary of the 83,218.18 acre tract North 0° 44' 29" West a distance of 2,386.7 feet to the point of beginning.

Containing according to the dimensions herein stated, an area of 1,000 acres more or less,

Being the same 251 acre tract as is described in Parcel Two of the Deed and Conveyance dated effective as of January 1, 1994, from Curtis G. Pinnell, Trustee, to HP Pinnell, Trustee, Curtis G. Pinnell, Trustee, and Richard John Williams, Trustee, and filed for record on March 27, 1995, with the office of the Clerk of the County Court for the County of Willacy, State of Texas, as Document Number 266200, in Volume 121, Page 36 of the Official Records.

AND

The Surface interest in and to the Eastern most 251 acres of the South 1,000 acres of the Northwest 2,000 acres of a certain 83,218.18 acre tract in the San Juan de Carricitos Grant, Willacy County, Texas; consisting of a certain tract of 81,697.5 acres, more or less, as augmented by 1,520.68 acres, more or less, of accretion, as depicted on that certain "Map of the H.P. El Sauz Ranch, showing survey of Laguna Madre Shoreline in the San Juan de Carricitos Grant, Willacy County, Texas", compiled and surveyed during July 1977 through February 1978 by Claunch and Associates, Land Surveyors, Brownsville, Texas, as recorded in Volume 99, at pages 194-98 in the Miscellaneous Deed Records of Willacy County, Texas; the said portion of the San Juan de Carricitos Grant also being that certain tract described as containing 81,697.5 acres and which was partitioned to Alice and Edwin Atwood from the Estate of H.M. King, according to a "Map of Sauz Pasture", prepared by E.M. Card, Civil Engineer, dated May 27, 1935; and the said South 1,000 acres of the Northwest 2,000 acres thereof being more particularly located and described as follows:

Beginning at the Northwest corner of this 1,000 acre tract on the West boundary of the said 83,218.18 acre tract, South $0^{\circ} 44' 29''$ East with the said West boundary, a distance of 2,386.7 feet from the Northwest corner of the said 83,218.18 acre tract as above mentioned;

Thence, parallel with and at a perpendicular distance of 2,386.64 feet Southerly from the North boundary of the said 83,218.18 acre tract, North $88^{\circ} 51' 44''$ East a distance of 18,150.5 feet to the Northeast corner of the 1,000 acres herein described;

Thence, South $4^{\circ} 06' 03''$ West a distance of 2,423.6 feet to the Southeast corner of this tract;

Thence, Westerly parallel with and at a perpendicular distance of 2,413.54 feet from the North boundary of this 1,000 acre tract;

South $88^{\circ} 51' 44''$ a distance of 17,945.9 feet to the Southwest corner of this tract on the Western boundary of the above mentioned 83,218.18 acre tract;

Thence, with the Western boundary of the 83,218.18 acre tract North $0^{\circ} 44' 29''$ West, a distance of 2,413.6 feet to the place of beginning.

Less and Except:

Being 1,195.472 Acres, more or less, out of the Northern portion of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 1,195.472 acre tract being more particularly located and described as follows:

Beginning at a fence corner post found for the Northwest corner of the Withers Tract, being the subdivision of the West portion of Partition of Share No. 60 recorded in Volume 2, Page 607, Transcribed from Cameron County to Willacy County records, and being on the East boundary of Gulf Coast Irrigation Company Subdivision recorded in Volume 1, Page 489, Transcribed from Cameron County to Willacy County records;

Thence, along said East boundary line of said Gulf Coast Irrigation Company Subdivision and along a fence line, North 00 Deg. 08 Min. 10 Sec. West, a distance of 3,755.65 feet to a fence corner post found for the Northeast corner of said Gulf Coast Irrigation Company Subdivision and a corner of this tract;

Thence, along the North boundary line of said Gulf Coast Irrigation Company Subdivision and along a fence line, North 89 Deg. 24 Min. 26 Sec. West, a distance of 1,099.52 feet to a one-half inch diameter iron rod set under a fence on the Projection of the approximate centerline of an 18 ft. (+/-) wide dirt road, for a corner of this tract;

Thence, along the approximate centerline of said 18 ft. dirt road, North 00 Deg. 01 Min. 45 Sec. West, a distance of 2,669.44 feet to a one-half inch diameter iron rod set on the approximate centerline of said 18 ft. wide dirt road and approximate 7.5 ft. South of the Southern high bank of a 45 ft. (+/-) wide drainage ditch, for a corner of this tract;

Thence, parallel to and 7.5 ft. South of the Southern high bank of said drainage ditch as follows:

North 89° 51' 54" East, a distance of 2,066.19 feet, to a one-half inch diameter iron rod set,

North 17° 33' 43" East, a distance of 170.58 feet, to a one-half inch diameter iron rod set and

South 89° 46' 58" East, a distance of 1,592.51 feet to a one-half inch diameter iron rod set on the approximate centerline of an 18 ft. wide dirt road, for a corner of this tract;

Thence, in a Northerly extension of said 18 ft. wide dirt road, North 04 Deg. 55 Min. 18 Sec. East, a distance of 1,346.60 feet to a 4 inch diameter wooden post found for a corner of this tract;

Thence, along the Northern boundary line of this tract, South 85 Deg. 27 Min. 04 Sec. East, at 4,423.55 feet, a 4 inch diameter wooden post found for reference on the Western high bank of a 45 ft (+/-) wide drainage ditch for a total distance of 4,461.90 feet to the approximate centerline of said drainage ditch, for a corner of this tract;

Thence, leaving said drainage ditch along the Western edge of a 17 ft. (+/-) wide dirt road, South 00 Deg. 19 Min. 20 Sec. East, a distance of 6,629.43 feet to a fence line intersection for the Northeast corner of said subdivision of the Withers Tract, for a Southeast corner of this tract;

Thence, along said North boundary line of said Withers Tract and the South boundary line of this tract along a fence line, South 82 Deg. 26 Min. 06 Sec. West, a distance of 7,264.29 feet to the PLACE OF BEGINNING.

Containing 1,195.472 acres of land, more or less.

Less and Except:

Being the Surface of 1,824 Acres, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 1,824 Acres being more particularly located and described as follows:

Commencing at the Northwest corner of Share 13 of the said San Juan de Carricitos Grant and also being on a West line of Share 64 of said Grant; THENCE, along this West line of said Share 64 and also being the East line of Shares 34 and 61 of said Grant, North 00 Deg. 09 Min. West, a distance of 14,289.76 feet for the Southwest corner and PLACE OF BEGINNING of this tract;

Thence, continuing along the said West line of Share 64 and the East line of said Share 61, North 00 Deg. 09 Min. West, a distance of 2,530.24 feet, for a corner of this tract;

Thence, continuing along the said West line of Share 64, also being the East line of said Share 61 and the East boundary line of the Harding-Gill Subdivision of Share 16, North 00 Deg. 03 Min. East, a distance of 5,240 feet to the intersection of the Westerly extension of State Highway No. 186, for the Northwest corner of this tract;

Thence, along the centerline of said State Highway, South 89 Deg. 58 Min. East, a distance of 2,690 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, South 65 Deg. 39 Min. East, a distance of 2,653 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, South 76 Deg. 39 Min. East, a distance of 3,783 feet, for a corner of this tract;

Thence, continuing along the centerline of said State Highway, North 78 Deg. 28 Min. East, a distance of 1,691.71 feet to the intersection of the centerline of a Private Road, for the Northeast corner of this tract;

Thence, along the centerline of said Private Road, South 19 Deg. 14 Min. 37 Sec. East, a distance of 1,920.23 feet, for a corner of this tract;

Thence, continuing along the centerline of said Private Road South 16 Deg. 53 Min. 25 Sec. East, a distance of 4,872.20 feet to the centerline of a drain ditch, for the Southeast corner of this tract;

Thence, with the Westerly extension of the centerline of said drain ditch, North 88 Deg. 27 Min. 43 Sec. West, a distance of 12,496.21 feet to the PLACE OF BEGINNING.

Containing 1,824 Acres, more or less.

EXHIBIT A
LEGAL DESCRIPTION

All that real property located in Willacy County, Texas, more fully described as follows:

Tract 1:

Being all of the surface of 843.613 acres of land, more or less, out of the HP El Sauz Ranch in Willacy County, Texas and being out of Share 64 of the San Juan de Carricitos Grant as shown on the Map of Sauz Pasture recorded in Volume 2, Page 27 of the Willacy County Map Records; said 843.613 Acre Tract being more particularly located and described as follows:

COMMENCING at a fence corner post on the apparent recognized boundary between HP El Sauz Ranch and the Gulf Coast Irrigation Company Subdivision as recorded in Volume 1, Page 489 of the Willacy County Transcribed Records from Cameron County for the southeast corner of Share 46 and for a corner of said HP El Sauz Ranch; **THENCE**, along said recognized line, being a projected line from said fence corner post to a fence corner post at the northeast corner of said Gulf Coast Irrigation Company Subdivision, North 89 deg 48 min 23 East a distance of 3418.13 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set for the southwest corner and **POINT OF BEGINNING** of this 843.613 Acre Tract;

THENCE, along the approximate centerline of a dirt road, North 00 deg 37 min 23 sec West a distance of 3365.00 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set at the intersection of said dirt road with the approximate centerline of an east-west drain ditch for a corner of this tract;

THENCE, continuing along the approximate centerline of said dirt road, North 00 deg 35 min 23 sec West a distance of 4751.00 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set at the intersection of said direct road with the approximate centerline of an east-west drain ditch for a corner of this tract;

THENCE, continuing along the approximate centerline of said dirt road, North 00 deg 39 min 23 sec West a distance of 2632.00 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set at the intersection of said dirt road with the approximate centerline of an east-west drain ditch for the northwest corner of this tract;

THENCE, along the approximate centerline of said drain ditch, North 88 deg 57 min 37 sec East, at 3335.00 feet a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set on line for reference at a road crossing, a total distance of 3376.76 feet to a point on the approximate centerline of a north-south drain ditch for the northeast corner of this tract;

THENCE, along the approximate centerline of said drain ditch, South 00 deg 41 min 23 sec East, at 2615.00 feet a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set on line for reference at a road crossing, a total distance of 2639.85 feet to a point in said drain ditch for a corner of this tract;

THENCE continuing along the approximate centerline of said drain ditch, South 00 deg 47 min 23 sec East a distance of 5380.24 feet to a point in said drain ditch for a corner of this tract;

THENCE, South 28 deg 23 min 53 sec East, at 100.00 feet a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set on line for reference at a crossing, a total distance of 192.95 feet to a point on the approximate centerline of a drain ditch for a corner of this tract;

THENCE, along the approximate centerline of said drain ditch, South 00 deg 50 min 23 sec East a distance of 2608.00 feet to a ½ inch iron pin with a yellow plastic cap stamped "M&R INC" set on said recognized line between El Sauz Ranch and the Gulf Coast Irrigation Company Subdivision for the southeast corner of this tract;

THENCE, along said recognized boundary line, South 89 deg 48 min 23 sec West a distance of 3496.50 feet to the POINT OF BEGINNING.

Containing 843.613 acres of land, more or less.

Apex Parcel Reference: ESW0002 (843.613 acres)

Tract 2:

Being 368.991 Acres, more or less, out of the Northern portion of the HP El Sauz Ranch in Shares 60 and 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 368.991 Acre Tract being more particularly located and described as follows:

COMMENCING at the Southeast corner of the Withers Tract, being the subdivision of the West portion of the Partition of Share No. 60 recorded in Volume 2, Page 607, Transcribed from Cameron County to Willacy County records, THENCE, along the South line of Share 60, North 89 Deg. 52 Min. East, a distance of 6667.87 feet and South 01 Deg. 00 Min. 55 Sec. East, a distance of 807.96 feet to a one-half inch diameter iron rod set in the centerline intersection of two 14 ft. wide dirt roads, for the PLACE OF BEGINNING of the tract herein described;

THENCE, along the approximate centerline of said 14 ft. wide dirt roads, North 01 Deg. 00 Min. 55 Sec. West, a distance of 2933.44 feet to a 4 inch diameter wooden post found, for the Northwest corner of this tract;

THENCE, continuing along said 14 ft. wide dirt roads in a Easterly direction, South 89 Deg. 00 Min. 53 Sec. East, a distance of 2858.59 feet to a one-half inch diameter iron rod set on the extension of the approximate centerline of said 14 ft. wide dirt roads and approximately 7.5 ft. West of the Southwestern high bank of a 45 ft. (+/-) wide drainage ditch, for a corner of this tract;

THENCE, parallel to and 7.5 ft. South of the Southern high bank of said drainage ditch as follows:

S 20° 56' 11" E, a distance of 32.42 feet,
S 88° 56' 49" E, a distance of 2655.82 feet and
S 66° 02' 40" E, a distance of 43.79 feet to a one-half inch diameter iron rod set for the Northeast corner of this tract;

THENCE, along the East boundary line of this tract, South 00 Deg. 53 Min. 38 Sec. West, a distance of 2875.01 feet to a one-half inch diameter iron rod, set for the Southeast corner of this tract;

THENCE, along the South boundary line of this tract and the approximate centerline of a 14 ft. wide dirt road, North 89 Deg. 04 Min. 52 Sec. West, a distance of 5469.02 feet to the PLACE OF BEGINNING;

CONTAINING 368.991 Acres of land, more or less.

Apex Parcel Reference: ESW0006 (368.991 acres)

Tract 3:

Being 2,925.81 Acres, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan De Carricitos Grant, Willacy County, Texas; said 2,925.81 Acres being more particularly located and described as follows:

COMMENCING at the Northwest corner of Share 13 of the San Juan De Carricitos Grant and also being on the West line of Share 64 of said Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 6,351.48 feet for a corner and PLACE OF BEGINNING of this tract;

THENCE, continuing along said West line of Share 64 and the East line of Shares 34 and 61 of said Grant, North 00 Deg. 09 Min. West, a distance of 7,938.28 feet to a point on the Westerly extension of the centerline of a drain ditch for the Northwest corner of this tract;

THENCE, along the Westerly extension of the centerline of said drain ditch, South 88 Deg. 27 Min. 43 Sec. East, a distance of 12,496.21 feet to a point on the centerline of a Private Road for the Northeast corner of this tract;

THENCE, along the centerline of said Private Road, South 16 Deg. 44 Min. East, a distance of 3,404.46 feet for a corner of this tract;

THENCE, continuing along the centerline of said Private Road, South 00 Deg. 10 Min. 55 Sec. West, a distance of 6,301.66 feet for the Southeast corner of this tract;

THENCE, along a fence the following courses:

South 89 Deg. 50 Min. 46 Sec. West, 4,109.43 feet,

South 89 Deg. 58 Min. 16 Sec. West, 4,548.63 feet and

North 89 Deg. 49 Min. 01 Sec. West, a distance of 3,434.86 feet to a point on the Southerly extension of the centerline of a dirt road for a corner of this tract;

THENCE, along the Southerly extension and the centerline of said dirt road the following courses:

North 50 Deg. 29 Min. 04 Sec. West, 184.74 feet,

North 06 Deg. 03 Min. 41 Sec. West, 115.76 feet,

North 09 Deg. 47 Min. 03 Sec. West, 230.08 feet,

North 03 Deg. 14 Min. 19 Sec. West, 221.21 feet,

North 26 Deg. 51 Min. 37 Sec. West, 309.48 feet,

North 38 Deg. 22 Min. 12 Sec. West, 498.53 feet,

North 27 Deg. 24 Min. 22 Sec. West, 157.10 feet, and

North 01 Deg. 29 Min. 27 Sec. East, a distance of 468.09 feet to a point on a fence for a corner of this tract;

THENCE, along said fence, South 89 Deg. 55 Min. 05 Sec. West, a distance of 640.00 feet to the PLACE OF BEGINNING.

CONTAINING 2,925.81 Acres of land, more or less.

AND

Being 39.084 Acres of land, more or less, out of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 39.084 acres being more particularly located and described as follows:

COMMENCING at the Northwest corner of Share 13 of the San Juan de Carricitos Grant and also being on the West line of Share 64 of said Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 4,411.67 feet to a fence corner and PLACE OF BEGINNING of this tract;

THENCE, continuing along a fence line and along said West line of Share 64 and the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 1,939.81 feet to a fence corner and a corner of this tract;

THENCE, along a fence line, North 89 Deg. 55 Min. 05 Sec. East, a distance of 590.44 feet to a point on the centerline of a dirt road for a corner of this tract;

THENCE, along the centerline of said dirt road the following courses:

South 01 Deg. 29 Min. 27 Sec. West, 468.09 feet;
South 27 Deg. 24 Min. 22 Sec. East, 157.10 feet;
South 38 Deg. 22 Min. 12 Sec. East, 498.53 feet;
South 26 Deg. 51 Min. 37 Sec. East, 309.48 feet;
South 03 Deg. 14 Min. 19 Sec. East, 221.21 feet;
South 09 Deg. 47 Min. 03 Sec. East, 230.08 feet;
South 06 Deg. 03 Min. 41 Sec. East, 115.76 feet;
and South 50 Deg. 29 Min. 04 Sec. East, a distance of 184.74 feet to a point on a fence line for a corner of this tract;

THENCE, along said fence line the following courses:

North 89 Deg. 49 Min. 01 Sec. West, 486.15 feet;
and North 88 Deg. 33 Min. 06 Sec. West, a distance of 797.68 feet to the PLACE OF BEGINNING.

CONTAINING 39.084 Acres of land, more or less.

Apex Parcel Reference: ESW0009 (2964.894 acres)

Tract 4:

A tract of land consisting of 461 acres, more or less, out of Lot Tract 8 of the HP El Sauz Ranch in Share 64 of the San Juan de Carricitos Grant, Willacy County, Texas; said 461 acres being more specifically described as follows:

COMMENCING at the Northwest corner of share 13 on the Westernmost west line of Share 64 of the San Juan de Carricitos Grant; THENCE, along the West line of said Share 64 and also being the East line of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance of 4,411.67 feet to a fence corner post, THENCE, along a fence line as follows:

S 88° 33' 06" E, a distance of 797.68 feet,
S 89° 49' 01" E, a distance of 3,921.02 feet,
N 89° 58' 16" E, a distance of 4,548.63 feet,
N 89° 50' 46" E, a distance of 4,108.46 feet,
N 89° 42' 33" E, a distance of 1,482.37 feet and
N 89° 19' 15" E, a distance of 3,421.27 feet to a fence corner post
and PLACE OF BEGINNING of the tract herein described;

THENCE, continuing along said fence line, North 89 Deg. 46 Min. 13
Sec. East, a distance of 5,204.56 feet to a point in the
approximate centerline of a 38.0 foot wide drain ditch, for the
Southeast corner of this tract;

THENCE, proceeding in a Northerly direction along the centerline of
said 38.0 foot wide drain ditch a distance of approximately 2,000
feet, more or less, to a point in the centerline of a drain ditch,
for the Northeast corner of this tract;

THENCE, in a Westerly direction along the centerline of said drain
ditch, to the centerline of a Private Road and the edge of the
parcel described in that certain Deed and Conveyance dated
effective March 3, 1989 from Helen F. Pinnell, Grantor, to Curtis
G. Pinnell, Trustee, Grantee, and recorded on April 2, 1990 as
document no. 252012 in Volume 6, pages 1-5 of the Official Records
of Willacy County, Texas (hereinafter referred to as "the prior
deed") for the Northwestern corner of this tract;

THENCE, along the centerline of said Private Road, South 00 Deg. 10
Min. 55 Sec. West, a distance of 1,978.31 feet, more or less, to
the Southeast Corner of the parcel described in the prior deed, for
the Southwest corner of this tract;

THENCE in an Easterly direction approximately 4,850 feet, more or
less, to the Place of Beginning;

Containing 461 acres, more or less.

AND

A tract of land consisting of 404.507 acres, more or less, out
of Lot Tract 8 of the HP El Sauz Ranch in Share 64 of the San Juan
de Carricitos Grant, Willacy County, Texas; said 404.507 acres
being more specifically described as follows:

Commencing at the Northwest corner of Share 13 on the Westernmost
west line of Share 64 of the San Juan de Carricitos Grant; THENCE,
along the West line of said Share 64 and also being the East line
of Share 34 of said Grant, North 00 Deg. 09 Min. West, a distance
of 4,411.67 feet to a fence corner post, THENCE, along a fence line
as follows:

S 88° 33' 06" E, a distance of 797.68 feet,
S 89° 49' 01" E, a distance of 3,921.02 feet,
N 89° 58' 16" E, a distance of 4,548.63 feet,
N 89° 50' 46" E, a distance of 4,108.46 feet,
N 89° 42' 33" E, a distance of 1,482.37 feet and
N 89° 19' 15" E, a distance of 3,421.27 feet to a fence corner post
and PLACE OF BEGINNING of the tract herein described;

THENCE, continuing along said fence line, North 89 Deg. 46 Min. 13
Sec. East, a distance of 5,204.56 feet to a point in the
approximate centerline of a 38.0 foot wide drain ditch;

THENCE, along the centerline of said drain ditch, South 00 Deg. 37
Min. 08 Sec. West, a distance of 4,474.08 feet to the intersection
with the centerline of a 37 foot wide drain ditch;

THENCE, along the centerline of said drain ditch, South 89 Deg. 56
Min. 00 Sec. West, a distance of 3,574.19 feet to the intersection
of the extension of the West edge of a 8.5 foot wide caliche road;

THENCE, along the extension and the West edge of said caliche road,
North 00 Deg. 07 Min. 08 Sec. East, a distance of 1,396.66 feet to
the South edge of an 11.0 foot paved road;

THENCE, along the South edge of said 11.0 foot paved road, North 89
Deg. 54 Min. 28 Sec. West, a distance of 242.98 feet, to the West
edge of a 14.0 foot caliche road;

THENCE, along the West edge of said caliche road as follows:

N 01° 14' 16" E, a distance of 1,573.12 feet,
N 28° 24' 55" E, a distance of 427.15 feet and
N 19° 08' 52" E, a distance of 159.35 feet, to the centerline
intersection of a 20 foot wide drain ditch;

THENCE, along the centerline of said drain ditch as follows:

N 88° 41' 04" W, a distance of 538.76 feet,
N 04° 26' 55" W, a distance of 335.09 feet and
S 89° 15' 59" W, a distance of 1,070.59 feet, to the intersection
with a fence line;

THENCE, along said fence line, North 00 Deg. 20 Min. 05 Sec. East,
a distance of 628.36 feet to the PLACE OF BEGINNING;

CONTAINING 404.507 Acres of land, more or less.

Apex Parcel Reference: ESW0010 (865.507 acres)

EXHIBIT A
LEGAL DESCRIPTION

All that real property located in Willacy County, Texas, more fully described as follows:

Tract 1:

The Surface interest in and to the Eastern most 251 acres of the 1,000 acres in the Northwest corner of a certain 83,218.18 acre tract in the San Juan de Carricitos Grant, Willacy County, Texas; consisting of a certain tract of 81,697.5 acres, more or less, as augmented by 1,520.68 acres, more or less, of accretion, as depicted on that certain "Map of the H.P. El Sauz Ranch, showing survey of Laguna Madre Shoreline in the San Juan de Carricitos Grant, Willacy County, Texas", compiled and surveyed during July 1977 through February 1978 by Claunch and Associates, Land Surveyors, Brownsville, Texas, as recorded in Volume 99, at pages 194-98 in the Miscellaneous Deed Records of Willacy County, Texas; the said portion of the San Juan de Carricitos Grant also being that certain tract described as containing 81,697.5 acres and which was partitioned to Alice and Edwin Atwood from the Estate of H.M. King, according to a "Map of Sauz Pasture", prepared by E.M. Card, Civil Engineer, dated May 27, 1935; and the said Northwest 1,000 acres thereof being more particularly located and described as follows:

Beginning at the Northwest corner of the said 83,218.18 acre tract, being on the "Old County Line" and also being the common Northwest corner of Share 64 and Southwest corner of Share 28; the said place of beginning being the Northwest corner of the 1,000 acres herein described;

Thence, with the Northern boundary of the 83,218.18 acre tract North 88° 51' 44" East, a distance of 18,352.8 feet to the Northeast corner of this tract;

Thence, South 4° 06' 03" West a distance of 2,396.7 feet to the Southeast corner of this tract;

Thence, Westerly, parallel with and at a perpendicular distance of 2,386.64 feet South from the North boundary of this tract, South 88° 51' 44" West 18,150.5 feet to the Southwest corner of this tract on the Western boundary of the above mentioned 83,218.18 acre tract;

Thence, with the Western boundary of the 83,218.18 acre tract North 0° 44' 29" West a distance of 2,386.7 feet to the point of beginning.

Containing according to the dimensions herein stated, an area of 1,000 acres more or less,

Being the same 251 acre tract as is described in Parcel Two of the Deed and Conveyance dated effective as of January 1, 1994, from Curtis G. Pinnell, Trustee, to HP Pinnell, Trustee, Curtis G. Pinnell, Trustee, and Richard John Williams, Trustee, and filed for record on March 27, 1995, with the office of the Clerk of the County Court for the County of Willacy, State of Texas, as Document Number 266200, in Volume 121, Page 36 of the Official Records.

AND

The Surface interest in and to the Eastern most 251 acres of the South 1,000 acres of the Northwest 2,000 acres of a certain 83,218.18 acre tract in the San Juan de Carricitos Grant, Willacy County, Texas; consisting of a certain tract of 81,697.5 acres, more or less, as augmented by 1,520.68 acres, more or less, of accretion, as depicted on that certain "Map of the H.P. El Sauz Ranch, showing survey of Laguna Madre Shoreline in the San Juan de Carricitos Grant, Willacy County, Texas", compiled and surveyed during July 1977 through February 1978 by Claunch and Associates, Land Surveyors, Brownsville, Texas, as recorded in Volume 99, at pages 194-98 in the Miscellaneous Deed Records of Willacy County, Texas; the said portion of the San Juan de Carricitos Grant also being that certain tract described as containing 81,697.5 acres and which was partitioned to Alice and Edwin Atwood from the Estate of H.M. King, according to a "Map of Sauz Pasture", prepared by E.M. Card, Civil Engineer, dated May 27, 1935; and the said South 1,000 acres of the Northwest 2,000 acres thereof being more particularly located and described as follows:

Beginning at the Northwest corner of this 1,000 acre tract on the West boundary of the said 83,218.18 acre tract, South 00° 44' 29" East with the said West boundary, a distance of 2,386.7 feet from the Northwest corner of the said 83,218.18 acre tract as above mentioned;

Thence, parallel with and at a perpendicular distance of 2,386.64 feet Southerly from the North boundary of the said 83,218.18 acre tract, North 88° 51' 44" East a distance of 18,150.5 feet to the Northeast corner of the 1,000 acres herein described;

Thence, South 40° 06' 03" West a distance of 2,423.6 feet to the Southeast corner of this tract;

Thence, Westerly parallel with and at a perpendicular distance of 2,413.54 feet from the North boundary of this 1,000 acre tract;

South 88° 51' 44" a distance of 17,945.9 feet to the Southwest corner of this tract on the Western boundary of the above mentioned 83,218.18 acre tract;

Thence, with the Western boundary of the 83,218.18 acre tract North 00° 44' 29" West, a distance of 2,413.6 feet to the place of beginning.

Apex Parcel Reference: ESW0004 (502 acres)

Attachment 16c

c. Order, resolution or ordinance establishing the reinvestment zone

Please see attached.

**RESOLUTION OF THE COMMISSIONERS COURT
OF WILLACY COUNTY, TEXAS
DESIGNATING EL SAUZ REINVESTMENT ZONE #1**

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

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

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

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

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

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

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

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

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and

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

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Willacy County Commissioner's Court hereby creates El Sauz Reinvestment Zone #1, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as El Sauz Reinvestment Zone #1.

SECTION 4. That El Sauz Reinvestment Zone #1 shall take effect on this date and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation and may be renewed for an additional five (5) year period thereafter.

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

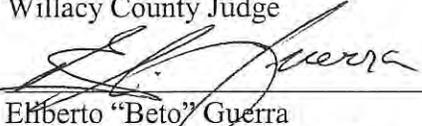
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Willacy County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 28th day of March, 2019

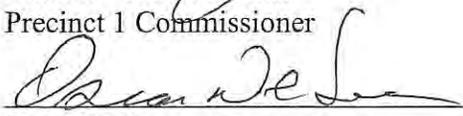
Willacy County Commissioners Court



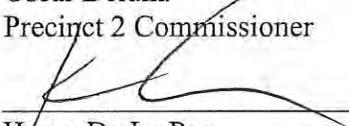
Aurelio "Keter" Guerra
Willacy County Judge



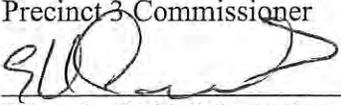
Elberto "Beto" Guerra
Precinct 1 Commissioner



Oscar Deluna
Precinct 2 Commissioner

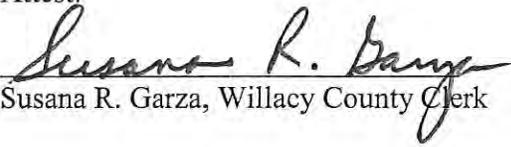


Henry De La Paz
Precinct 3 Commissioner



Eduardo "Eddy" Gonzales
Precinct 4 Commissioner

Attest:



Susana R. Garza, Willacy County Clerk

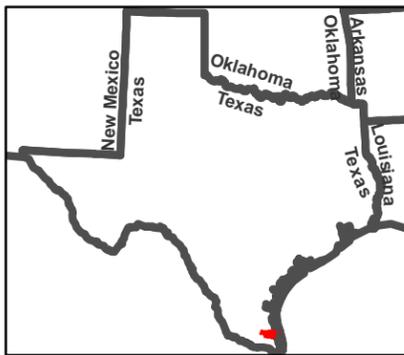
**EXHIBIT A
LEGAL DESCRIPTION OF
EL SAUZ REINVESTMENT ZONE #1**

El Sauz Reinvestment Zone #1 is comprised of the following parcels. In the event of discrepancy between this Exhibit "A" and the attached map on Exhibit "B", Exhibit "B" shall control; provided however, the El Sauz Reinvestment Zone #1 shall in no way be deemed to include any portion of any municipality located within the designate area.

Parcel ID	Legal Description	Acreage
16695	Share #07, LOT TRACT 51, ACRES 624.5	624.50
16698	Share #59-2, LOT TRACT 3, ACRES 89.0	89.00
16700	Share #60 & Share #64, LOT TRACT 1 (PART), ACRES 950.000	950.00
16704	Share #64, LOT TRACT 21, ACRES 15376.9	15376.90
26717	Share #64, LOT TRACT 9, ACRES 7588.98	7588.98
26879	Share #64, LOT TRACT 8, ACRES 19288.38	19288.38
26881	Share #64, LOT TRACT 7, ACRES 4284.44	4284.44
28774	Share #64, LOT TRACT 15-1, ACRES 178.0	178.00
32105	Share #28, LOT 64 (PT [TRACT 21A]), ACRES 1409.0	1409.00

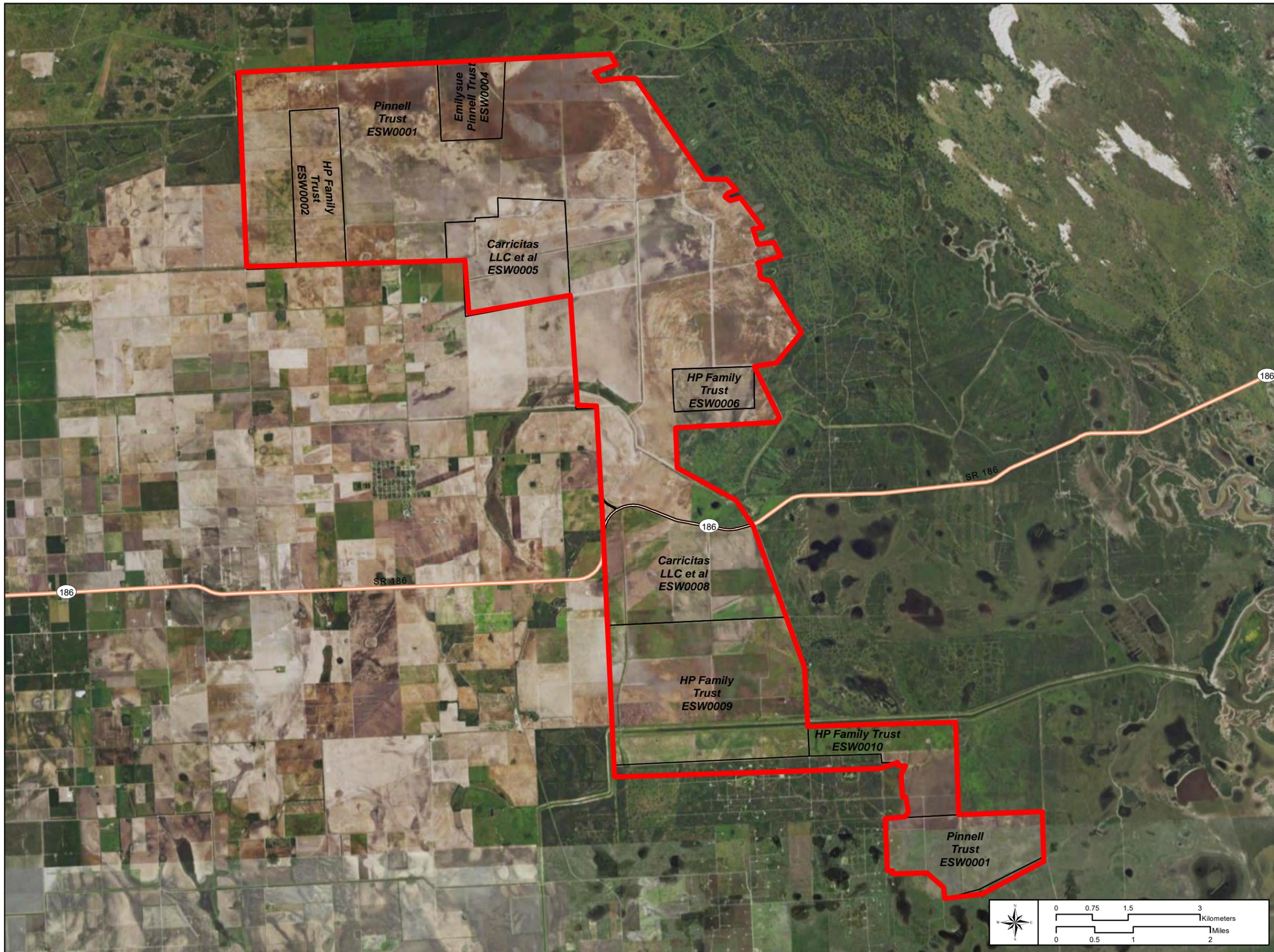
EXHIBIT "B"
MAP OF
EL SAUZ REINVESTMENT ZONE #1

Please see attached.

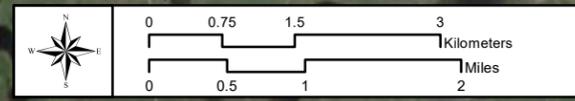


El Sauz Wind: Reinvestment Zone Willacy County, TX

- Reinvestment Zone
- Parcel Boundary
- Major Road



Date: 2/13/2019 Author: MR **CONFIDENTIAL**
Coordinate System: NAD 1983 StatePlane Texas Central FIPS 4203 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Units: Foot US



Attachment 16d

d. Guidelines and criteria for creating the zone

Please see attached.

**A RESOLUTION OF THE WILLACY COUNTY COMMISSIONERS
COURT ESTABLISHING GUIDELINES AND CRITERIA
GOVERNING THE GRANTING OF TAX ABATEMENT
AGREEMENTS IN REINVESTMENT ZONES CREATED IN
WILLACY COUNTY, TEXAS**

County of Willacy §

State of Texas §

WHEREAS, the creation, retention and diversification of job opportunities to the present and future residents of Willacy County, Texas is a high priority of the Commissioners Court; and,

WHEREAS, the purpose of a tax abatement is to provide an incentive offered by the Commissioners Court on behalf of the taxpayers of Willacy County, manufacturing and other capital intensive investments, with high paying jobs, that lead to increased local commerce, better services, and a better quality of life; and,

WHEREAS, the wealth created by these enterprises leads to increased local service and retail businesses, which, in addition to improving the quality of life in Willacy County, also increases the ad valorem property tax base; and,

WHEREAS, by giving a current incentive in the form of a tax abatement, the Commissioners Court, on behalf of the citizens of Willacy County, Texas, agree to give up potential short-term tax benefits in exchange for long-term benefits for the community; and,

WHEREAS, the new jobs, investment and industrial/commercial diversification will benefit the area economy, provide new and needed opportunities, strengthen the real estate market, and generate additional tax revenue to support the provision of local services by local political subdivisions; and,

WHEREAS, Willacy County must compete with other localities across both the state and nation which have or are currently offering tax inducements in various forms to attract new investments in their respective local economies; and,

WHEREAS, any tax incentives offered in Willacy County, Texas, will in the short term, reduce potential new tax revenue unless strictly limited in application only to new investments in facilities that will bring new wealth to the County; and,

WHEREAS, the abatement of property taxes, when offered to attract capital investment and the creation of primary jobs in industries which bring in capital investment from outside of the County, has been consistently shown to be an effective method of enhancing and diversifying a local economy; and,

WHEREAS, Texas Tax Code Section 312.002 provides that no municipality or county may designate an area as a reinvestment zone, and that no taxing unit may execute a tax abatement agreement under Texas Tax Code chapter 312, unless it first (i) establishes guidelines and criteria for tax abatement agreements and (ii) adopts a resolution stating that the taxing unit elects to become eligible to participate in tax abatement; and,

WHEREAS, the Commissioners Court of Willacy County, Texas, for all of the reasons set forth above, desires to be eligible to participate in tax abatement under certain circumstances; now therefore:

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

Section 1. DEFINITIONS

As used in these Guidelines and Criteria, the following italicized terms shall be defined as:

- a. *“Abatement”* means the full or partial exemption from ad valorem taxes on certain real property in a reinvestment zone designated by Willacy County' for economic development purposes.
- b. *“Abatement Period”* means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- c. *“Abated Facility Site”* (or *“Proposed Abated Facility Site”*) means the tract(s) or area of land underlying the proposed improvements to be abated.
- d. *“Agreement”* means a contractual agreement between a property owner and/or lessee and Willacy County, Texas for the purpose of granting a tax abatement pursuant to Chapter 312 of the Texas Tax Code.
- e. *“Base year value”* means the assessed value of eligible property January 1 preceding the execution of the agreement, plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the agreement.
- f. *“Deferred Maintenance”* means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- g. *“Economic Development”* means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate build and/or expand in Willacy County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Willacy County.

- h. *“Eligible Jurisdiction”* means Willacy County and any municipality, school district, or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Willacy County that levies ad valorem taxes upon and provides services-to-reinvestment zone designated by Willacy County.
- i. *“Employee”* for the purposes of the economic qualifications of Section 2(i)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- j. *“Existing Facility”* is the facility described in Section 2(a), that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (i)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 5 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.
- k. *“Expansion”* means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- l. *“Facility”* means property improvements completed or in the process of construction which together comprise an integral whole.
- m. *“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.
- n. *“Modernization”* means the replacement and upgrading 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.
- o. *“New Facility”* means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

- p. *"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 Willacy County.
- q. *"Productive Life"* means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- r. *"Qualified Vendors and Services"* means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- s. *"Research Facility"* means buildings and structures, including 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 processes thereto.
- t. *"Regional Service Facility"* means buildings and structures, including machinery and equipment, used or to be used to service goods where fifty percent (50%) of the goods being serviced originate outside of Willacy County.
- u. *"Tangible Personal Property"* means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the County.
- v. *"Willacy County Vendor and Services"* means a company that employs Willacy County residents and pays Willacy County taxes.

Section 2. ABATEMENT AUTHORIZED

- a. **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, or Regional Services Facility, Other Basic Industry, or a Facility that Commissioners Court determines would enhance job creation and the economic future of Willacy County.

- b. **Applicable Only to New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Willacy County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Willacy County may require.
- c. **Applicable New and Existing Facilities.** Abatement may be granted for new facilities and new improvements to existing facilities for purposes of modernization or expansion.
- d. **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.
- e. **Tangible Personal Property.** Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation:
 1. all or a portion of the value of the real property;
 2. all or a portion of the value of the tangible personal property located on the real property; or,
 3. all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- f. **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Willacy County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated, or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by state law.

- g. **Leased Facilities/Leasehold Interest.** An abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: An abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation:

1. all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease;
2. all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or,
3. all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

An applicant for an abatement who does not own the land upon which the project for which the abatement is sought shall be required to submit to the County a copy of the executed memorandum of lease agreement or other acceptable document between lessor/lessee demonstrating a lease term, including options for extensions, of at least fifteen (15) years.

- h. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. One hundred percent of the value (or such percentage of value that shall be set by Commissioners Court order) of new eligible properties shall be abated for up to ten years or one-half (1/2) the productive life of the improvement whichever is less. The "productive life" will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1st following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. If a 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).

- i. **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:

1. must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
2. must create employment for at least five (5) people on a full-time (40 hours per week equivalent) basis in Willacy County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of five (5) employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:
 - a. "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 5 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.
 - b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, construction on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section. The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site.

- c. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines and Criteria.
3. must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
4. must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

5. must file a plan statement with application demonstrating willingness and planned efforts to use qualified Willacy County vendors and services where applicable in the construction and operations of the facility. Willacy County vendors and services must be competitive with non-county vendors and services regarding price, quality, safety, availability and ability to perform.
6. will annually, for the term of the abatement, contribute all required payments in lieu of taxation as may be required in any Agreement made pursuant to these Guidelines and Criteria.

Section 3. APPLICATION

- a. An Applicant for-tax-abatement must be filed with the County Judge's Office and must be accompanied by an application fee. Willacy County has established a \$10,000 application fee.
- b. Any present or potential owner of taxable property in Willacy County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Willacy County. The application shall be filed with the County Judge by providing one original copy and an-electronic version and must be accompanied by the application fee.

- c. The application shall consist of a completed application letter accompanied by; a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, 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.
- d. Upon receipt of a completed application and application fee, the County Judge shall notify in writing the presiding officer of the legislative body of each eligible jurisdiction. Before acting upon the application, Willacy County Commissioners Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted.
- e. If upon written request for a legal opinion or interpretation from the Commissioners Court or its members, the legal counsel for Willacy County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed. The Applicant may file a supplement or addendum to its application to show cause why the Application should be approved and shall present reasons at the public hearing on the same.
- f. Any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners Court at its sole discretion.
- g. Willacy County shall not establish a reinvestment zone for the purpose of abatement if it 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.
- h. Requests for variance may be made in written form to the County Judge. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.

Section 4. ADDITIONAL REQUIREMENTS

Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

- a. there would be a substantial adverse effect on the provision of government service or tax base;
- b. the Applicant has insufficient financial capacity;
- c. safety, health or morals; or,
- d. the planned or potential use of the property would constitute a violation of other codes or laws.

Section 5. APPROVAL OF AGREEMENT

After approval, Willacy County Commissioners Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:

- a. the estimated value to be abated and the base year value;
- b. the percent of value to be abated each year as provided in Section 2(h);
- c. the commencement date and the termination date of abatement unless deferred;
- d. the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in the Application;
- e. contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in these guidelines and criteria, specifically Sections 2(a), 2(g), 2(h), 2(i) 6, 7, and 8;
- f. size of investment and minimum number of people to be employed on a full-time (40 hours per week equivalent) basis in Willacy County for the period of abatement; and,
- g. provision that Applicant shall annually furnish information necessary for Willacy County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria, together with the additional provision that Willacy County may, at its election, request and obtain reasonable information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria.

Section 6. COUNTY REMEDIES IN THE EVENT OF DEFAULT

- a. In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to:
 1. Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes;
 2. Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or,
 3. Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- b. Should Willacy County determine that the company or individual is in default according to the terms and conditions of its agreement, Willacy County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within ninety (90) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- c. In the event that the company or individual (1) allows its ad valorem taxes owed the 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 sixty (60) days of the termination.
- d. Failure to provide any requested statement or information pursuant to the provisions described in Section 5(g) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

Section 7. ADMINISTRATION

- a. The Chief Appraiser of Willacy County 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 Chief Appraiser with such information as may be necessary for the administration of the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levies taxes on the amount of the assessment.
- b. The agreement shall stipulate Willacy County and its agents 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 seventy-two (72) 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 their safety standards.
- c. Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Willacy County Commissioners Court clearly detailing the status of the facility and how it is complying with the abatement guidelines.
- d. The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

Section 8. ASSIGNMENT

A tax abatement granted under these Guidelines and Criteria may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Willacy 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 with Willacy County. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Willacy County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Section 9. SUNSET PROVISION

These guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Willacy County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said -Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.

Section 10. NO LIMIT ON DISCRETION

In accordance with Texas Tax Code section 312.002, these guidelines and criteria shall not limit the discretion of the County to decide whether to enter into a specific tax abatement agreement. Accordingly, the County may enter into a particular tax abatement agreement whenever it determines that it is in the best interests of the County to enter into such agreement and provide such abatement with respect to a particular applicant, in doing so, the County may vary from the provisions of this Tax Abatement Policy Statement in any respect that is not contrary to state law.

PASSED, APPROVED, AND ADOPTED THIS 13th day of December, 2018.

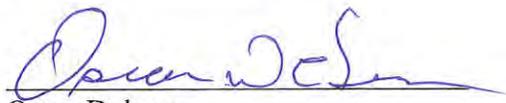
Willacy County Commissioners Court



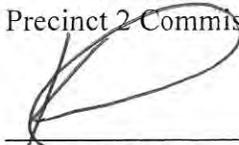
Aurelio "Keter" Guerra
Willacy County Judge



Eliberto "Beto" Guerra
Precinct 1 Commissioner



Oscar Deluna
Precinct 2 Commissioner

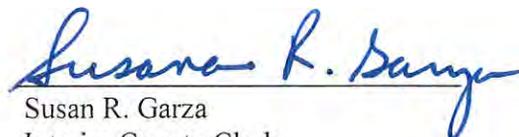


Henry de la Paz
Precinct 3 Commissioner



Eduardo "Eddy" Gonzales
Precinct 4 Commissioner

Attest:



Susan R. Garza
Interim County Clerk

Attachment 17

Signature and Certification Page signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here → Eduardo Infante Superintendent
Print Name (Authorized School District Representative) Title

sign here → Eduardo Infante 5.13.19
Signature (Authorized School District Representative) Date

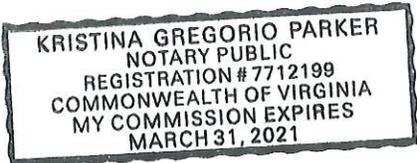
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here → Mark Goodwin President
Print Name (Authorized Company Representative (Applicant)) Title

sign here → Mark Goodwin 4/29/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
29 day of April, 2019
Kristina Parker
 Notary Public in and for the State of ~~Texas~~ Virginia
 My Commission expires: 03/31/21

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.