

# O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
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September 13, 2019

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

RE: Amendment001 to the Paint Creek Independent School District from IP Quantum, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed, please find Amendment001 to the Paint Creek ISD from IP Quantum, LLC. The following changes have been made:

1. TWC has released 2019 First Quarter Wages. Please updated Section 14 Question 7(c), 9, 10, Tab 14 and Schedule C.

*Response: Wage data has been updated.*

2. Section 8 Question 2 is marked Yes, please fully describe this information in Tab 5.

*Response: Tab 5 has been updated to state that Applicant has executed options to lease land for the solar facility should the Project move forward.*

3. In Tab 4 describe any interconnections with the existing CED Alamo 7 solar energy plant and/or the ETT Substation/Clear Crossing Switch Station.

*Response: Tab 4 has been updated to state that there is no relationship or interconnection with the CED Alamo 7 solar energy plant. Tab 4 has also been updated to state that the Project plans to connect the Project substation to ETT's Substation/Clear Crossing Switch Station by way of transmission tie-in line.*

4. Please also include the project boundary on the "Project vicinity map showing location of existing property."

*Response: The map has been updated as requested.*

5. Provide schedule D incentives as a percentage.

*Response: Schedule D incentives have been restated as a percentage as requested.*

6. The legal first name entered in Section 2 Question 1 (Authorized Company representative) must match the name entered in Section 16 Question 2.

*Response: The legal names have been corrected to be the same.*

A copy of the application will be submitted to the Haskell County Appraisal District.

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Haskell County Appraisal District  
IP Quantum, LLC

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Kevin O'Hanlon  
School District Consultant

Cc: Haskell County Appraisal District  
IP Quantum, LLC



CUMMINGS WESTLAKE  
PROPERTY TAX ADVISORS

September 6, 2019

Dr. Cheryl Floyd  
Superintendent  
Paint Creek ISD  
4485 FM 600  
Haskell, TX 79521-8611

Re: Amendment to Application #1407 – IP Quantum, LLC

Dear Dr. Floyd:

Recently the Texas Comptroller's office asked for additional details regarding IP Quantum's application that require an amendment to the application. The questions shown below are from the Comptroller and IP Quantum's responses to each issue are shown in italics.

In reviewing Application 1407, I have noted the following items that will require revision or further clarification. In lieu of sending a deficiency letter, I am requesting to have the following issues resolved per this email. Please review and submit a response by Friday, September 13th. If these issues are not resolved and I do not receive the information by the date above, then a deficiency letter may be issued.

1. TWC has released 2019 First Quarter Wages. Please updated Section 14 Question 7(c), 9, 10, Tab 14 and Schedule C.

*Response: Wage data has been updated.*

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*Response: Schedule D incentives have been restated as a percentage as requested.*

6. The legal first name entered in Section 2 Question 1 (Authorized Company representative) must match the name entered in Section 16 Question 2.

*Response: The legal names have been corrected to be the same.*

This amendment will require a new signature from you and Dan Casey's team will contact you about this.

Sincerely,



D. Dale Cummings

attachments

**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 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**.

**TAB 4**

Detailed Description of the Project

*Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.*

IP Quantum, LLC (“IP Quantum”) is requesting an appraised value limitation from Paint Creek Independent School District (“ISD”) for the IP Quantum Project (the “Project”). IP Quantum proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant in Paint Creek Independent School District. The proposed Project will be constructed within a Reinvestment Zone that will be created by Haskell County Commissioners Court. Maps showing the location of the Project are attached in Tab 11.

The Project will be constructed on approximately 4,000 acres, which is part of a larger, long-term lease agreement. The Project will be located entirely within Paint Creek Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 360 MW-AC in size;
- Photovoltaic (PV) modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to a transmission line not owned by the Project;
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

IP Quantum requests a value limitation for all real property and tangible personal property installed for the Project, including but not limited to: solar modules/panels, racking and mounting structures, inverters, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

The Project is located near the existing CED Alamo 7 solar energy plant. There is no relationship between Applicant and CED Alamo 7 and there will be no interconnection with CED Alamo 7. The Project’s substation will tie into the ETT Clear Crossing Switch Station (also known as the Paint Creek Substation) by a transmission tie-in line shown in the maps in Tab 11.

Construction of the Project is anticipated to begin in February 2021 with anticipated project completion by the end of May 2022.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY  
BY IP QUANTUM, LLC TO PAINT CREEK ISD*

The ERCOT GINR is 21INR0207 which was assigned on September 27, 2018. The project is not known by any other name.

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**TAB 5***Documentation to assist in determining if limitation is a determining factor.*

IP Renewable Energy Holdings, LLC, the parent of IP Quantum, LLC, is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Paint Creek ISD is a determining factor for constructing the project in Haskell County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado.

IP Renewable Energy Holdings, LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Paint Creek ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis.

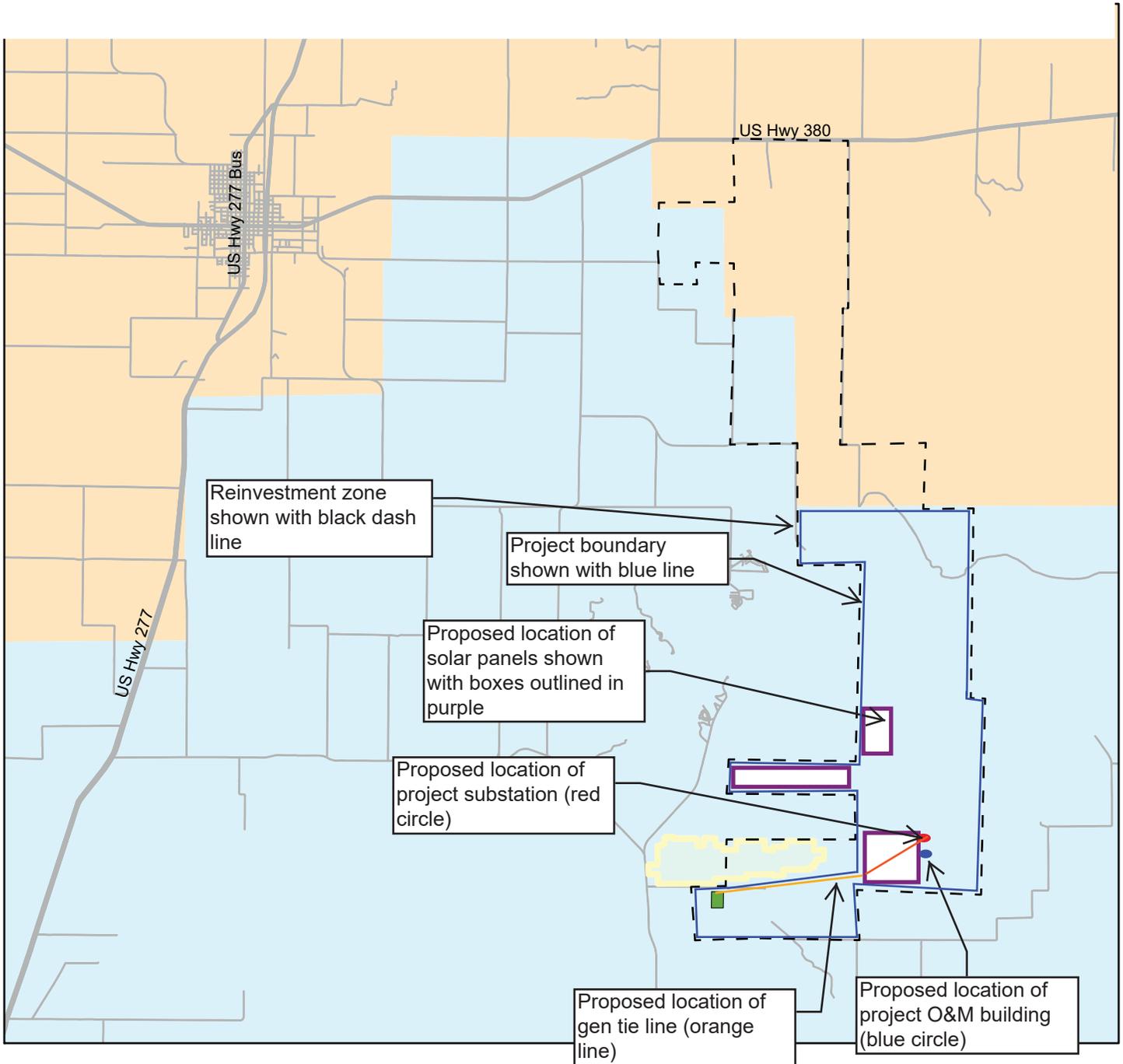
However, the proposed site in Haskell County is a desirable business location and can provide electricity at a price that is competitive with other projects in Haskell County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers, and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from Paint Creek ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Haskell County.

IP Quantum, LLC has executed options to lease land should the Project move forward.

**About IP Renewable Energy Holdings LLC**

The IP Renewable Energy Holdings, LLC team has the collective experience in all phases of development across 60+ projects, and 2GWp of operating solar power with a total value of over \$6 billion. Our team has been involved in almost \$9B of successful debt and long-term equity financing for mid to late stage development projects. Our team has been successful together throughout the evolution of clean infrastructure, from the early days of kW scale solar, to pioneering 5-20MW projects and on to increasingly sophisticated and complex transactions of 100-500MW projects.

# PROJECT VICINITY MAP SHOWING LOCATION OF EXISTING PROPERTY FOR INFORMATIONAL PURPOSES ONLY



## Legend

- Outline of ETT's Paint Creek Substation
- Quantum Site Outline
- Approximate OCI Alamo 7 Solar Project Location

## Independent School Districts

- Haskell Cons ISD
- Paint Creek ISD

## County

All areas in view are within Haskell County, TX



**TAB 13 TO CHAPTER 313 APPLICATION**

**PAINT CREEK ISD - HASKELL COUNTY  
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2018	\$ 706	\$ 36,712.00
THIRD	2018	\$ 678	\$ 35,256.00
FOURTH	2018	\$ 722	\$ 37,544.00
FIRST	2019	\$ 612	\$ 31,824.00
	AVERAGE	\$ 679.50	\$ 35,334.00

**PAINT CREEK ISD - HASKELL COUNTY  
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2017	\$ 823.00	\$ 42,796.00
FIRST	2018	\$ 653.00	\$ 33,956.00
SECOND	2018	\$ 679.00	\$ 35,308.00
FIRST	2019	\$ 774.00	\$ 40,248.00
	AVERAGE	\$ 732.25	\$ 38,077.00
	X	110%	110%
		\$ 805.48	\$ 41,884.70

**CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
West Central Texas	2018	\$ 873.67	\$ 45,431.00
	X	110%	110%
		\$ 961.05	\$ 49,974.10

\* SEE ATTACHED TWC DOCUMENTATION

Year	Period	Area	Ownership	Industry	Firms	Average Weekly Wage
2018	02	Haskell	Total All	Total, All Industries	207	706
2018	03	Haskell	Total All	Total, All Industries	207	678
2018	04	Haskell	Total All	Total, All Industries	206	722
2019	01	Haskell	Total All	Total, All Industries	205	612

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2017	04	Haskell	Private	31-33	Manufacturing	823
2018	01	Haskell	Private	31-33	Manufacturing	653
2018	02	Haskell	Private	31-33	Manufacturing	679
2019	01	Haskell	Private	31-33	Manufacturing	774

## 2018 Manufacturing Average Wages by Council of Government Region Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
<b>Texas</b>		<b>\$27.04</b>	<b>\$56,240</b>
<a href="#">Alamo Area Council of Governments</a>	18	\$22.80	\$47,428
<a href="#">Ark-Tex Council of Governments</a>	5	\$18.73	\$38,962
<a href="#">Brazos Valley Council of Governments</a>	13	\$18.16	\$37,783
<a href="#">Capital Area Council of Governments</a>	12	\$32.36	\$67,318
<a href="#">Central Texas Council of Governments</a>	23	\$19.60	\$40,771
<a href="#">Coastal Bend Council of Governments</a>	20	\$28.52	\$59,318
<a href="#">Concho Valley Council of Governments</a>	10	\$21.09	\$43,874
<a href="#">Deep East Texas Council of Governments</a>	14	\$18.28	\$38,021
<a href="#">East Texas Council of Governments</a>	6	\$21.45	\$44,616
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$28.56	\$59,412
<a href="#">Heart of Texas Council of Governments</a>	11	\$22.71	\$47,245
<a href="#">Houston-Galveston Area Council</a>	16	\$29.76	\$61,909
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$17.21	\$35,804
<a href="#">Middle Rio Grande Development Council</a>	24	\$20.48	\$42,604
<a href="#">NORTEX Regional Planning Commission</a>	3	\$25.14	\$52,284
<a href="#">North Central Texas Council of Governments</a>	4	\$27.93	\$58,094
<a href="#">Panhandle Regional Planning Commission</a>	1	\$24.19	\$50,314
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$25.90	\$53,882
<a href="#">Rio Grande Council of Governments</a>	8	\$18.51	\$38,493
<a href="#">South East Texas Regional Planning Commission</a>	15	\$36.26	\$75,430
<a href="#">South Plains Association of Governments</a>	2	\$20.04	\$41,691
<a href="#">South Texas Development Council</a>	19	\$17.83	\$37,088
<a href="#">Texoma Council of Governments</a>	22	\$21.73	\$45,198
<b>West Central Texas Council of Governments</b>	<b>7</b>	<b>\$21.84</b>	<b>\$45,431</b>

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

**\$45,431 x 110% = \$49,974.10**

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

**Schedule C: Employment Information**

Date 7/15/2019  
 Applicant Name IP Quantum, LLC  
 ISD Name Paint Creek ISD

**Form 50-296A**

*Revised May 2014*

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	\$ -	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	0	\$ -	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	400 FTE	\$ 100,000	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	400 FTE	\$ 100,000	0	2	\$ 49,974.10
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023	0	\$ -	0	2	\$ 49,974.10
	2	2024-2025	2024	0	\$ -	0	2	\$ 49,974.10
	3	2025-2026	2025	0	\$ -	0	2	\$ 49,974.10
	4	2026-2027	2026	0	\$ -	0	2	\$ 49,974.10
	5	2027-2028	2027	0	\$ -	0	2	\$ 49,974.10
	6	2028-2029	2028	0	\$ -	0	2	\$ 49,974.10
	7	2029-2030	2029	0	\$ -	0	2	\$ 49,974.10
	8	2030-2031	2030	0	\$ -	0	2	\$ 49,974.10
	9	2031-2032	2031	0	\$ -	0	2	\$ 49,974.10
	10	2032-2033	2032	0	\$ -	0	2	\$ 49,974.10
Years Following Value Limitation Period	11 through 25	2033-2048	2033-2047	0	\$ -	0	2	\$ 49,974.10

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

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  Yes  No
- 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

7/15/2019

Applicant Name

IP Quantum, LLC

Form 50-296A

ISD Name

Paint Creek ISD

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: Haskell	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	City: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Other: Haskell Hospital	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Tax Code Chapter 312	County: Haskell	2023	10 years	Annual Avg = \$815,254	85%	Annual Avg = \$194,400
	Other: Haskell Hospital	2023	10 years	Annual Avg = \$332,651	85%	Annual Avg = \$97,200
	Other: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Local Government Code Chapters 380/381	County: Haskell	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	City: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Other: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Freeport Exemptions	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Non-Annexation Agreements	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Enterprise Zone/Project	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Economic Development Corporation	Not applicable	Not applicable	Not applicable		Not applicable	
Texas Enterprise Fund	Not applicable	Not applicable	Not applicable		Not applicable	
Employee Recruitment	Not applicable	Not applicable	Not applicable		Not applicable	
Skills Development Fund	Not applicable	Not applicable	Not applicable		Not applicable	
Training Facility Space and Equipment	Not applicable	Not applicable	Not applicable		Not applicable	
Infrastructure Incentives	Not applicable	Not applicable	Not applicable		Not applicable	
Permitting Assistance	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
<b>TOTAL</b>				<b>\$ 11,479,050</b>	<b>\$ 8,563,050</b>	<b>\$ 2,916,000</b>

Additional information on incentives for this project:

Applicant expects to apply for a Chapter 312 agreement with Haskell County and Haskell County Hospital District. Applicant has had preliminary discussions with the county and hospital district but no application for tax abatement has been filed with any of these taxing entities as of the date this application was submitted to Paint Creek ISD. The tax benefits shown above are what Applicant might reasonably expect based on other recent abatement agreements in nearby counties.

Texas Comptroller of Public Accounts

Data Analysis and  
Transparency  
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Dr. Cheryl Floyd

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

*Cheryl Floyd*

Signature (Authorized School District Representative)

9-12-19

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

Lucas Dunnington

Print Name (Authorized Company Representative (Applicant))

Chief Operating Officer of IP Quantum, LLC

Title

sign here

*Lucas Dunnington*

Signature (Authorized Company Representative (Applicant))

9/10/2019

Date

GIVEN under my hand and seal of office this, the

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Notary Public in and for the State of Texas

My Commission expires: \_\_\_\_\_

(Notary Seal)

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

### ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of San Francisco )

On SEPTEMBER 10<sup>th</sup>, 2019 before me, Prabha Giri, Notary Public  
(insert name and title of the officer)

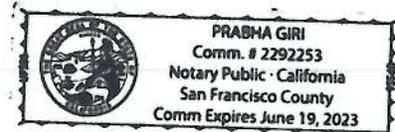
personally appeared LUCAS DUNNINGTON  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



**IP QUANTUM, LLC,**  
a Delaware limited liability company

By: IP Pipeline Portfolio Holdco, LLC,  
a Delaware limited liability company,  
its sole member

By: IP Portfolio I, LLC,  
a Delaware limited liability company,  
its sole member

By: IP Renewable Energy Holdings LLC,  
a Delaware limited liability company,  
its sole member

Signature:   
Name: Lucas Dunnington  
Title: Vice President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California            )  
  ) ss.  
County of San Francisco    )

On SEPT 10<sup>th</sup>, 2019 before me, PRABHA GIRI, Notary Public, personally appeared Lucas Dunnington, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacity, and that by their signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

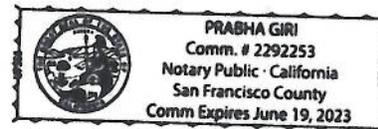
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature \_\_\_\_\_



(Seal)



O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

September 19, 2019

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

RE: Supplement001 to the Paint Creek Independent School District from IP Quantum, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed, please find Supplement001 to the Paint Creek ISD from IP Quantum, LLC. The following changes have been made:

1. Resolution and Order Creating Haskell County Tax Abatement Reinvestment Zone, intersect Power Quantum, LLC Project

A copy of Supplement001 will be submitted to the Haskell County Appraisal District.

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Haskell County Appraisal District  
IP Quantum, LLC

VOL 021 PAGE 906

COMMISSIONERS COURT §  
HASKELL COUNTY §  
§  
§

**RESOLUTION APPROVING THE HASKELL COUNTY  
GUIDELINES & CRITERIA FOR CREATING  
TAX ABATEMENT AND REINVESTMENT ZONES**

**WHEREAS**, the creation and retention of job opportunities that bring new wealth into HASKELL County is a high priority; and

**WHEREAS**, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and

**WHEREAS**, the communities within HASKELL County must compete with other localities across the nation currently offering tax inducements to attract jobs and investments; and

**WHEREAS**, any tax incentives offered in HASKELL County would be strictly limited in application to those new and existing industries that bring new wealth to the community; and

**WHEREAS**, the abatement of property taxes, when offered to attract primary jobs in industries which bring in revenue from outside a community instead of merely re-circulating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

**WHEREAS**, effective September 1, 1987, Texas law, pursuant to Chapter 312 of the Texas Tax Code, requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two year period unless amended by a three-quarters vote of Commissioners' Court; and

**WHEREAS**, to assure a common, coordinated effort to promote our communities' economic development, any such guidelines and criteria should be adopted only through the cooperation of affected school districts, cities and HASKELL COUNTY; and

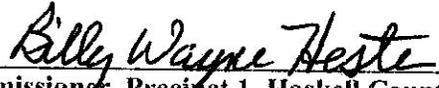
**WHEREAS**, HASKELL COUNTY'S previous guidelines expired and need to be renewed.

**NOW, THEREFORE, BE IT RESOLVED**, that HASKELL County Commissioners' Court does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in HASKELL County, Texas, and are hereby adopted effective July 23, 2019.

PASSED AND APPROVED on the 23<sup>rd</sup> day of July, 2019, by Haskell County Commissioners Court.

  
Kenny Thompson  
County Judge

ATTEST:  
  
Belia Abila,  
County Clerk

  
Commissioner, Precinct 1, Haskell County

  
Commissioner, Precinct 2, Haskell County

  
Commissioner, Precinct 3, Haskell County

  
Commissioner, Precinct 4, Haskell County

## HASKELL COUNTY GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT AND REINVESTMENT ZONES

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The Haskell County Guidelines and Criteria for Granting Tax Abatement and Reinvestment Zones ("Guidelines") were adopted by the Commissioners Court ("Court") of Haskell County, Texas ("County") to be effective July 23, 2019 through July 23, 2021.

Haskell County is committed to the promotion of high quality development in all parts of Haskell County, Texas, and to an ongoing improvement in the quality of life for the citizens residing within Haskell County. The County recognizes that these objectives are generally served by an enhancement and expansion of the local economy. Haskell County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development within the County. It is the policy of Haskell County that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Texas Tax Code and other applicable Statutes. Nothing contained herein shall imply, suggest or be understood to mean that Haskell County is under any obligation to provide tax abatements to any applicant and attention is called to V.T.C.A., Tax Code §312.002(d). All applications for tax abatement will be considered on a case-by-case basis.

### DEFINITIONS - Section 1

- a. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real and personal property in a reinvestment or enterprise zone designated by HASKELL County for economic development purposes.
- b. **"Affected jurisdiction"** means HASKELL County and any municipality or school district, the majority of which is located in HASKELL County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by HASKELL County.
- c. **"Agreement"** means a contractual agreement between an applicant (property owner and/or lessee) and HASKELL County for the purposes of tax abatement.
- d. **"Base year value"** means the assessed value of the applicant's eligible property located in a reinvestment zone on January 1 of the year of execution of the Agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- e. **"Economic Life"** means the number of years a property is expected to be in service in a facility.
- f. **"Expansion"** means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- g. **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- h. **"Hospital"** as defined in Texas Health & Safety Code Section 241.003.

i. **“Manufacturing Facility”** means products, 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.

j. **“Modernization”** means a complete or partial demolition of facilities and/or the completion of partial construction, reconstruction, or installation of a facility or facilities of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

k. **“New Facility”** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

l. **“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 of HASKELL County, resulting in the creation of new permanent jobs bringing in new wealth.

m. **“Personal Property”** means personal property, as designated by the HASKELL County Appraisal District, which includes but is not limited to any tangible thing (including gasses, steams, and other non-solid state things) that can be removed from real property without destroying or changing such real property. Personal Property also includes, for example, any machinery or equipment that may be bolted to the floor, but has a shorter life than the building and is used in the primary line of business.

n. **“Productive Life”** means the number of years a property improvement is expected to be in service in a facility.

o. **“Real Property”** means real property improvements, as designated by the HASKELL County Appraisal District, which includes but is not limited to any buildings, buildings built on skids, portable buildings, parking areas, and fences attached to land.

p. **“Regional Entertainment/Tourism Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside outside any part of HASKELL County.

q. **“Research Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

r. **“Regional Service Facility”** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside any part of HASKELL County.

s. **“Spec Building”** means the new building construction to create an enclosed area of a commercial facility that would normally qualify for abatements built without an occupying tenant at the time the construction is complete.

t. **“Urgent Care Facility”** a facility dedicated to the delivery of unscheduled, walk-in diagnosis and treatment of acute, but non-life threatening injuries and illnesses, outside of a hospital emergency department or doctor's office.

**ABATEMENT AUTHORIZED - Section II**

a. **Authorized Facility.** An applicant's facility may be eligible for abatement if it is a Manufacturing Facility, Research Facility, Distribution Center, Regional Service Facility, Regional Entertainment Facility, Spec Building, Hospital, Urgent Care Facility or Other Basic Industry.

b. **Creation of New Value.** Abatement may only be granted for the additional value of eligible real property improvements made subsequent to and specified in an abatement Agreement between HASKELL County and the applicant (property owner and/or lessee), subject to such limitations as HASKELL County Commissioners' Court may require.

c. **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

d. **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the primary operation of the facility.

e. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; housing; hotels accommodations; retail facilities; deferred maintenance investments; property to be rented or leased, except as provided in Section II (f); improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has a productive life of less than 10 years; property owned or used by the State of Texas or its political subdivisions or by any organization 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.

f. **Owned/Leased Facilities.** If a leased facility is granted abatement the Agreement shall be executed with the lessor and the lessee.

g. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. The value of new eligible properties shall be abated according to the approved Agreement between applicant and HASKELL County. HASKELL County, in its sole discretion, shall determine the amount of any abatement. The term of any abatement may not exceed ten (10) years. The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.

h. **Construction in Progress.** If a qualifying facility has not been placed in service within one year after execution of the abatement Agreement, the applicant may apply for a one year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one year anniversary of execution of the abatement Agreement.

i. **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax abatement for planned improvements:

1. The applicant must complete an economic impact analysis consistent with the requirements of the WCEDP.

2. For projects located within the jurisdiction of any incorporated city or town, the applicant must first be approved for tax abatement by the economic development organization authorized by that respective city or town to act on its behalf before the County can provide assistance.

3. The applicant's facility must be expected to retain or create employment on a permanent basis in HASKELL County.

4. The applicant's facility must not be expected to solely or primarily have the effect of transferring employment from one part of HASKELL County to another.

5. The applicant's facility must be necessary because capacity cannot be provided efficiently by utilizing existing improved property when reasonable allowance is made for necessary improvements.

6. The applicant's facility must have no serious adverse effect on jurisdictions.

7. The applicant's facility must be in an area outside of the taxing jurisdiction of an incorporated city or town, unless the city or town has granted a tax abatement for the planned improvements, and ninety (90) days have not passed since the granting of such abatement.

8. The applicant's facility must have a significantly positive result from the economic impact analysis performed as part of the application process (*i.e.*, the local economic benefit must significantly exceed the amount of anticipated tax revenues foregone by the Agreement).

j. **Standards for Tax Abatement.** The following factors, among others, shall be considered by the County in determining whether to grant Tax Abatement:

1. The value of land and existing improvement, if any.

2. The type and value of the proposed improvements.

3. The expected economic life of the proposed improvements.

4. The number and quality of existing, permanent jobs to be retained by the proposed improvements.

5. The number of new permanent jobs to be created by the proposed improvements.

6. The amount of local payroll to be created or enhanced.

7. Whether the new jobs to be created will be filled by persons residing or projected to reside in the County.

8. The amount the property tax base will be increased during the term of Abatement and after Abatement.

9. The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements. The amount of ad valorem taxes to be paid to the County during the Abatement period - considering (a) existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period.

10. The amount of local taxes to be generated directly as a result of the applicant's facility.
11. The population growth of the County that might occur as a direct result of new improvements.
12. The types and values of public improvements, if any, to be made by applicant seeking Abatement.
13. The impact on the business opportunities of existing businesses, including whether local labor, local subcontractors, and local vendors/suppliers will be used in the construction phase of the project.
14. The attraction of other new businesses to the area.
15. Whether the proposed improvements compete with existing businesses to the detriment of the local economy.
16. Whether the project is compatible with the community, particularly with respect to any environmental concerns and any zoning concerns.
17. The applicant's company profile, including business references, principal bank, audited financial statement and Business Plan.
18. The overall economic impact to HASKELL County.

Each application shall be reviewed on its merit, utilizing the factors provided above.

After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

f. **Denial of Abatement.** No Abatement Agreement shall be authorized if:

1. There would be substantial adverse affect on the tax base or costs associated with the providing of government services.
2. The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.
3. The planned or potential use of the property would constitute a hazard to public safety, health or morals.
4. The area considered for abatement lies within the taxing jurisdiction of an incorporated city or town, unless the city or town has already granted abatement to the concerned entity and ninety (90) days have not passed since the granting of such abatement.
5. Granting abatement might lead to the violation of other codes or laws.
6. For any other reason deemed appropriate by Commissioners' Court.

1. **Taxability.** From the execution of the Agreement to the end of the Agreement, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section II (e) shall be fully taxable;
2. The base year value of existing eligible property as determined each year shall be fully taxable; and
3. The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement Agreement; and
4. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

### APPLICATION - Section III

a. Any present or potential owner of taxable property in HASKELL County may request the creation of a reinvestment zone and tax abatement by filing a written request, along with the application processing fee set forth herein, to the County Judge of HASKELL County (checks should be made payable to HASKELL County).

b. The application shall consist of a completed application form accompanied by:

1. A copy of the executive overview from the economic impact analysis.
2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
3. A descriptive list of the improvements which will be a part of the facility;
4. A site map and property description, including a complete legal description of the property;
5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
6. Certification from the Haskell County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone
7. Disclosure of any environmental permits required or additional environmental impacts.
8. A \$1,000.00 non-refundable application fee.

c. Upon receipt of a completed application and prior to acting on the application the County Judge shall notify in writing and provide a copy of the application to each presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located.

d. Upon receipt of a completed application for the creation of a reinvestment zone and application for abatement, the County shall determine whether the application qualifies for a tax abatement under the guidelines and criteria. If it is determined that an application qualifies for abatement, the Commissioners Court shall notify the applicant in writing that subject to a public hearing and approval of a contract by Commissioners Court, the project qualifies for abatement.

e. The Commissioners Court may not adopt a resolution designating a reinvestment zone for the purposes of considering approval of a tax abatement until it has held a public hearing. Notice of the hearing shall (1) be posted no later than the seventh day before the public hearing and (2) published in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon the application, HASKELL County shall through public hearing afford the applicant and the designated representative of any affected jurisdiction, and any other interested person, opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on Commissioners' Court agenda to be posted at least seven (7) days prior to the hearing.

f. HASKELL County, not more than 60 days after receipt of the application, shall by order either approve or disapprove the application for tax abatement at a regularly scheduled meeting by a majority vote. The county judge shall notify the applicant of approval or disapproval. If disapproved, a Commissioner may request a second review, in which case a new application and hearing shall be required.

g. HASKELL 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 construction of new facility.

h. **Variance.** Requests for variance from the provisions of Section II may be made in written form to the Commissioners' Court. Such request shall include all the items listed in Section III (b), together with a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request requires a three-fourths (3/4) vote of the governing body and shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court.

i. **Confidentiality Required.** Information that is provided to the County in connection with an application or request for Tax Abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which Tax Abatement is sought is **confidential and not subject to public disclosure until the Tax Abatement Agreement is executed.** That information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

#### PUBLIC HEARING - Section IV

a. Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse affect on its bonds, tax revenue, service capacity or the provision of service, that showing shall be reason for the Commissioners' Court to deny any designation of the reinvestment zone, the granting of abatement, or both.

b. Neither a reinvestment zone nor abatement Agreement shall be authorized if it is determined that:

1. There would be a substantial adverse affect on the provision of government service or tax base;
2. The applicant has insufficient financial capacity;
3. Planned or potential use of the property would constitute a hazard to public safety, health or morals; or,
4. Planned or potential use of the property violates other codes or laws,
5. Use of the property as planned does not comply with the overall developmental goals of the county.

e. Following the public hearing, the Commissioners' Court must make affirmative findings in the minutes of the Court that:

1. Designation of the reinvestment zone would contribute to the retention or expansion of primary employment.
2. Designation of the zone would attract major investment in the zone that would benefit the property within the zone.
3. Designation of the zone would contribute to the economic development of the county.

#### **AGREEMENT - Section V**

a. **Notice to Jurisdictions.** Not later than the seventh day before the date on which HASKELL County enters into the Abatement Agreement, the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the Agreement, along with a copy of the proposed agreement.

b. After approval, HASKELL County shall formally pass an order and execute an Agreement with the owner of the facility and lessee as required which shall include:

1. Estimated value to be abated and the base year value;
2. Percent of value to be abated each year as provided in Section II;
3. The commencement date and the termination date of abatement;
4. The proposed use of the facility; nature of construction, time schedule, survey, property description and improvements list as provided in the abatement application.
5. Provision for access to and authorization for inspection of the property by HASKELL County to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement.
6. Limitations on the uses of the property, consistent with the general purpose of encouraging development or redevelopment of the zone during the abatement period.

7. Contractual obligations in the event of default, violations of terms or conditions, delinquent taxes, recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by State law and;

8. Amount of investment, increase in assessed value and number of jobs involved for the period of Abatement.

9. A requirement that the applicant annually submit to the Haskell County Judge, a January employee count for the abated facility which corresponds to employment accounts reported in the facility's Employer's Quarterly Report to the Texas Workforce Commission for the quarter most recently ended at calendar year-end, and a separate notarized letter certifying the number of jobs, created or retained as a direct result of the abated improvements and the number of employees in other facilities located in Haskell County. Submission shall be used to determine abatement eligibility for that year and shall be subject to audit if requested by the governing body. Failure to submit will result in the ineligibility to receive abatement for that year.

c. Such agreement shall be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to HASKELL County.

d. **Mandatory contract provisions.** Any tax abatement entered into by the County must:

1. Include a list of the kind, number, and location of all proposed improvements to the property.

2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement.

3. Limit the use of the property consistent with the taxing unit's development goals.

4. Provide for recapturing property tax revenues that are lost if the applicant fails to make the improvements or create the jobs as provided by the application agreement.

5. Include each term that was agreed upon with the applicant and require the applicant to annually certify compliance with the terms of the agreement to each taxing unit.

6. Allow the taxing unit to cancel or modify the agreement at any time if the applicant fails to comply with the terms of the agreement.

#### RECAPTURE - Section VI

a. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

b. Should the County determine that the applicant is in default according to the terms and conditions of its agreement, the County shall notify the applicant in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated and all taxes previously abated by virtue of the agreement

may be recaptured, together with interest at 6% per annum calculated from the effective date of the agreement and paid within sixty (60) days of the termination. If the County does not receive full payment within the said sixty (60) days, a penalty may be added, equal to 15% of the total amount abated.

c. In the event that the applicant: (1) allows its ad valorem taxes owed the County or affected jurisdiction to become delinquent (taxes that are not covered by the abatement agreement) 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.

#### ADMINISTRATION - Section VII

a. The Chief Appraiser of HASKELL County shall annually determine an assessment of the real and personal property within the reinvestment zone. Each year, the applicant receiving abatement shall furnish the Appraiser with such information as may be necessary to determine compliance with the Agreement, including but not limited to the number of new or retained employees associated with the applicant's facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

b. The Agreement shall stipulate that employees and/or designated representatives of HASKELL County will have access to the applicant's facilities within 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 reasonable notice and will only be conducted in 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 applicant, and in accordance with its safety standards.

c. Upon completion of construction, HASKELL County shall annually evaluate each facility receiving abatement to insure compliance with the Agreement and report possible violations of the Agreement to the Commissioner's Court.

d. **Timely Filing.** The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

#### ASSIGNMENT - Section VIII

a. Abatement may be transferred and assigned to a new owner or lessee of the applicant's facility upon the approval by written consent of the HASKELL County Commissioners' Court, 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 Agreement with the County.

b. The Agreement with the new owner or lessee shall not exceed the termination date of the abatement Agreement with the original applicant.

c. No assignment or transfer shall be approved if the parties to an existing Agreement, the new owner, or the new lessee is liable to HASKELL County or any affected jurisdiction for outstanding taxes or other obligations.

d. Approval shall not be unreasonably withheld.

**SUNSET PROVISION - Section IX**

a. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners' Court of HASKELL County as so provided for in the Tax Code, at which time all Reinvestment Zones and Tax Abatement Agreements, created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated.

b. This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the affected jurisdictions.

c. This policy is effective this 23<sup>rd</sup> Day of July, 2019, and supersedes any previous policy on Tax Abatement. It will remain in effect until changed by court order.

IN THE COMMISSIONERS COURT  
OF  
HASKELL COUNTY, TEXAS

**RESOLUTION AND ORDER CREATING HASKELL COUNTY TAX ABATEMENT  
REINVESTMENT ZONE, INTERSECT POWER QUANTUM, LLC PROJECT**

WHEREAS, on the 27<sup>th</sup> day of August, 2019, came on for consideration the Designation of a Reinvestment Zone pursuant to Chapter 312 of the Texas Tax Code, and

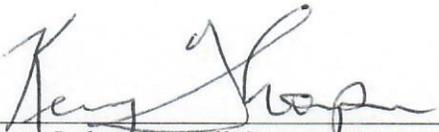
WHEREAS, prior to the creation of the Haskell County Tax Abatement Reinvestment Zone, Intersect Power Quantum, LLC Project, the Commissioners' Court made a determination that the application filed by Intersect Power Quantum, LLC, meets the applicable guidelines and criteria adopted by the Commissioners' Court, and that a tax abatement agreement between the County and Intersect Power Quantum, LLC, would be in compliance with the established guidelines and criteria for tax abatement, and

WHEREAS, the Commissioners' Court did conduct a public hearing, after due notice, as required by law, prior to the creation of a reinvestment zone, as required by Chapter 312 of the Texas Tax Code. After receiving public comment, the Commissioners' Court hereby determines that the designation of an area as a reinvestment zone would contribute to the retention or expansion of primary employment in Haskell County, Texas, and would contribute to the economic development of the County,

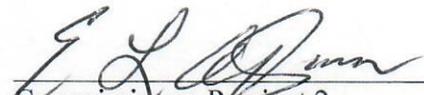
THEREFORE, PREMISES CONSIDERED, the Commissioners' Court of Haskell County, Texas does hereby create the Haskell County Tax Abatement Reinvestment Zone, Intersect Power Quantum, LLC Project as described more fully in the attachments to this Order, which are incorporated herein by reference and are to be filed in the minutes of the Commissioners Court with this Order.

It is further ORDERED by the Commissioners Court that the County Judge is hereby authorized to execute, on behalf of Haskell County, Texas, such documents as may be necessary to facilitate and implement this Order.

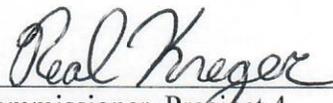
Dated: Adopted on August 27, 2019.

  
\_\_\_\_\_  
County Judge, Haskell County, Texas

  
\_\_\_\_\_  
Commissioner, Precinct 1

  
\_\_\_\_\_  
Commissioner, Precinct 2

  
\_\_\_\_\_  
Commissioner, Precinct 3

  
\_\_\_\_\_  
Commissioner, Precinct 4

Attest:

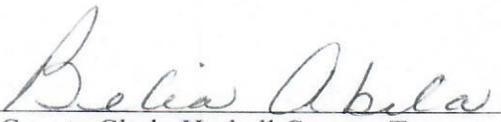
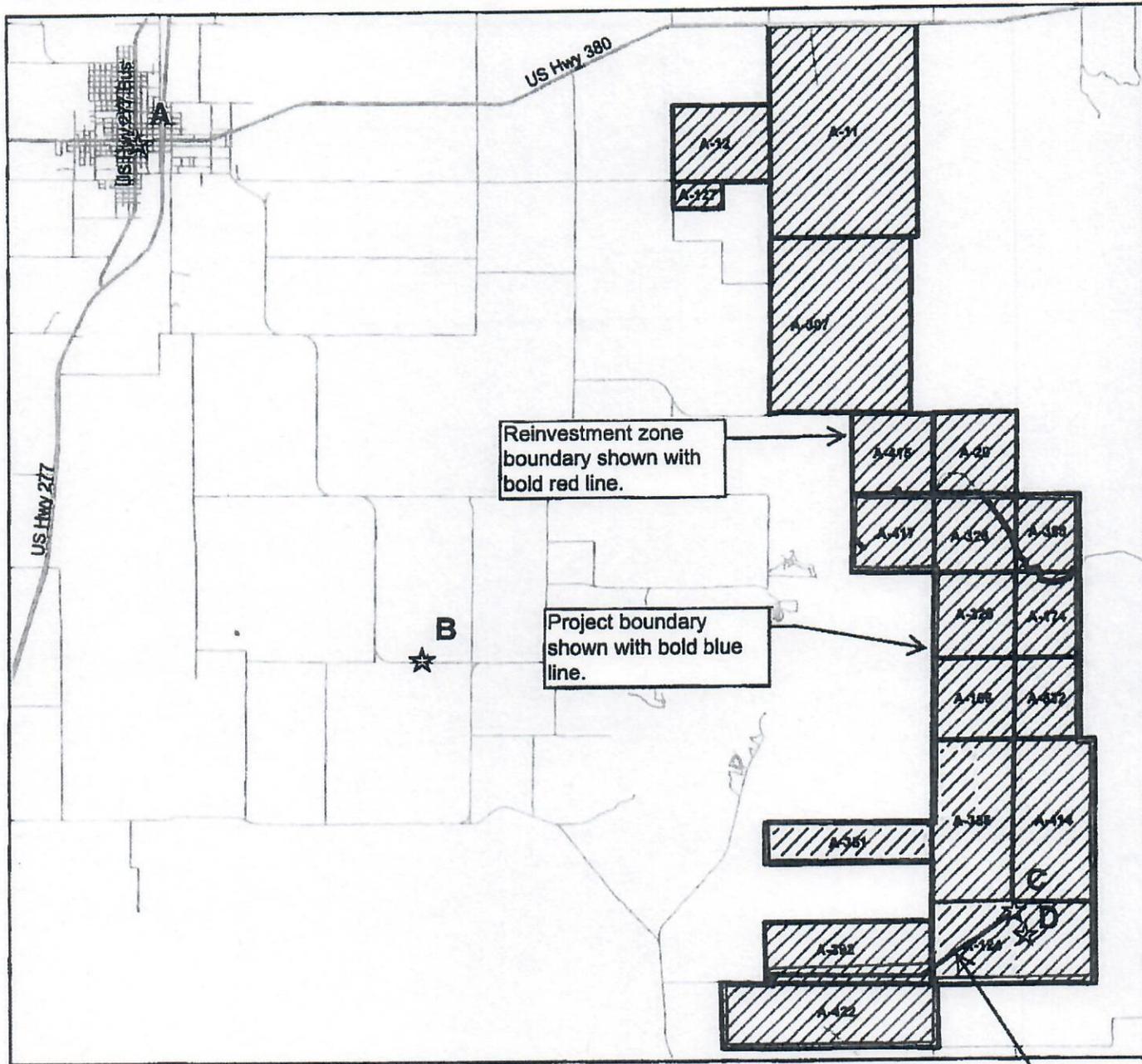
  
\_\_\_\_\_  
County Clerk, Haskell County, Texas

EXHIBIT A

Map of solar project included in the Requested Reinvestment Zone attached.

# Reinvestment Zone Map



Reinvestment zone boundary shown with bold red line.

Project boundary shown with bold blue line.

Proposed location of project gen-tie line shown with bold green line

## Legend

- ☆ A. Haskell County Courthouse
- ☆ B. Paint Creek School
- ☆ C. Project Substation
- ☆ D. O&M Building

- Solar Development Areas
- Texas Land Survey Abstract Number
- Haskell Cons ISD
- Paint Creek ISD

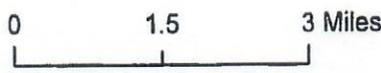


EXHIBIT B

Legal description of real property to be included in the requested Reinvestment Zone attached.

## Reinvestment Zone Legal Description Haskell County, Texas

<b>Description</b>	<b>Abstract</b>	<b>Section</b>
Thos. G. Box	A-11	51
Moses Butler	A-12	59
J.E. Ellis	A-127	52
Richard Langham	A-307	50
Geo. Brooks	A-20	20
James Woodward	A-415	21
John Wall	A-417	22
Seaborn Mills	A-326	19
James A. Taylor	A-388	145
Hugh McLeod	A-320	18
W.M. Harris	A-174	144
J. Cooper	A-106	17
R.M. Thompson	A-532	6
O. Smith	A-381	26
R.M. Nabors	A-336	15
J. F. White	A-414	14
W.M. Dennis	A-124	16
Wm. Taylor	A-392	S/2 27 (Tract 2)
Robt. Williamson	A-422	39

## NOTICE OF COMMISSIONERS' COURT

**THE COMMISSIONERS' COURT OF HASKELL COUNTY, TEXAS**, will meet on Tuesday, August 27, 2019, in the regular meeting place of the County Courthouse at 10:00 a.m. The following items will be transacted:

### OPEN PUBLIC HEARING –9:30 a.m.

**CONDUCT PUBLIC HEARING PURSUANT TO TEXAS TAX CODE §312.401, TO CONSIDER THE DESIGNATION OF A SOLAR POWER ENERGY REINVESTMENT ZONE IN HASKELL COUNTY, TEXAS**, and to obtain the views on the proposed designation of the Haskell County Tax Abatement Zone, Intersect Power Quantum, LLC Project within Haskell County, Texas.

### **CLOSE PUBLIC HEARING**

1. Call to Order
2. Prayer
3. Pledge
4. Minutes
5. Bills
6. Reports
7. Personnel
8. Burn Ban
9. Discuss and take possible action to enter a Resolution and Order designating certain real property located in Haskell County, Texas, as the Haskell County Tax Abatement Reinvestment Zone, Intersect Power Quantum, LLC Project, and to authorize the Commissioners and/or County Judge to sign all relevant documents
10. Discuss and take possible action on the Proposed Property Tax Rate for 2019-2020
11. Discuss and take possible action on the Haskell County Sheriff's Department Fees
12. Discuss and take possible action on the Haskell County Constable fees
13. Discuss and take possible action on purchasing new Poll Books for elections
14. Discuss and take possible action on renewing contract between Haskell County and TAC-CIRA
15. Discuss and take possible action on a request from Rule ISD to remove a large dead tree in front of the school
16. Discuss and take possible action on approving hiring Taylor Burson as the secretary for the Extension Service
17. Line Item Transfers
18. Amend Budget
19. Public Comment – Opportunity for the Public to address Commissioners Court on non-agenda items,
  - a. State full name and subject matter of presentation
  - b. Presentation should be limited to five (5) minutes
  - c. Use of microphone is recommended
20. Adjourn

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Kenny Thompson, County Judge

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**COMMISSIONERS' COURT  
JULY 23, 2019**

On the 23<sup>rd</sup> day July of 2019, the Commissioners' Court met in the regular meeting place of the Courthouse at Haskell County with the following members present:

KENNY THOMPSON, COUNTY JUDGE  
BILLY WAYNE HESTER, COMMISSIONER PRECINCT 1  
MATT SANDERS, COMMISSIONER PRECINCT 3  
ELMER ADAMS, COMMISSIONER PRECINCT 2  
NEAL KREGER, COMMISSIONER PRECINCT 4

Court was called to order at 10:00 a.m. with a prayer said by Steve Miller, pastor of the Lutheran Church and then the Pledge of Allegiance said by all present.

**MINUTES**

Commissioner Hester made the motion to accept the minutes. Commissioner Sanders seconded the motion. The vote was 4 for 0 against.

**BILLS**

Commissioner Adams made a motion to pay all bills presented before the Court. Commissioner Kreger seconded the motion. The vote was 4 for 0 against.

**REPORTS**

County Attorney Kris Fouts and County Judge Kenny Thompson met with the Sheriff's office and Helen Farabee MHMR about mental commitments not being picked up and taken to Witchita Falls by the Sheriff's office. The County will need to come up with a transportation plan.

**PERSONNEL**

Commissioner Hester reported he has hired Sealy Haggard full time for Pct. 1

**CHANGE MILEAGE REIMBURSEMENT RATE**

Judge Thompson made the motion to change the mileage reimbursement rate from \$0.50.5 to \$.52.5 per miles. Commissioner Hester seconded the motion. The vote was 4 for 0 against.

**APPROVE THE LIST OF STATE PROVIDED EQUIPMENT FOR THE HASKELL CO. TA OFFICE**

Commissioner Hester made the motion to allow Judge Thompson to authorize agreement with the State. Commissioner Sanders seconded the motion. The vote was 4 for 0 against.

**APPROVE MEMORANDUM OF AGREEMENT WITH HELEN FARABEE CENTERS FOR 2020**

Commissioner Adams made the motion to continue cash contributions in monthly payment to the Helen Farabee Centers for the fiscal year of 2020. Commissioner Kreger seconded the motion. The vote was 4 for 0 against.

**HASKELL COUNTY GUIDELINES & CRITERIA FOR CREATING TAX ABATEMENT AND  
REINVESTMENT ZONES FOR HASKELL COUNTY, TEXAS**

Commissioner Adams made the motion to adopt the same guidelines and criteria as before but to amend it reflecting a more current year. Commissioner Kreger seconded the motion. The vote was 4 for 0 against.

**PRESENTATION BY DALE CUMMINGS ON PROPOSED INTERSECT POWER QUANTUM SOLAR  
PROJECT**

Dale Cummings with Cummins Westlake LLC presented the Commissioner's with a new solar project as well as an application for tax abatement for discussion with the court. The Court decided to table the tax abatement discussion until the new County Guidelines and criteria for creating tax abatement are adopted.

**CONSIDER APPROVING A TAX ABATEMENT AGREEMENT BETWEEN HASKELL COUNTY, TEXAS  
AND INTERSECT POWER QUANTUM SOLAR PROJECT**

Tabled

**ACCEPT AN APPLICATION FOR THE CREATION OF REINVESTMENT ZONE AND TAX ABATEMENT  
OF INTERSECT POWER QUANTUM SOLAR PROJECT IN HASKELL COUNTY, TEXAS**

Tabled

**CONSIDER AND POSSIBLY ACCEPT AN APPLICATION FOR TAX ABATEMENT FROM IP  
QUANTUM, LLC**

Tabled

**RENEW THE INTERLOCAL AGREEMENT BETWEEN THE WEST CENTRAL TEXAS COUNCIL OF  
GOVERNMENTS' REGIONAL 9-1-1 PROGRAM AND HASKELL COUNTY**

Commissioner Sanders made the motion to enter into the agreement between the West Central Texas Council of Governments' Regional 9-1-1 program and Haskell County. Commissioner Adams seconded the motion. The vote was 4 for 0 against.

**APPOINT ELECTION JUDGES FOR A TWO YEAR TERM**

Commissioner Hester made the motion to appoint election judges for a two year term. Commissioner Sanders seconded the motion. The vote was 4 for 0 against.

**TAKE ACTION ON CONTRACTION WITH AMERICAN NATIONAL LEASING- CHRISTOPHER KEITH**  
No action taken.

**TAKE ACTION ON PHONE SYSTEM AT THE HASKELL COUNTY SHERIFF'S OFFICE**  
No action taken

**LINE ITEM TRANSFERS**

None

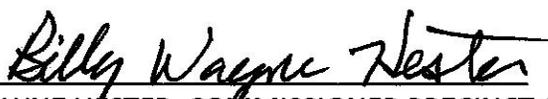
**AMEND THE BUDGET**

None

**ADJOURN**

Being no further business to be brought before the Court, Commissioner Adams made a motion to adjourn. Commissioner Kreger seconded the motion. The vote was 3 for 0 against. Court was adjourned at 11:05 a.m.

  
Kenny Thompson  
KENNY THOMPSON, COUNTY JUDGE

  
Billy Wayne Hester  
BILLY WAYNE HESTER, COMMISSIONER PRECINCT 1

  
Elmer Adams  
ELMER ADAMS, COMMISSIONER PRECINCT 2

*Matt Sanders*

MATT SANDERS, COMMISSIONER PRECINCT 3

*Neal Kregar*

NEAL KREGAR, COMMISSIONER PRECINCT 4

ATTEST:

*Belia Abila*

BELIA ABILA, COUNTY CLERK

