



AUDIE SCIUMBATO  
Licensed in Texas and New Mexico  
Phone: 806.364.2626  
Fax: 806.364.9368  
www.uwlaw.com  
Audie.Sciumbato@uwlaw.com

ADDRESS:  
145 W. 3<sup>rd</sup> Street  
Hereford, Texas  
MAILING ADDRESS:  
P.O. Box 1655  
Hereford, TX 79045

November 7, 2013

Stephanie Jones  
Economic Development and Analysis Division  
Texas Comptroller of Public Accounts  
111 E. 17th St.  
Austin, TX 78774

*Via Email and Federal Express*

Re: Ch. 313 Application No. 321 from Palo Duro Wind, LLC to Perryton ISD  
Amendment No. 004 to Application

Dear Stephanie,

Enclosed please find supplemental pages for the Chapter 313 Application submitted by Palo Duro Wind, LLC to Perryton ISD (the "Palo Duro Application"). Specifically, we are enclosing:

- Attachment 22 – Ochiltree County Reinvestment Zone Order; and,
- Attachment 24 – Ochiltree County Reinvestment Zone Guidelines & Criteria.

A CD containing this document is also enclosed. This Amendment, dated November 7, 2013 and numbered 004, is the fourth Amendment to the Palo Duro Application. Please let me know if you require any additional information.

Thank you,

A handwritten signature in black ink that reads "Audie Sciumbato". The signature is written in a cursive, flowing style.

Audie Sciumbato, PhD

AS/ph  
GWR0QD9L0D1JQY  
Encl.

cc: Wes Jackson, Cummings Westlake, LLC

*via email wjackson@cwlp.net*

The Commissioners Court of Ochiltree County, Texas  
Regular Session  
Re: Designation of Reinvestment Zone

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Motion by Richard Burger, seconded by  
Duane Pshigoda that the following action be taken by the court:

1. That the County designate the property located in Ochiltree County having the legal description attached to this order as a Reinvestment Zone for Wind Power Generated Electricity ONLY under the Ochiltree county Guidelines for Granting Tax Abatements hereafter referred as "Ochiltree County Reinvestment Zone, Site 1: All of Ochiltree County, excluding any municipalities",
2. That the County declare eligible for property tax abatement all eligible property that produces electricity by wind power, now or thereafter located in Ochiltree county Reinvestment Zone, Site 1: All of Ochiltree County, excluding any municipalities,

Passed and approved at this meeting of the Ochiltree County Commissioners Court, at which a quorum was present on the 14<sup>th</sup> day of October, 2013.

Duane Pshigoda  
Duane Pshigoda, Commissioner Precinct 1

Doug Barnes  
Doug Barnes, Commissioner Precinct 2

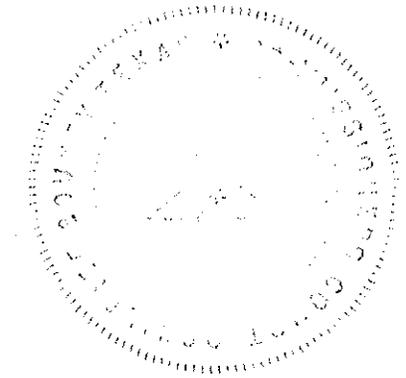
Richard Burger  
Richard Burger, Commissioner Precinct 3

Dempsey Malaney  
Dempsey Malaney, Commissioner Precinct 4

Earl J. McKinley  
Earl J. McKinley, County Judge

ATTEST:

Stacey Brown  
Stacey Brown, County Clerk

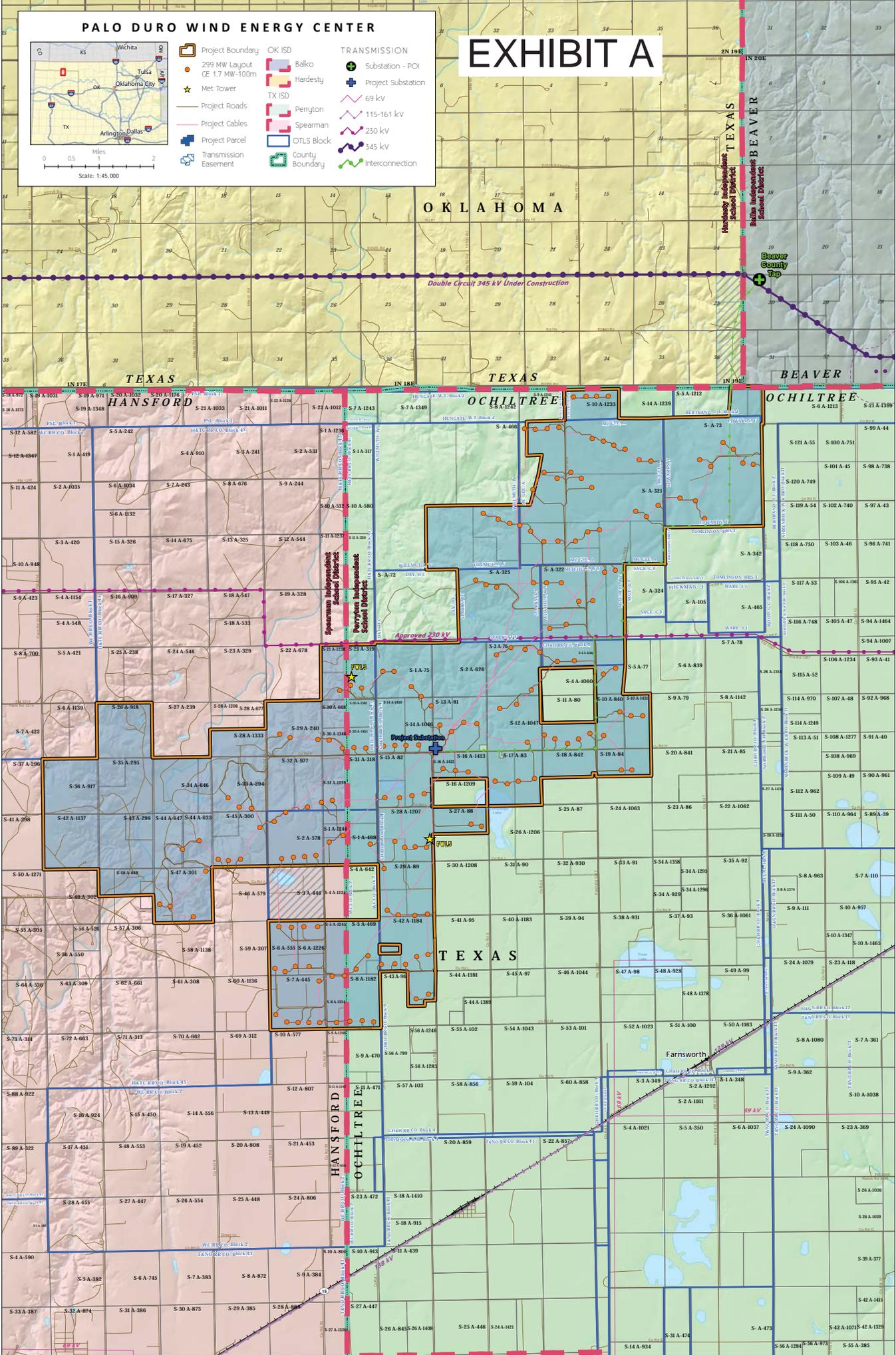


# PALO DURO WIND ENERGY CENTER



- Project Boundary
- 299 MW Layout GE 1.7 MW-100m
- Met Tower
- Project Roads
- Project Cables
- Project Parcel
- Transmission Easement
- OK ISD
- Balko
- Hardesty
- Perritt
- Spearman
- OTLS Block
- County Boundary
- TRANSMISSION
- Substation - POI
- Project Substation
- 69 kv
- 115-161 kv
- 230 kv
- 345 kv
- Interconnection

# EXHIBIT A



## EXHIBIT B

TOWNSHIP	RANGE	SECTION	LEGAL DESCRIPTION
H. & T. C., RR Co	45	21	The Northwest One-quarter (NW/4) of Section 21, Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
H. & T. C., RR Co	45	21	The East Half (E/2) and the Southwest Quarter (SW/4) of Section Twenty-one (21), Block 45, H&TC Ry. Co. Survey, Patent No. 233, Volume 94, dated January 19, 1886, lying in Ochiltree and Hansford Counties, Texas.
H. & T. C., RR Co	45	26	ALL
H. & T. C. RR Co.	45	28	S/2
H. & T. C., RR Co	45	29	All
H. & T. C., RR Co	45	30	All
H. & T. C., RR Co	45	31	All of the East One-Half (E/2)
H. & T. C., RR Co	45	31	All of the West One-Half (W/2)
H. & T. C., RR Co	45	32	All of the East One-half (E/2)
H. & T. C., RR Co	45	32	W/2
H. & T. C., RR Co	45	33	W/2 and SE/4
H. & T. C., RR Co	45	33	All of the North-East One Fourth (NE/4)
H. & T. C., RR Co	45	34	E/2 of the E/2
Houston & Texas Central Railway	45	34	W/2 and the W/2 of the E/2
H. & T. C., RR Co	45	35	NW/4
Houston & Texas Central Railway	45	35	E/2 and SW/4
H. & T. C., RR Co	45	36	ALL
H. & T. C., RR Co	45	42	All
H. & T. C., RR Co	45	43	W/2 and SE/4
H. & T. C., RR Co	45	43	NE/4
H. & T. C., RR Co	45	44	W/2
H. & T. C., RR Co	45	44	E/2
H. & T. C., RR Co	45	45	Northwest one-fourth (NW/4)
H. & T. C., RR Co	45	47	ALL
H. & T. C., RR Co	45	48	N/2
H. & T. C., RR Co	45	45	All of the East One-Half (E/2) and the South West One Fourth (SW/4)
W. C. RR Co	2	1	The South Half of the North Half (S/2 of N/2)
W. C. RR Co	2	1	The North Half of the North Half (N/2 of N/2)
W. C. RR Co	2	1	SW/4
W. C. RR Co	2	1	All of the Southeast Quarter (SE/4) of Section 1, Block 2, WC RR Co. Survey, Patent No. 168, Volume 1, dated June 5, 1875, in Ochiltree County, Texas containing approximately 160 acres, more or less.
W. C. RR Co	2	2	All
W. C. RR Co	2	5	A square tract of land measuring one-quarter mile long by one-quarter mile wide, and located in the extreme Southeast corner of Section 5, Block 2, Washington County RR. Company Survey, Ochiltree County, Texas, containing approximately 40 acres, more or less.
W. C. RR Co	2	5	Section No. 5, in Block Two (2), Washington County R.R. Company Survey, EXCEPT A square tract of land measuring one-quarter mile long by one-quarter mile wide, and located in the extreme Southeast corner of Section 5, Block 2, Washington County RR. Company Survey, Ochiltree County, Texas; all of which is located in Hansford and Ochiltree Counties, Texas, containing approximately 598 acres, more or less.
W. C. RR Co	2	6	ALL
W. C. RR Co	2	7	ALL
W. C. RR Co	2	8	All
G. H. & H. RR Co	4	1	All
G. H. & H. RR Co	4	2	All
G. H. & H. RR Co	4	3	Section Three (3), Block Four (4), GH&H Ry. Co. Survey, Certificate No. 33/542, Abstract No. 76, Patent dated March 11, 1875, No. 623, Vol. 1, located in Ochiltree County, Texas.
G. H. & H. RR Co.	4	4	North Half (N/2) of Section Four (4), Block 4, GH&H RR. Co. Survey, Certificate No. 33/542, Abstract No. 1366, Patent dated February 18, 1926, No. 414, Volume 28A, located in Ochiltree County, Texas,
G. H. & H. RR Co	4	5	The Southwest Quarter (SW/4)
G. H. & H. RR Co	4	10	E/2
G. H. & H. RR Co	4	10	SW/4

G. H. & H. RR Co	4	10	The North Half (N/2) of the West Half (W/2)
G. H. & H. RR Co.	4	11	The South Half (S/2)
G. H. & H. RR Co	4	12	All of Section 12, Block 4, GH&H Ry. Co. Survey, Ochiltree County, Texas, save and except 14 acres and more particularly described as a 10.00 acre tract out of a 14.00 acre tract in the Southwest Quarter of Section 12; Block 4, GH&H RR. Co. Survey, and re
G. H. & H. RR Co	4	13	One hundred (100) acres in the form of a square situated in the Northwest (NW) corner of Section Number Thirteen (13), Block Four (4), GH&H Ry. Co. Survey, Ochiltree County, Texas, described by metes and bounds as follows: BEGINNING at the Northwest (NW)
G. H. & H. RR Co	4	13	All of Section Thirteen (13), Block Four (4), GH&H RR Co. Survey, Ochiltree County, Texas; LESS and EXCEPT the following two Parcels: PARCEL ONE: A 100 acre tract of land more specifically described by metes and bounds as follows; BEGINNING at the Northwe
G. H. & H. RR Co	4	14	All
G. H. & H. RR Co	4	15	The Northwest 1/4
G. H. & H. RR Co	4	15	The East One-half (E/2)
G. H. & H. RR Co	4	15	Southwest quarter section fifteen, (15), Block four (4), GH&H Ry. Co. Survey, Certificate No. 33/584, Abstract No. 82, Patent Date March 18, 1875, No. 6. Volume 25, located in Ochiltree County, Texas.
G. H. & H. RR Co	4	16	The North Half (N/2)
G. H. & H. RR Co	4	17	East Half (E/2)
G. H. & H. RR Co	4	17	The West half (W/2) of Section 17, Block 4, GH&H Survey Co., Ochiltree County, Texas LESS AND EXCEPT a tract of land out of the West One-Half (W/2) of Section 17, Block 4, GH&H RR. Co. Survey, Ochiltree County, Texas, described in Volume 546, Page 841, De
G. H. & H. RR Co	4	19	The Northeast Quarter (NE/4)
G. H. & H. RR Co	4	19	The Northwest Quarter (NW/4)
G. H. & H. RR Co	4	27	Northwest Quarter (NW/4) and the Northeast Quarter (NE/4) of Section 27, Block 4, G.H. & H. RR Co. Survey, in Ochiltree County, Texas containing approximately 320 acres, more or less.
G. H. & H. RR Co	4	28	The Southwest Quarter (SW/4)
G. H. & H. RR Co	4	29	The Southeast Quarter (SE/4)
G. H. & H. RR Co	4	29	The Southwest Quarter (SW/4)
G. H. & H. RR Co.	4	42	A 111.492 acre tract of land in Survey No. Forty-two (42), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Ochiltree County, Texas more specifically described by metes and bounds as follows: Beginning at the Southwest Corner of Survey No. Forty-Two (42), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Ochiltree County, State of Texas; Thence with a State Plane Coordinate Bearing of N89°07'34"E along the South line of said Survey No. Forty-two (42) a distance of 1979.43 feet to #5 rebar; Thence N 01°45'34"W a distance of 2552.80 feet to a #5 rebar; Thence N 89°19'41"W a distance of 1868.30 feet to a #5 rebar on the West line of said Survey No. Forty-Two (42), Block Four (4) Galveston Houston & Henderson Railway Company Survey; Thence S 01°45'34"E a distance of 2552.80 feet to the point of beginning and containing 111.492 acres, more or less; all of which is located in Ochiltree County, Texas, containing approximately 111.492 acres, more or less.
G. H. & H. RR Co.	4	42	A 331.964 acre tract out of Section Forty-two (42), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Patent No. 180, Volume 48A, dated October 24, 1930, Ochiltree County, Texas, and more particularly described as follows: BEGINNING at the common corner of Surveys No. Forty-one (41), Forty-two (42), Forty-three (43) and Forty-four (44), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Ochiltree County, State of Texas, said corner being a #4 rebar in place; THENCE with a State Plane Coordinate Bearing of S 89°07'34" W along the South line of said Survey No. Forty-two (42) a distance of 3399.33 feet & set a #5 rebar; THENCE N 01°45'34" W a distance of 2552.80 feet & set a #5 rebar; THENCE N 89°19'41" W a distance of 1868.30 feet & set a #5 rebar, said rebar being on the West line of said Survey No. Forty-two (42), Block Four (4), Galveston Houston & Henderson Railway Company Survey; THENCE N 01°00'27" W along the West line of said Survey No. Forty-two (42) a distance of 2677.90 feet & set a 3/4" I.D. pipe, said pipe being the Northwest (NW) corner of said survey No. Forty-two (42); THENCE N 89°07'34" E along the North line of said Survey No. Forty-two (42) a distance of 5315.09 feet & set a #5 rebar, said rebar being the Northeast (NE) corner of said Survey No. Forty-two (42), from whence the centerline of a North & South paved county road bears 20.8 feet East; THENCE S 00°50'50" E along the East line of said Survey No. Forty-two (42) a distance of 5280.80 feet to the point of BEGINNING and containing 331.964 acres, more or less; all of which is located in Ochiltree County, Texas, containing approximately 331.964 acres, more or less.
G. H. & H. RR Co.	4	43	Being a 34.876 acre tract out of Section 43, Block 4, G.H.&H. RR. Co. Survey, and recorded as Tract #1 in Volume 540, Page 856, Official Public Records of Ochiltree County, Texas, and more particularly described as follows: Beginning at a mag nail set in asphalt for the Southeast corner of Section 43, and for the Southeast corner of this tract; Thence South 89°22'20" West 1685.3' with South line of Section 43 and County Road M to a 1/2" iron rod set, for the Southerly Southeast corner of a 80.206 acre tract recorded in Volume 566, Page 738, for the Southwest corner of this tract; The following calls with Southerly line of said 80.206 acre tract and fence line: Thence North 0°55'10" East at 33.0' pass fence corner post, continuing a total distance of 468.1' to 1/2" iron rod set; Thence North 45°50'10" East 758.8' to a 5/8" iron rod found; Thence North 89°07'10" East at 1084.6' pass fence corner post, continuing a total distance of 1123.1' to a mag nail set, for the Northeast corner of this tract; Thence South 0°36' East 995.5' with East line of Section 43 and County Road 2 to the place of beginning and containing 34.876 acres; all of which is located in Ochiltree County, Texas, containing approximately 34.876 acres, more or less.
G. H. & H. RR Co.	4	43	Being a 25.505 acre tract out of Section 43, Block 4, G.H.&H. RR. Co. Survey, and recorded as Tract #2 in Volume 540, Page 856, Official Public Records of Ochiltree County, Texas, and more particularly described as follows: Beginning at a 1/2" iron rod set at fence corner, for the Southwest corner of this tract, from which the southwest corner of Section 43 bears South 44°04'40" West 1515.2' and South 89°22'20" West 1568.8' to a 1/2" iron rod found; Thence North 0°39'40" West 838.2' with East line of a 239.623 acre tract recorded in Volume 540, Page 856 to a 1/2" iron rod set, for the Northwest corner of this tract; Thence North 89°22'50" East 1661.3' with South line of a 197.659 acre tract recorded in Volume 690, Page 418, Official Public Records to a 1/2" iron rod found, for the Southerly Southeast corner of said 197.659 acre tract, and for the Northeast corner of this tract; Thence South 0°52'10" East 444.6' with fence line to a 1/2" iron rod set at fence corner, for interior corner of a 80.206 acre tract recorded in Volume 566, Page 738, Official Public Records, for the Southeast corner of this tract; The following calls with Northerly line of said 80.206 acre tract and fence line: Thence South 89°14' West 491.8' to a 1/2" iron rod set; Thence South 47°50'50" West 617.7' to 1/2" iron rod set; Thence North 89°12'30" West 695.2' to the place of beginning, and containing 25.505 acres; all of which is located in Ochiltree County, Texas, containing approximately 25.505 acres, more or less.

G. H. & H. RR Co.	4	43	Being a 239.630 acre tract in the West Half of Section 43, Block 4, G.H.&H. RR. Co. Survey, and recorded as Tract #3 in Volume 540, Page 856, Official Public Records of Ochiltree County, Texas, and more particularly described as follows: Beginning at a ½" iron rod found for the Southwest corner of Section 43, and for the Southwest corner of this tract; Thence North 0°36' West 4205.5' with West line of Section 43 to a ½" iron rod set, for the Northwest corner of this tract, from which the Northwest corner of Section 43 bears North 0°36' West 1072.7' to a ½" iron rod found; Thence North 89°22'30" East 2611.4' to a ½" iron rod w/ cap, found for the Northeast corner of this tract; Thence South 0°20'40" East 2292.4' to a ½" iron rod w/ cap, found for the Southwest corner of a 197.659 acre tract recorded in Volume 690, Page 418, Official Public Records; Thence North 89°22'50" East 30.0' to a ½" iron rod set, for the Northwest corner of a 25.502 acre tract recorded in Volume 540, Page 856, Official Public Records; Thence South 0°39'40" East 838.2' to a ½" iron rod set at fence corner, for the Southwest corner of said 25.502 acre tract; Thence South 44°04'40" West with fence line at 1469.9' pass fence corner post, continuing a total distance of 1512.2' to a ½" iron rod found, for the Southwest corner of a 80.206 acre tract recorded in Volume 566, Page 755, Official Public Records, for the Southeast corner of this tract; Thence South 89°22'20" West 1568.8' with South line of Section 43 and center of County Road M to the place of beginning, and containing 239.623 acres; all of which is located in Ochiltree County, Texas, containing approximately 239.623 acres, more or less.
G. H. & H. RR Co.	4	43	197.659 acres out of the East One-half (E/2) of Section Forty-three (43), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Patent No. 20, Volume 25, dated March 18, 1875, Ochiltree County, Texas, and more particularly described as follows: BEGINNING at the common corner of Surveys No. Forty-one (41), Forty-two (42), Forty-three (43) and Forty-four (44), Block Four (4), Galveston Houston & Henderson Railway Company Survey, Ochiltree County, State of Texas, said corner being a #4 rebar in place; THENCE with a State Plane Coordinate Bearing of S 89°07'34" W along the North line of said Survey No. Forty-three (43) a distance of 2684.16 feet & set a #5 rebar; THENCE S 00°35'26" E a distance of 1072.81 feet & set a #5 rebar, said rebar being the Northeast (NE) corner of an existing 239.623 acre tract recorded in Volume 540, Page 856, Office of the County Clerk, Ochiltree County, State of Texas; THENCE continue S 00°35'26" E along the East line of said existing 239.623 acre tract a distance of 2292.38 feet & set a #5 rebar; THENCE N 89°08'11" E a distance of 30.00 feet & set a #5 rebar, said rebar being the Northwest (NW) corner of an existing 25.502 acre tract recorded in Volume 540, Page 856, Office of the County Clerk, Ochiltree County, State of Texas; THENCE continue N 89°08'11" E along the North line of said existing 25.502 acre tract a distance of 1661.31 feet to a #4 rebar in place, said rebar being the Northeast (NE) corner of said existing 25.502 acre tract; THENCE N 00°09'23" W along the most Northerly West line of an existing 80.206 acre tract recorded in Volume 566, Page 738, Office of the County Clerk, Ochiltree County, State of Texas, a distance of 446.22 feet & set a #5 rebar, said rebar being the most Northerly Northwest (NW) corner of said existing 80.206 acre tract; THENCE N 89°07'34" E along the North line of said existing 80.206 acre tract a distance of 1002.55 feet to an existing #4 rebar, said rebar being the Northeast (NE) corner of said existing 80.206 acre tract, said rebar being on the East line of said Survey No. Forty-three (43), Block Four (4), Galveston Houston & Henderson Railway Company Survey; THENCE N 00°50'50" W along the East line of said Survey No. Forty-three (43) a distance of 2919.27 feet to the point of
G. H. & H. RR Co	4	28	The North one-half, and all of the Southeast Quarter (SE/4) of Section Twenty-Eight (28), Block Four (4), GH&H RR Co. Original Grantee, Abstract Number 1207, Patent dated 01-24-1923, recorded in Volume 16-A, Page 493, situated in Ochiltree County, Texas
G. H. & H. RR Co	4	29	The Northwest Quarter (NW/4)
G. H. & H. RR Co	4	29	The Northeast Quarter (NE/4)
Thomas J. Sparks			All of the Thomas J. Sparks Survey, Certificate No. 31/158, Abstract No. 325, Patent dated May 26, 1876, No. 47, Volume 8, located in Ochiltree County, Texas
J.S. Hungate	Z	10	Section Ten (10), Block Z, J. S. Hungate Survey, Certificate No. SF 2774, Abstract No. 1233, Patent dated February 10, 1920, No. 507, Vol. 5A, located in Ochiltree County, Texas.
Warren J. Mitchell Survey			160 acres, the North 1/2 of 320 acres, out of the Warren J. Mitchell Survey, Certificate No. 29/271, Abstract No. 322, Patent No. 38, Volume 15, dated December 16, 1874. Said 320 acres more fully described by metes and bounds as follows: BEGINNING at the
Warren J. Mitchell Survey			Being the South Half of the 320 acres of land, more or less, out of the Warren J. Mitchell 1920 acre Survey, Certificate No. 29/277, Patented December 16, 1874, by Patent No. 38, Volume 15, Abstract No. 322, which 320 acre tract is described by metes and
W. J. Mitchell			A tract or parcel of land described as follows, to-wit: BEING the West one-half of the East 640 acres of the Warren J. Mitchell Survey, Patent No. 38, Volume 15, dated December 16, 1874, and described by metes and bounds as follows: BEGINNING at the North
W. J. Mitchell			All of the East 320 acres of the W. J. Mitchell Survey, Ochiltree County, Texas, also described as 320 acres of land, more or less, located about eight and one-half (8-1/2) miles Northwest of the town of Farnsworth, out of the Warren J. Mitchell Survey, P
Warren J. Mitchell Survey			The North Four Hundred Twenty-six (N/426) acres of the West Seven Hundred Forty-Six (W/746) acres of the Warren J. Mitchell Survey, Ochiltree County, Texas, containing approximately 426 acres, more or less.
Anthony McGee Headright			321.7 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by Metes and bounds as follows, Beginning at a 1" iron pipe set in the intersection of three roads as called for by Rupert C. Allen County
Anthony McGee Headright			114.2 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by metes and bounds as follows: Beginning at a large spike set in the S line of the Anthony McGee Headright the SE corner of this tract same
Anthony McGee Headright			285.4 acres of the South 1320.8 acres in the Anthony McGee Headright Survey, Ochiltree County, Texas and described by metes and bounds as follows: Beginning at a large spike set in the S line of the Anthony McGee Headright the SE corner of this tract same

Anthony McGee Headright			A 1,402.03 acre tract of land being a portion of Subdivision 6, 7, and 8 of Johnson and Hoghland Subdivision of the Anthony McGee Headright, in Ochiltree County, Texas, being further described by metes and bounds as follows: BEGINNING at a 1" iron pipe found in the centerline of County Road "6A", being the Southeast corner of said Subdivision 7, the Southeast corner of this tract of land; THENCE N 89°30'00" W (Base Bearing), a distance of 14,011.45 feet to a 1" angle iron found on the West side of a wood post; THENCE N 0°55'00" E with a fence, a distance of 1,847.02 feet to a 1 foot dia. wood fence post; THENCE S 85°45'59" E. with a fence, a distance of 1,164.07 feet to a 3/8" rebar with a cap marked "RPLS 4664", set at a fence corner post; THENCE N 17°11'33" E. with a fence, a distance of 2,821 feet to a 3/8" (rebar with a cap marked) "RPLS 4664", set at a fence corner post; THENCE N 9°05'19" E. with a fence, a distance of 215.71 feet to a 3/8" rebar with a cap marked "RPLS 4664", set; THENCE S 89°30'00" E, a distance of 12,022.44 feet to a 3/8" rebar with a cap marked "RPLS 4664", set in the East line of said Subdivision 7, being in the centerline of said County, Road "6A"; THENCE S 0°50'59" W, a distance of 4,686.97 feet to the POINT OF BEGINNING. Said tract contains a computed area of 1,402.03 acres of land. Basis of bearing (S 89°30' E), was used based on the South line of the Johnson and Hoghland Subdivision per map in Volume 56, page 430-A, Official Public Records of Ochiltree County, Texas; all of which is located in Ochiltree County, Texas, containing 1,402.03 acres, more or less.
Anthony McGee Headright			A 1,521.90 acre tract of land being all of Subdivision 5 and 4, and a portion of Subdivision 6, 7 and 8, of Johnson and Hoghland Subdivision of the Anthony McGee Headright, in Ochiltree County, Texas, being further described by metes and bounds as follows: BEGINNING at the Northeast corner of said Subdivision 4, being in the Intersection of County Road "B" and County Road "6A", the Northeast corner of this tract of land; THENCE S 0°50'59" W, a distance of 38.96 feet pass a ½" rebar with a cap marked "Bezner/Webb 2057", found, continuing for a total distance of 5,268.58 feet to a (16C) rebar with a cap marked "RPLS 4664", set, the Southeast corner of this tract of land; THENCE N 89°30'00" W (Base Bearing), a distance of 12,022.44 feet to a "rebar with a cap marked "RPLS 4664", set; THENCE N 9°05'19" E, with a fence, a distance of 1,904.44 feet to a fence corner post; THENCE N 62°45'48" W, with a fence, a distance of 45.77 feet to a "rebar with a cap marked "RPLS 4664", set; THENCE S 88°24'33" W, with a fence a distance of 1,427.54 feet to a "rebar with a cap marked "RPLS 4664", set; THENCE N 1°12'35" E, a distance of 3,295.41 feet to a "rebar with a cap marked "RPLS 4664", set in the North line of said Subdivision 8, the Northwest corner of this tract of land; THENCE N 89°58'17" E a distance of 13,197.39 feet to the POINT OF BEGINNING. Said tract contains a computed area of 1,521.90 acres of land. Basis of bearing (S 89°30' E), was used based on the South line of the Johnson and Hoghland Subdivision per map in Volume 56, Page 430-A, Official Public Records of Ochiltree County, Texas; all of which is located in Ochiltree County, Texas, containing 1,521.90 acres, more or less.
McGee Survey			200 acres out of the North 642.55 acres of the South 1285.1 acres of the Anthony McGee Survey, Ochiltree County, Texas; BEGINNING at pipe set in the West boundary line of said Anthony McGee headright survey the southwest corner of subdivision No. 8, made
William Wilmuth Headright			200 acres of land on Ochiltree County, Texas, and being the South 1/2 of the West 1/2, and the South 40 acres of the East 1/2 of the W. M. Wilmuth 640 acre survey, Abstract 466, conveyed by J.W. Rogers to John O. Tillerson and Edith Tillerson, on Novemb
William Wilmuth Headright			440 acres, more or less, out of the William Wilmuth Headright Survey, Abstract 466, Patent 49, Vol. 22, dated October 2, 1876, described as follows: BEGINNING 2877 varas South of the Northeast corner of said Headright and along the East line of said Hea
William Wilmuth Headright			Out of the William Wilmuth Headright Survey, Certificate 629, Abstract 466, Patent 49, Vol. 22, dated October 2, 1876, and described as follows: BEGINNING at the Southwest corner of a 640 acre tract out of the Southeast part of the William Wilmuth Headri
Thomas Edwards Headright Survey			All of Subdivisions One (1), Two (2), Three (3) and Four (4) of the Thomas Edwards Survey, Ochiltree County, Texas, said land being also described as all of the Thomas Edwards Headright Survey, Certificate NO. 20/33, Abstract No. 73; all of which is locat
O.J. Bertrand Survey	Z	5	217.3 acres of land in Survey 5, Block Z, O. J. Bertrand Survey, Ochiltree County, Texas, described as follows: Tract 1: 110 acres in Survey 5, Block Z, O. J. Bertrand Survey, Ochiltree County, Texas, described by metes and bounds as follows: BEGINNING a

**Guidelines & Criteria for Granting Tax Abatements  
Ochiltree County, Texas**

**Preamble**

Pursuant to Chapter 312 of the Texas Tax Code, Ochiltree County may consider an application for tax abatement, designate a reinvestment zone, and enter into a tax abatement agreement in accordance with these Guidelines and Criteria. It is the express intent of the Ochiltree County Commissioners' Court to promote economic development, but not at the expense of the county's natural resources or services provided to the general public. No application submitted under the following schedule deemed to have a substantially adverse effect on natural resources in the County or on County infrastructure (including roads and bridges) will be approved, unless the applicant can demonstrate just cause for such an exception.

**I. Abatement Application Procedure**

- (a) **Who may apply.** Any present or potential owner of taxable real property in Ochiltree County may submit an application for tax abatement conforming to the requirements herein.
  
- (b) **Eligible property.** Abatement **may** be granted for the following property: new, expanded or modernized buildings and structures, fixed machinery and equipment; site improvements; other tangible items necessary to the operation and administration of the project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code. Taxes on real property may be abated only to the extent the property's value for a given year exceeds its value for the year in which the agreement is executed. Tangible personal property located on the real property at any time before the period covered by the agreement is not eligible for abatement. Tangible personal property eligible for abatement shall not include inventory or supplies.

Property in a reinvestment zone that is owned or leased by a member of the County Commissioners' Court is excluded from property tax abatement.

- (c) **Application provisions.** The application shall consist of a completed Ochiltree County Tax Abatement Application Form, which shall contain the following:
  - (1) information showing how the project meets the requirements of the criteria outlined in Section II below.
  - (2) a map and description of the property;
  - (3) a time schedule for completing the planned improvements;
  - (4) the estimated taxable value or range of values of the project or facility;and

- (5) basic financial information about the applicant sufficient to enable evaluation of the application's financial capacity.

(d) **Procedure for Consideration of Application.** The procedure for consideration by the County of a Tax Abatement Application is as follows:

- (1) An applicant may request a Tax Abatement Application from the County Clerk.
- (2) After an applicant completes the Tax Abatement Application, the applicant must provide a copy to each member of the Ochiltree County Commissioners' Court and the County Clerk.
- (3) The Commissioners' Court shall issue a determination at any time before the expiration of forty-five (45) days from the date of receipt of the application regarding how to proceed with the application. The Commissioners' Court shall choose either to deny the application, consider the application, or consider the application on an expedited basis.

(A) **Denial of Application.** If the Commissioners' Court chooses to deny the application, it shall make a finding by majority vote at a regularly scheduled meeting that, after balancing the criteria described below in Section II, it is the judgment of the Commissioners' Court that the application should be denied.

(B) **Consideration of Application.** If the County determines that the application should be further considered, the Commissioners' Court must hold a public hearing to obtain public input on the application. Not later than the seventh (7<sup>th</sup>) day before the date of the hearing, notice of the hearing must be:

- (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and
- (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners' Court evaluates the application against the criteria in Section II and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is not designated, the application fails, although it may be amended and resubmitted. If the reinvestment zone is designated, the Commissioners' Court shall pass an order to that effect. **An order designating an area as a reinvestment zone is valid for five years from the date of designation.** Once the area is designated as a reinvestment zone, the Commissioners' Court may then arrange to consider for approval the tax abatement agreement between the applicant and the County at its next regularly scheduled meeting. At least seven days prior to entering into a tax abatement agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in

its boundaries real property that is to be included in the proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners' Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline. An approved tax abatement agreement may be executed in the same manner as other contracts made by the County. A tax abatement agreement that is declined by the County may be amended and resubmitted to the County.

- (C) **Expedited consideration of application.** If the County determines that the application should receive expedited consideration, the Commissioners' Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of the Commissioners' Court, provided the County meets the procedural prerequisites for each step.
- (e) **Confidentiality.** As required by Chapter 312.003 of the Texas Tax Code, information that is provided to Ochiltree County in connection with an application or request for tax abatement under this chapter 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.
- (f) **Effect of error or variance with application procedure.** Except where not allowed by state law, the County may waive application procedures or grant procedural variances as they deem appropriate.

## II. Criteria for Designating a Reinvestment Zone and Evaluating Tax Abatement Agreement

- (A) **Minimum requirements.** To be designated a reinvestment zone, County Commissioners must find by majority vote that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County.
- (B) **Criteria.** In determining whether to designate a reinvestment zone and whether to enter into a tax abatement agreement, the Commissioners' Court shall consider the following factors, among others determined appropriate by the Court:
- (1) the current value of land and existing improvements, if any;
  - (2) the type, value, and purpose of proposed improvements, if any;
  - (3) the productive life of proposed improvements;
  - (4) the impact of proposed improvements and any other proposed expenditures on existing jobs;
  - (5) the number and type of new jobs, if any, to be created by proposed improvements and expenditures;
  - (6) any costs to be incurred by Ochiltree County, if any, to provide facilities or services directly resulting from the new improvements;
  - (7) the types and values of public improvements, if any, to be made by applicant seeking abatement;
  - (8) an estimate of the amount of ad valorem property taxes to be paid to Ochiltree County after expiration of the abatement agreement.
  - (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
  - (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; and
  - (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Ochiltree County;
  - (12) the impact upon County infrastructure including roads, bridges and the use of County services;
  - (13) the impact upon depletion of natural resources of the County.

### III. Format for Tax Abatement Agreement

(a) **Required Provisions.** If the Ochiltree County Commissioners' Court designates a reinvestment zone, it may consider and execute a tax abatement agreement with the owner of the designated property as outlined above. Any tax abatement agreement shall include at least the following provisions:

- (1) the kind, number and location of all proposed improvements of the property;
- (2) provisions allowing for reasonable access to the property for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the agreement;
- (3) provisions limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the area during the period of the abatement;
- (4) provisions for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the agreement;
- (5) each term agreed to by the recipient of the abatement;
- (6) a requirement that the abatement recipient certify its compliance with the agreement annually to each taxing unit that is a party to the agreement;  
and
- (7) provisions allowing the County to cancel or modify the agreement if the recipient fails to comply with the agreement.

(b) **Optional Provisions.** The tax abatement agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the contracting parties:

- (1) the estimated taxable value or range of values for which taxes are to be abated;
- (2) the percent of value to be abated each year;
- (3) the commencement and termination dates of the abatement;
- (4) the proposed use of the property;
- (5) a time schedule, map, and property description;
- (6) contractual obligations in the event of default or violation of terms or conditions;
- (7) the size of investment and number of temporary and permanent jobs involved, if any,
- (8) provisions for dispute resolution.

- (c) **Duration and portion of abatement.** A tax abatement agreement granted by Ochiltree County shall be up to but not exceeding seven (7) years in duration and up to, but not exceeding 100 percent (100%) in portion of ad valorem property taxes abated. At any time before the expiration of the agreement, the parties may agree to modify the agreement or to delete provisions that were not necessary to the original agreement. The same procedural prerequisites for approval of the original agreement apply to modification of the agreement.
- (d) **Time limit.** Such agreement shall be executed within thirty (30) days after the passage of the resolution approving the agreement, unless the County and the applicant mutually agree otherwise.

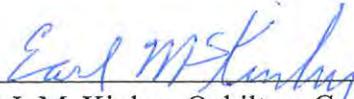
#### **IV. General Provisions**

These guidelines and criteria in no way require the Court to enter into any specific tax abatement agreement. The County maintains the discretion to reject any application for tax abatement as it deems appropriate.

#### **V. Sunset and Amendment of Guidelines and Criteria**

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by a three-fourths (3/4) vote of the Ochiltree County Commissioners' Court.

Moved, Seconded and Passed Unanimously, this 26<sup>th</sup> day of August, 2013.



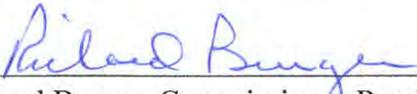
Earl J. McKinley, Ochiltree County Judge



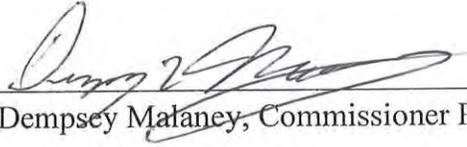
Duane Pshigoda, Commissioner Precinct 1



Doug Barnes, Commissioner Precinct 2



Richard Burger, Commissioner Precinct 3



Dempsey Malaney, Commissioner Precinct 4



Stacey Brown, Ochiltree County Clerk