



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. 3rd Street
Hereford, Texas
MAILING ADDRESS:
P.O. Box 1655
Hereford, TX 79045

November 22, 2013

Jenny Hicks
Michelle Luera
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Via Email and Federal Express

Re: 313 Application –Salt Fork Wind, LP

Dear Jenny and Michelle:

Enclosed please find an application for appraised value limitation on qualified property submitted to Clarendon ISD by Salt Fork Wind, LP, submitted to the District on November 14, 2013. A CD containing these documents is also enclosed.

The Clarendon ISD Board elected to accept the application on November 14, 2013. The application was determined to be complete on November 22, 2013. We ask that the Comptroller's Office prepare the economic impact report for this development.

A copy of the application will also be submitted to the Donley County Appraisal District in accordance with 34 Tex. Admin. Code §9.1054. Please feel free to contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Audie Sciumbato", written in a cursive style.

Audie Sciumbato, PhD

Enclosures
H8WGKUIU0D2X1P

cc: Chief Appraiser, Donley County Appraisal District
Robert Pena, Cielo Wind Services



Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised July 2013)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.
This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION – CERTIFICATION OF APPLICATION

| | | | |
|--|--|--|--|
| Authorized School District Representative | | Date Application Received by District November 14, 2013 | |
| First Name Monty | Last Name Hysinger | | |
| Title Superintendent | | | |
| School District Name Clarendon Consolidated Independent School District | | | |
| Street Address 416 South Allen | | | |
| Mailing Address PO Box 610 | | | |
| City Clarendon | State Texas | ZIP 79226 | |
| Phone Number 806-874-2062 | Fax Number 806-874-2579 | | |
| Mobile Number (optional) | Email Address hysinger.monty@clarendonisd.net | | |

I authorize the consultant to provide and obtain information related to this application. Yes No

Will consultant be primary contact? Yes No



SCHOOL DISTRICT INFORMATION – CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

| | | | |
|---|--|-----------------------------|--|
| First Name Fred | | Last Name Stormer | |
| Title Attorney At Law | | | |
| Firm Name Underwood Law Firm | | | |
| Street Address 500 S. Taylor, Suite 1200 LB 233 | | | |
| Mailing Address | | | |
| City Amarillo | State Texas | ZIP 79105 | |
| Phone Number 806-379-0304 | Fax Number 806-379-0316 | | |
| Mobile Number (Optional) | Email Address Fred.Stormer@uwlaw.com | | |

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.

| | |
|---|---------------------------|
| Signature (Authorized School District Representative) | Date 11/14/2013 |
|---|---------------------------|

Has the district determined this application complete? Yes No

If yes, date determined complete. **11/22/2013**

Have you completed the school finance documents required by TAC 9.1054(c)(3)? Yes No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

| | Checklist | Page X of 16 | Check Completed |
|---|---|--------------|-----------------|
| 1 | Date application received by the ISD | 1 of 16 | ✓ |
| 2 | Certification page signed and dated by authorized school district representative | 2 of 16 | ✓ |
| 3 | Date application deemed complete by ISD | 2 of 16 | ✓ |
| 4 | Certification pages signed and dated by applicant or authorized business representative of applicant | 4 of 16 | ✓ |
| 5 | Completed company checklist | 12 of 16 | ✓ |
| 6 | School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application) | 2 of 16 | will supplement |

**APPLICANT INFORMATION – CERTIFICATION OF APPLICATION****Authorized Business Representative (Applicant)**

| | | |
|--|--|--------------|
| First Name Jon | Last Name Robertson | |
| Title Development Manager | | |
| Organization Cielo Wind Services, Inc. | | |
| Street Address 823 Congress Avenue, 5th Floor | | |
| Mailing Address | | |
| City Austin | State Texas | ZIP 78701 |
| Phone Number 512-440-0305 | Fax Number 512-440-0277 | |
| Mobile Number (optional) | Business Email Address JRobertson@cielowind.com | |

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

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

| | | |
|---|--------------------------------------|--------------|
| First Name Robert | Last Name Pena, Jr. | |
| Title Project Manager | | |
| Organization Cielo Wind Services, Inc. | | |
| Street Address 823 South Congress, 5th Floor | | |
| Mailing Address | | |
| City Austin | State Texas | ZIP 78701 |
| Phone Number 512-440-0305 | Fax Number 512-440-0277 | |
| Mobile Number (optional) | Email Address rpena@cielowind.com | |

I authorize the consultant to provide and obtain information related to this application. Yes No

Will consultant be primary contact? Yes No



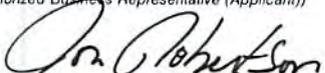
APPLICANT INFORMATION – CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

| | | | |
|------------------------|--|------------|-----|
| First Name | | Last Name | |
| Title | | | |
| Firm Name | | | |
| Street Address | | | |
| Mailing Address | | | |
| City | | State | ZIP |
| Phone Number | | Fax Number | |
| Business Email Address | | | |

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 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.

| | |
|---|---------------------------|
| Signature (Authorized Business Representative (Applicant))  | Date November 20, 2013 |
|---|---------------------------|

GIVEN under my hand and seal of office this 20 day of November, 2013



(Notary Seal)


Notary Public, State of Texas

My commission expires 03/06/2017

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 § 37.10.



FEES AND PAYMENTS

Enclosed is proof of application fee paid to the school district.

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? Yes No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No

BUSINESS APPLICANT INFORMATION

Legal Name Under Which Application is Made

Salt Fork Wind, L.P.

Texas Taxpayer I.D. Number of Entity Subject to Tax Code, Chapter 171 (11 digits)

32035855454

NAICS Code

221115-2012 NAICS Code (221119-1997 NAICS Code)

Is the applicant a party to any other Chapter 313 agreements? Yes No

If yes, please list name of school district and year of agreement.

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? Yes No

Identify Business Organization of Applicant (corporation, limited liability corporation, etc.)

Limited Partnership

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? Yes No

If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? Yes No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? NA Yes No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

Empty text box for providing explanation or documentation.



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

Are you an entity to which Tax Code, Chapter 171 applies? [checked] Yes [] No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

- (1) manufacturing [] Yes [checked] No
(2) research and development [] Yes [checked] No
(3) a clean coal project... [] Yes [checked] No
(4) an advanced clean energy project... [] Yes [checked] No
(5) renewable energy electric generation [checked] Yes [] No
(6) electric power generation using integrated gasification... [] Yes [checked] No
(7) nuclear electric power generation [] Yes [checked] No
(8) a computer center that is used as an integral part or as a necessary auxiliary part...

Are you requesting that any of the land be classified as qualified investment? [] Yes [checked] No
Will any of the proposed qualified investment be leased under a capitalized lease? [] Yes [checked] No
Will any of the proposed qualified investment be leased under an operating lease? [] Yes [checked] No
Are you including property that is owned by a person other than the applicant? [] Yes [checked] No
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? [] Yes [checked] No

PROJECT DESCRIPTION

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. (Use attachments as necessary)

See Attachment #4: Project Description - Question 1

Describe the ability of your company to locate or relocate in another state or another region of the state.

See Attachment #4: Project Description - Question 2

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- [checked] New Jobs [checked] Construct New Facility [] New Business / Start-up [] Expand Existing Facility
[] Relocation from Out-of-State [] Expansion [checked] Purchase Machinery & Equipment
[] Consolidation [] Relocation within Texas

PROJECTED TIMELINE

Begin Construction March 2014 Begin Hiring New Employees June 2014
Construction Complete December 2014 Fully Operational January 2015
Purchase Machinery & Equipment March 2014

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? [checked] Yes [] No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? December 2014



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

| State Source | Amount |
|--------------|--------|
| N/A | N/A |
| _____ | _____ |
| _____ | _____ |
| Total | _____ |

Will other incentives be offered by local units of government? Yes No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Applicant has received Tax Abatement under Chapter 312 Texas Tax Code from Donley County.

THE PROPERTY

Identify county or counties in which the proposed project will be located Donley County / Gray County

Central Appraisal District (CAD) that will be responsible for appraising the property Donley County / Gray County

Will this CAD be acting on behalf of another CAD to appraise this property? Yes No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Donley County (55%) / Gray County (45%) City: N/A
(Name and percent of project) (Name and percent of project)

Hospital District: Donley County (55%) Water District: N/A
(Name and percent of project) (Name and percent of project)

Other (describe): _____ Other (describe): _____
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

If not, please provide additional information on the project scope and size to assist in the economic analysis.

55% of project is located in Clarendon CISD jurisdiction. 45% of project is in Groom CISD jurisdiction.



INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$5 million
What is the amount of appraised value limitation for which you are applying? \$5 million
What is your total estimated qualified investment? \$99,975,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? February 2014
What is the anticipated date of the beginning of the qualifying time period? February 2014
What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$99,975,000

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? [X] Yes [] No
(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [X] Yes [] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?

Will the applicant own the land by the date of agreement execution? [] Yes [X] No

Will the project be on leased land? [X] Yes [] No



QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ... [] Yes [x] No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. N/A (Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... [] Yes [x] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ... [x] Yes [] No

WAGE AND EMPLOYMENT INFORMATION

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)? ... 7

The last complete calendar quarter before application review start date is the: [] First Quarter [] Second Quarter [x] Third Quarter [] Fourth Quarter of 2013 (year)

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 TWC? ... 7

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application.

Empty rectangular box for providing the definition of "new job".

Total number of new jobs that will have been created when fully operational ... 7

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ... [] Yes [x] No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ... [x] Yes [] No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? ... 7

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at www.texasahead.org/tax_programs/chapter313/)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from 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(7).

Table with 2 columns: Description of wage calculation and Amount. Rows include 110% of county average weekly wage for all jobs, manufacturing jobs in county, and manufacturing jobs in region.

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

- Checkboxes for §313.021(5)(A), §313.021(5)(B), §313.021(3)(E)(ii), and §313.051(b). §313.051(b) is checked.

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$46,034.56

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$46,034.56

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? [X] Yes [] No

Will each qualifying job require at least 1,600 of work a year? [X] Yes [] No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? [] Yes [X] No

Will any of the qualifying jobs be retained jobs? [] Yes [X] No

Will any of the qualifying jobs be created to replace a previous employee? [] Yes [X] No

Will any required qualifying jobs be filled by employees of contractors? [] Yes [X] No

If yes, what percent? _____

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? [X] Yes [] No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

COMPANY OFFERS: Medical, Dental & Life Insurance plans for employee & dependents, Short-term & Long-term Disability, 401K plan, IRA, paid cell phone, paid leave, & paid holidays.

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? [] Yes [X] No

Is Schedule A completed and signed for all years and attached? [X] Yes [] No

Is Schedule B completed and signed for all years and attached? [X] Yes [] No

Is Schedule C (Application) completed and signed for all years and attached? [X] Yes [] No

Is Schedule D completed and signed for all years and attached? [X] Yes [] No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

CONFIDENTIALITY NOTICE**Property Tax Limitation Agreement Applications
Texas Government Code Chapter 313
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



| COMPANY CHECKLIST AND REQUESTED ATTACHMENTS | | | |
|--|--|---------------------|------------------------|
| | Checklist | Page X of 16 | Check Completed |
| 1 | Certification pages signed and dated by Authorized Business Representative (applicant) | 4 of 16 | ✓ |
| 2 | Proof of Payment of Application Fee (Attachment) | 5 of 16 | ✓ |
| 3 | For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment) | 5 of 16 | ✓ |
| 4 | Detailed description of the project | 6 of 16 | ✓ |
| 5 | If project is located in more than one district, name other districts and list percentage in each district (Attachment) | 7 of 16 | ✓ |
| 6 | Description of Qualified Investment (Attachment) | 8 of 16 | ✓ |
| 7 | Map of qualified investment showing location of new buildings or new improvements with vicinity map. | 8 of 16 | ✓ |
| 8 | Description of Qualified Property (Attachment) | 8 of 16 | ✓ |
| 9 | Map of qualified property showing location of new buildings or new improvements with vicinity map | 8 of 16 | ✓ |
| 10 | Description of Land (Attachment) | 9 of 16 | ✓ |
| 11 | A detailed map showing location of the land with vicinity map. | 9 of 16 | ✓ |
| 12 | A description of all existing (if any) improvements (Attachment) | 9 of 16 | ✓ |
| 13 | Request for Waiver of Job Creation Requirement (if applicable) (Attachment) | 9 of 16 | ✓ |
| 14 | Calculation of three possible wage requirements with TWC documentation. (Attachment) | 10 of 16 | ✓ |
| 15 | Description of Benefits | 10 of 16 | ✓ |
| 16 | Economic Impact (if applicable) | 10 of 16 | N/A |
| 17 | Schedule A completed and signed | 13 of 16 | ✓ |
| 18 | Schedule B completed and signed | 14 of 16 | ✓ |
| 19 | Schedule C (Application) completed and signed | 15 of 16 | ✓ |
| 20 | Schedule D completed and signed | 16 of 16 | ✓ |
| 21 | Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)* | 9 of 16 | ✓ |
| 22 | Order, Resolution, or Ordinance Establishing the Zone (Attachment)* | 9 of 16 | ✓ |
| 23 | Legal Description of Reinvestment Zone (Attachment)* | 9 of 16 | ✓ |
| 24 | Guidelines and Criteria for Reinvestment Zone(Attachment)* | 9 of 16 | ✓ |

* To be submitted with application or before date of final application approval by school board.

Checklist Item #2

ATTACHMENT

Proof of Payment of Application Fee (check copy provided)

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*



Clarendon Public Schools

PO Box 610

Clarendon, Texas 79226

FAX: 806-874-2579

MONTY HYSINGER, Superintendent
806-874-2062

LARRY JEFFERS
High School Principal
806-874-2181

JOHN TAYLOR
Junior High Principal
806-874-3232

MIKE WORD
Elementary Principal
806-8743855

November 12, 2013

INVOICE

Cielo Wind Power
823 South Congress, Ste. 500
Austin, TX 78701

Salt Ford Wind LP, Value Limitation Application – 313

\$75,000.00

Total Due: \$75,000.00

Check must be presented with application.

Clarendon CISD
PO Box 610
Clarendon, TX 79226

Checklist Item #3

ATTACHMENT

Documentation of Combined Group Membership

Page – 5 – Applicant Business Structure – Documentation of Combined Group Membership & Contact Info

- 1) Salt Fork Wind, L.P., a Texas Limited Partnership formed September 18, 2002

- 2) Salt Fork Wind, L.P., will be part of the Combined Group State of Texas tax return for the calendar year 2013 and that report will be submitted to the State of Texas May 15, 2014.
 - a. Salt Fork Wind, L.P. – Texas Taxpayer #32035855454

 - b. Salt Fork Wind, L.P.
 - i. Cielo Salt Fork GP, LLC (1%) – Taxpayer i.d. # 20-0881715

 - ii. Cielo Capital, LP (99%) – Taxpayer i.d. # 32-035239873

 - iii. Cielo Capital, LP is 100% owned by Cielo Wind Power, LP Texas Taxpayer # 32-017941785

- 3) Salt Fork Wind, LP, Cielo Salt Fork GP, LLC, Cielo Capital, LP and Cielo Wind Power, LP, are all reported on the Combined Group State of Texas tax return with the name of Cielo Wind Power LP, and under tax payer # 32-017941785.

- 4) Contact information for Cielo Wind Power LP, State of Texas tax payer # 32-017941785 is as follows:

Cielo Wind Power, LP
823 Congress Ave, Suite 500
Austin, TX 78701
Phone (512) 440-0305 Fax (512) 440-0277
Contact: Walter Hornaday, President

Accounting Contact: Karen L. Burks, CPA, Vice President kburks@cielowind.com



Office of the Secretary of State

CERTIFICATE OF FILING OF

Cielo Salt Fork Wind, LP

File Number: 800124538

Assumed Name:

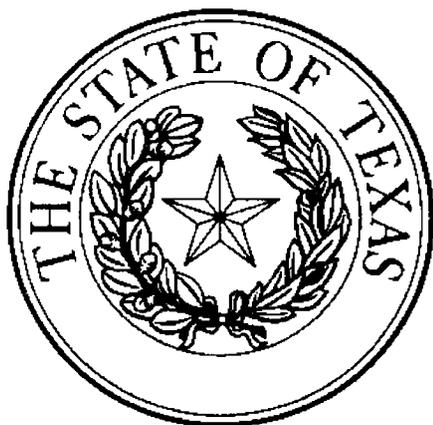
Salt Fork Wind, LP

The undersigned, as Secretary of State of Texas, hereby certifies that the assumed name certificate for the above named entity has been received in this office and filed as provided by law on the date shown below.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law hereby issues this Certificate of Filing.

Dated: 05/29/2013

Effective: 05/29/2013



A handwritten signature in black ink, appearing to read "John Steen".

John Steen
Secretary of State



Office of the Secretary of State

May 31, 2013

Karen Burks

Cielo Wind Services, Inc.
823 Congress Avenue, Suite 500
Austin, TX 78701 USA

RE: Cielo Salt Fork Wind, LP
File Number: 800124538

Assumed Name:
Salt Fork Wind, LP

File Date: 05/29/2013

It has been our pleasure to file the assumed name certificate for the above referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

In addition to filing with the Secretary of State, Chapter 71 of the Texas Business and Commerce Code requires filing of the assumed name certificate with the county clerk in the county in which the principal office of the entity is located. If the entity is required by law to maintain a registered office in Texas, the assumed name certificate is also required to be filed in the county in which the registered office is located.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division

Enclosure

The State of Texas

Corporations Section
P.O. Box 13697
Austin, Texas 78711-3697



John Steen
Secretary of State

Phone: 512-463-5555
Fax: 512-463-5709
Dial 7-1-1 For Relay Services
www.sos.state.tx.us

PLEASE NOTE:

**THE ENCLOSED CERTIFICATE IS YOUR OFFICIAL
CERTIFICATE OF FILING, WHICH CAN BE USED AS
EVIDENCE OF FILING.**

**IF YOU DESIRE A FILE-MARKED COPY OF YOUR
DOCUMENT PLEASE CALL OUR CERTIFYING TEAM
@512-463-5578 FOR ADDITIONAL INFORMATION.**

THANK YOU

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



RECEIVED JUN 04 2013

John Steen
Secretary of State

Office of the Secretary of State
Packing Slip

May 31, 2013
Page 1 of 1

Attn: Karen Burks
Cielo Wind Services, Inc.
823 Congress Avenue, Suite 500
Austin, TX 78701

Batch Number: **48311264**

Batch Date: **05-29-2013**

Client ID: **224964461**

Return Method: **Mail**

| Document Number | Document Detail | Number / Name | Page Count | Fee |
|---------------------|---|---------------------------------|--------------------|----------------|
| 483112640002 | Certificate of Assumed Business Name | Cielo Salt Fork Wind, LP | 0 | \$25.00 |
| | | | Total Fees: | \$25.00 |

| Payment Type | Payment Status | Payment Reference | Amount | |
|--------------------|-----------------|-------------------|----------------|----------------|
| Credit Card | Received | *****4066 | \$25.00 | |
| | | | Total: | \$25.00 |

Total Amount Charged to Client Account: \$0.00

(Applies to documents or orders where Client Account is the payment method)

Note to Customers Paying by Client Account: This is not a bill. Payments to your client account should be based on the monthly statement and not this packing slip. Amounts credited to your client account may be refunded upon request. Refunds (if applicable) will be processed within 10 business days.

User ID: LBOOTS



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

January 20, 2010

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

CIELO SALT FORK WIND, LP

is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 17, 2010.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 20th day of
January 2010 A.D.

Susan Combs
Texas Comptroller

Taxpayer number: 32035855454
File number: 0800124538

Form 05-304 (Rev. 12-07/17)

**TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

January 20, 2010

CERTIFICATE OF ACCOUNT STATUSTHE STATE OF TEXAS
COUNTY OF TRAVISI, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office:**CIELO SALT FORK GP, LLC**is, as of this date, in good standing with this office having no franchise
tax reports or payments due at this time. This certificate is valid through
the date that the next franchise tax report will be due May 17, 2010.This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is
not valid for any other filing with the Texas Secretary of State.GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 20th day of
January 2010 A.D.Susan Combs
Texas ComptrollerTaxpayer number: 32008187422
File number: 0800124517

Form 05-304 (Rev. 12-07/17)

Checklist Item #4

Form 50-296 313 Value Limitation

ATTACHMENTS

PROJECT DESCRIPTION

Question 1: 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.

The proposed project will consist of a facility designed to use wind power to generate electricity (otherwise known as a wind farm). The Applicant expects to build the proposed project to be operational by the 4th quarter of 2015. 55% of the construction will be within the jurisdictional boundary of Clarendon ISD jurisdiction. The Applicant expects to commence construction on or before April 2014 and expects to complete construction within 12-months. The Applicant expects to meet the minimum qualified investment threshold referenced, by December 2013. The applicant intends to reach this threshold investing over \$4 million in development, engineering, environmental, aviation, and other studies and costs necessary for project development.

The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 39 wind turbines, ranging from 1.8 to 2.3 megawatts with a generating capacity of approximately 161 MW; up to 39 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 39 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new project electrical substation interconnected to the Lefours Texas Electric Substation, a 138kV transmission line located in central Donley County and intersecting on or near I-40 and proceeding north into Gray County connecting at the Lefours Electric Substation. All property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant.

Checklist Item #4

Form 50-296 313 Value Limitation

ATTACHMENTS

PROJECT DESCRIPTION

Question 2: Describe the ability of your company to locate or relocate in another state or another region of the state.

Cielo Wind Power, LP., acting as parent company of Salt Fork Wind, L.P., is a U.S. developer of wind projects, and has operations in several regions within the contiguous United States. Construction is one of the most significant costs in creating a wind farm. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive. The physical improvements of the Salt Fork wind power project, once completed, cannot be feasibly moved to another location.

Cielo has the ability to locate wind farms anywhere in the U.S. with the right conditions. For these reasons Cielo Wind Power studies and looks at various competing sites throughout the market areas where wind development is attractive. Without a Value Limitation program, Cielo Wind Power would seek to move to alternative sites outside the State of Texas.

ATTACHMENTS

PROJECT SCOPE, INFORMATION, and SIZE

To date, the Applicant has acquired leases on approximately 20,000 acres of land in the project area, which is bounded approximately by FM 70. Approximately 45% of the project area is incorporated within the Groom ISD in Donley & Gray County. The remaining 55% of the project will be constructed in the Clarendon ISD jurisdiction within Donley County.

The total proposed project the Applicant intends to construct and operate consists of, but is not limited to up to 39 wind turbines, to be constructed commencing after April 2014. It is anticipated the Salt Fork Wind farm will be fully operational on or about January 2015.

The project also includes construction of operations and maintenance facility and an electrical substation, all constructed commencing on or before April 1, 2014.

When completed the Salt Fork Wind project will add over \$99 million to the ad valorem tax rolls of Donley County, Gray County, Groom ISD and Clarendon ISD. The Project will significantly enhance sales and use taxes for the state and local area, particularly during the construction period.

Checklist Item #5

Projected Located in *MORE* than One School District

The Applicant expects to build 100% of the proposed project in Donley & Gray County, Texas. There are three (3) ISD's within Donley County; however, the project is located within the Groom ISD and the Clarendon ISD. Of the 70 WTG's the applicant intends to build, approximately 39 WTG's will be located within the Clarendon ISD.

The remaining 31 WTG's are to be located within the Groom ISD jurisdiction. Cielo Wind Power will be submitting an application for Appraised Value Limitation for the portion of project located within the Groom ISD.

Checklist Item #6

ATTACHMENTS

INVESTMENT

(1) A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting and appraised value limitation as defined by Tax Code §313.021.

The Applicant is requesting an appraised value limitation on all of the property constructed or placed upon the real property described and shown in Map Exhibit within Groom ISD, which is located in Donley & Gray County, Texas. The property for which the Applicant is requesting an appraised value limitation shall include, but is NOT limited to, the following: up to 39 wind turbines, ranging from 1.8 to 2.3 megawatts with a generating capacity of approximately 161 MW; up to 39 steel reinforced concrete foundations supporting the weight of each turbine tower; up to 39 electric power transformers; electric poles and conductor cables used to transport electricity from each turbine tower to an electrical substation; and a new project electrical substation interconnected to the Lefours Texas Electric Substation, a 138kV transmission line located in central Donley County and intersecting on or near I-40 and proceeding north into Gray County connecting at the Lefours Electric Substation.

Additionally, the map provided does not present the location of the improvements; however all of the improvements that make up the amount of qualified investment will be made within the Project Investment Area as shown on Map Exhibit A. The Applicant will provide a map with the location of the improvements in the near future.

During 2013, the Applicant obtained Reinvestment Zone designation and approval from Donley for the proposed project area and areas of consideration for future expansion.

None of the above mentioned property is covered under an existing County Appraisal District account number.

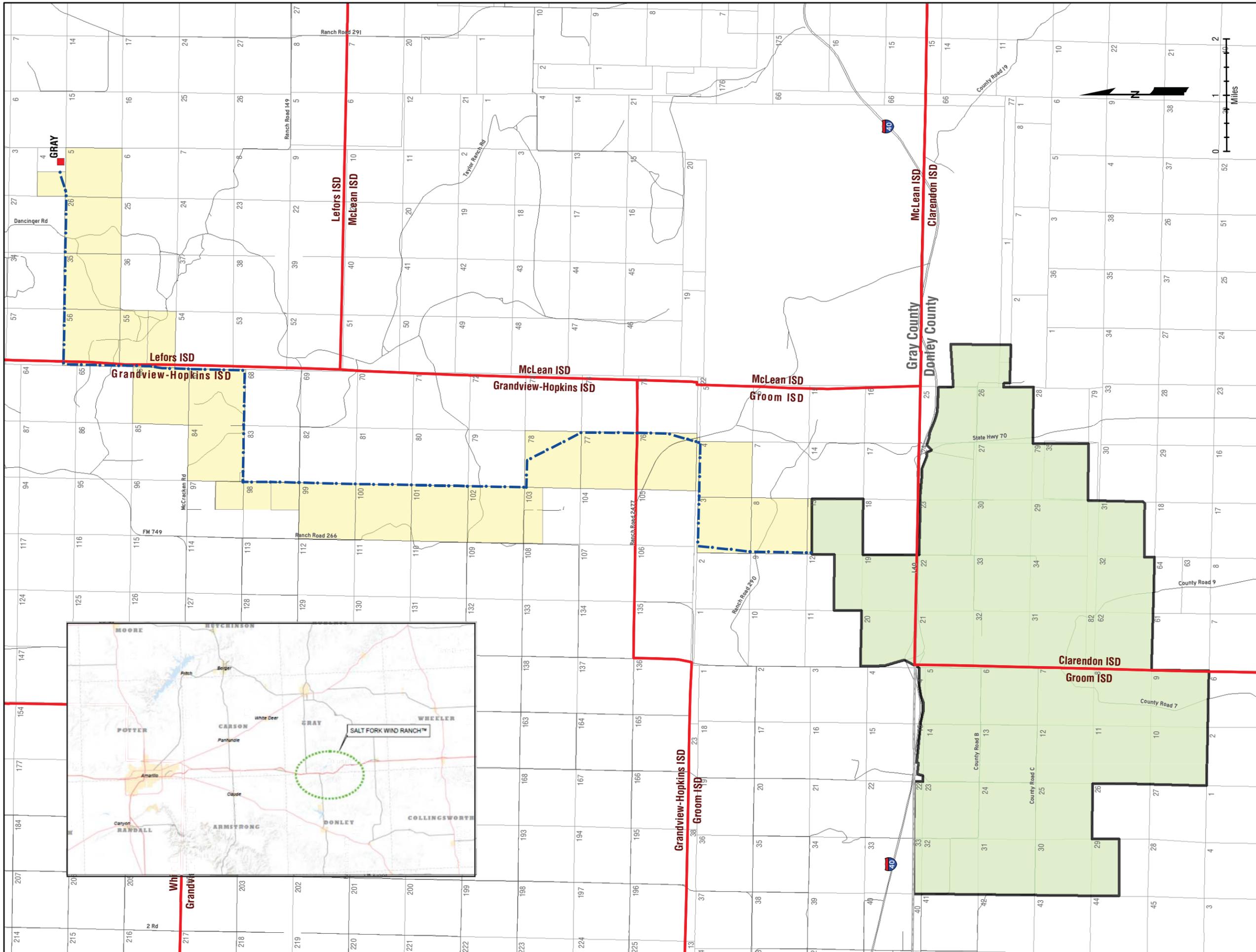
(2) A description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment.

The Applicant intends to construct a building(s) to house maintenance and operations, supplies, replacement parts and other miscellaneous related equipment. The Applicant will also be constructing an electrical sub-station facility for integration and transmission of power into the electrical grid.

Checklist Item #7

Map of Qualified Investment showing location of Improvements

The improvements depicted on the following map are subject to change and does not depict the exact or precise location of the improvements. It does, however, provide an accurate account of the qualified improvements within the reinvestment zone.



- GRAY SUBSTATION
- TRANSMISSION LINE
- SCHOOL DISTRICT BOUNDARY
- COUNTY LINE
- PROJECT LIMITS
- TRANSMISSION PARCEL

| | | | | |
|---|-------------|-----------------------------|-------------------------------|----------------|
| ISSUE 1.0 | DRAWN KC | DATE 11/21/2013 | APPD | REVISION NOTES |
| DRAWING NUMBER SALT FORK SITE PLAN COMPLETE 17x11.MXD | | | BASEMAP DRG NO. LAYOUT NO. | |
| PURPOSE LAYOUT | | | | |
| SCALE 1:102,000 | | ORIGINAL PLOT SIZE 11X17 | | |
| PROJECT TITLE SALT FORK | | | | |
| DRAWING TITLE SITE PLAN | | | | |

THIS DRAWING IS THE PROPERTY OF CIELO WIND SERVICES, INC. NO REPRODUCTION MAY BE MADE IN WHOLE OR IN PART WITHOUT PERMISSION.

823 CONGRESS AVE.
SUITE 500
AUSTIN, TEXAS 78701

TEL: 512-440-0305
FAX: 512-440-0277



Checklist Item #8

Description of Qualified Property (per Application pg 8)

Salt Fork Wind Project will consist of a wind-powered electric generating facility with an operating capacity of approximately 161 megawatts. The exact number of turbines and foundations will depend on the nameplate capacity of the turbine selected. The turbine size will be between 1.8 and 2.3 MW.

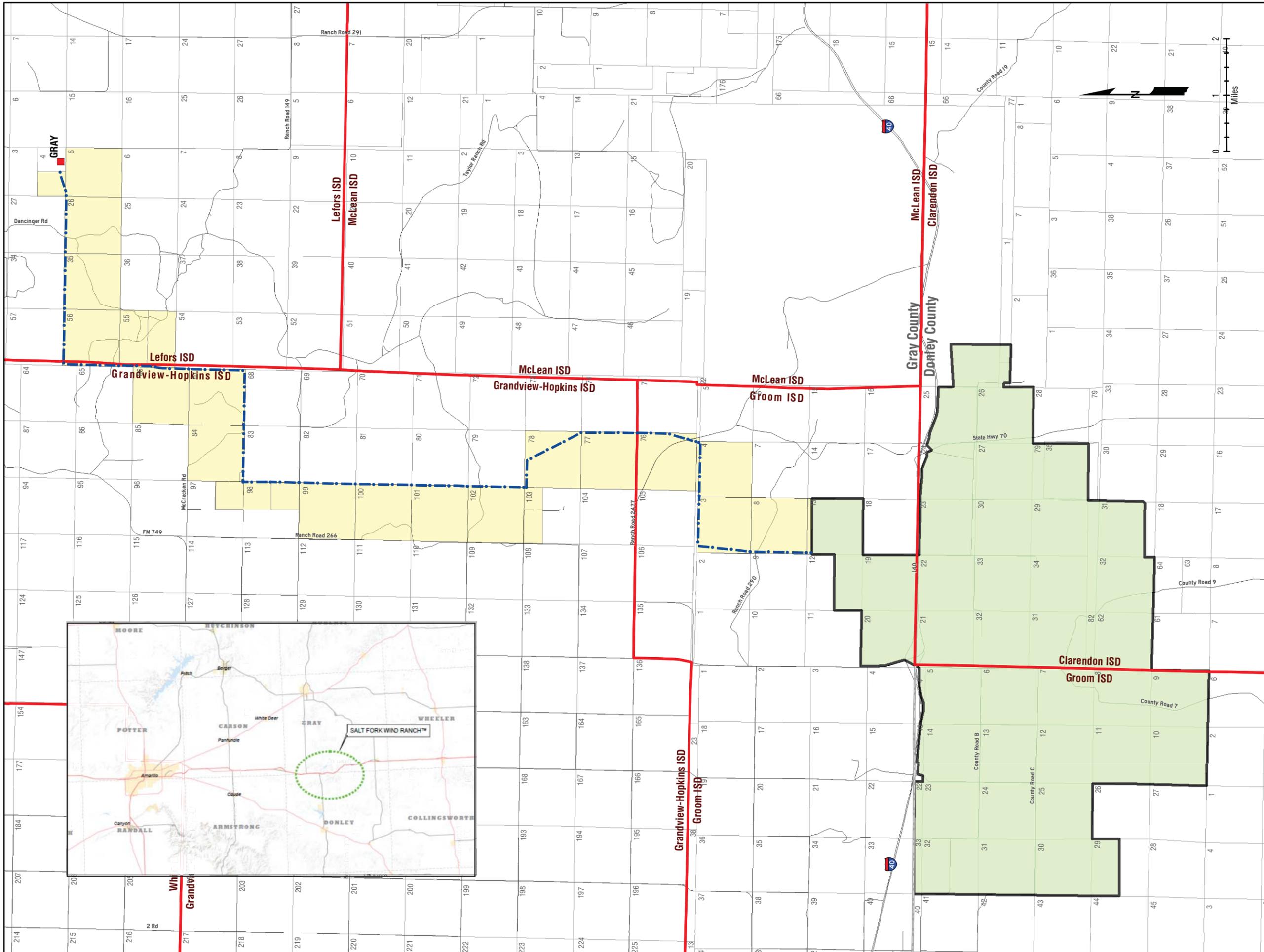
The additional improvements of Qualified Property for the Salt Fork Wind Project include but are not limited to:

- Up to 39 wind turbine generator foundations, anchor bolt embeds & template mounting rings.
- An electric substation including power transformers, associated circuit breakers, switches, reactive power compensation equipment and control building & fencing of perimeter.
- Operations & Maintenance Building with offices, warehouse & all standard utilities (i.e. telephone, water, drainage, sewer, etc.)
- Underground power cables from wind turbines to substation with various cable accessories including junction boxes.
- Roadwork sloped for drainage, with turnouts from public roads.
- Permanent meteorological towers, quality and location of which to be determined by final layout turbine.
- Underground communication cables.
- Wind turbine lighting per FAA requirements.

Checklist Item #9

ATTACHMENT

SEE ATTACHED MAP



- GRAY SUBSTATION
- - - TRANSMISSION LINE
- SCHOOL DISTRICT BOUNDARY
- COUNTY LINE
- PROJECT LIMITS
- TRANSMISSION PARCEL

| | | | | |
|---|-------------|-----------------------------|-------------------------------|----------------|
| ISSUE 1.0 | DRAWN KC | DATE 11/21/2013 | APPD | REVISION NOTES |
| DRAWING NUMBER SALT FORK SITE PLAN COMPLETE 17x11.MXD | | | BASEMAP DRG NO. LAYOUT NO. | |
| PURPOSE LAYOUT | | | | |
| SCALE 1:102,000 | | ORIGINAL PLOT SIZE 11X17 | | |
| PROJECT TITLE SALT FORK | | | | |
| DRAWING TITLE SITE PLAN | | | | |

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823 CONGRESS AVE.
SUITE 500
AUSTIN, TEXAS 78701
TEL: 512-440-0305
FAX: 512-440-0277



Checklist Item #10

Description of Land

Donley County

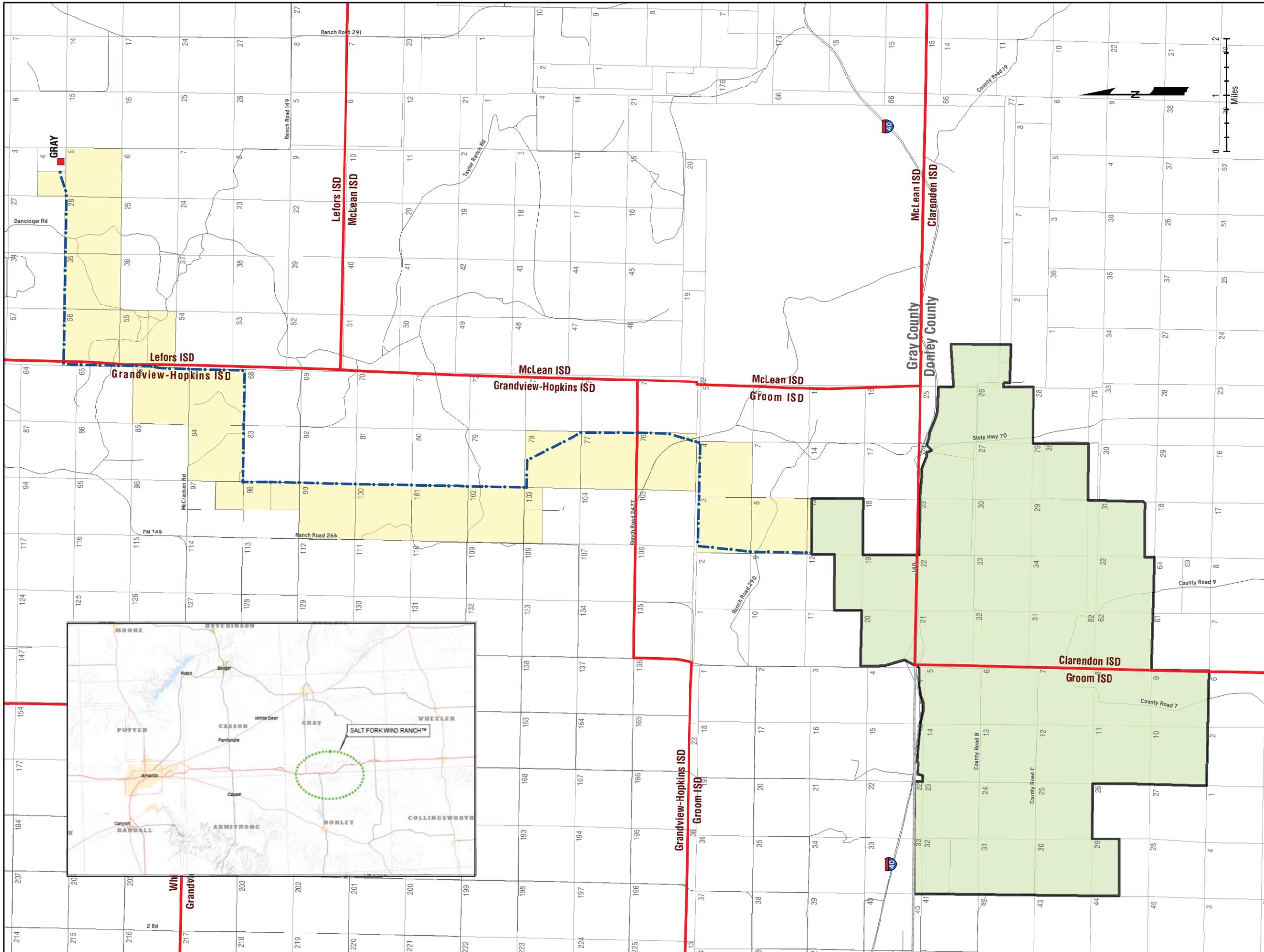
| Section | Block | Survey |
|---------|-------|------------|
| 10 | B3 | H&GN RR CO |
| 11 | B3 | H&GN RR CO |
| 12 | B3 | H&GN RR CO |
| 13 | B3 | H&GN RR CO |
| 14 | B3 | H&GN RR CO |
| 15 | B3 | H&GN RR CO |
| 22 | B3 | H&GN RR CO |
| 23 | B3 | H&GN RR CO |
| 24 | B3 | H&GN RR CO |
| 25 | B3 | H&GN RR CO |
| 29 | B3 | H&GN RR CO |
| 30 | B3 | H&GN RR CO |
| 31 | B3 | H&GN RR CO |
| 32 | B3 | H&GN RR CO |
| 33 | B3 | H&GN RR CO |
| 4 | B3 | H&GN RR CO |
| 5 | B3 | H&GN RR CO |
| 6 | B3 | H&GN RR CO |
| 7 | B3 | H&GN RR CO |
| 8 | B3 | H&GN RR CO |

| | | |
|----|----|----------------|
| 9 | B3 | H&GN RR CO |
| 35 | C2 | CARHART, L H |
| 25 | C2 | GC&SF RR CO |
| 26 | C2 | GC&SF RR CO |
| 27 | C2 | GC&SF RR CO |
| 29 | C2 | GC&SF RR CO |
| 30 | C2 | GC&SF RR CO |
| 31 | C2 | GC&SF RR CO |
| 32 | C2 | GC&SF RR CO |
| 23 | C2 | H&GN RR CO |
| 24 | C2 | H&GN RR CO |
| 33 | C2 | L&SV RR CO |
| 34 | C2 | L&SV RR CO |
| 21 | C2 | TT RR CO |
| 22 | C2 | TT RR CO |
| 31 | C3 | GC&SF RR CO |
| 32 | C3 | GC&SF RR CO |
| 62 | C3 | TT RR CO |
| 82 | HD | HUGGINS, S H |
| 79 | HD | JEFFERIES, J D |

Checklist Item #11

ATTACHMENT

SEE ATTACHED MAP



- GRAY SUBSTATION
- - - TRANSMISSION LINE
- SCHOOL DISTRICT BOUNDARY
- COUNTY LINE
- PROJECT LIMITS
- TRANSMISSION PARCEL

| | | | | |
|---|-------------|--------------------|-------------------------------|----------------|
| ISSUE 1.0 | DRAWN KC | DATE 11/21/2013 | APPD | REVISION NOTES |
| DRAWING NUMBER SALT FORK SITE PLAN COMPLETE 17x11.MXD | | | BASEMAP DRG NO. LAYOUT NO. | |

| | | |
|-------------------|--------------------|-----------------------------|
| PURPOSE LAYOUT | SCALE 1:102,000 | ORIGINAL PLOT SIZE 11X17 |
|-------------------|--------------------|-----------------------------|

PROJECT TITLE
SALT FORK

DRAWING TITLE
SITE PLAN

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823 CONGRESS AVE.
SUITE 500
AUSTIN, TEXAS 78701
TEL: 512-440-0305
FAX: 512-440-0277



Checklist Item #12

Description of all Existing Improvements

There are currently NO existing improvements.

Checklist Item #13

Request for Waiver of Job Creation Requirement

ATTACHED



November 5, 2013

Mr. Monty Hysinger, Superintendent
Clarendon Consolidated Independent School District
PO Box 610
Clarendon, TX 79226

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

Dear Mr. Hysinger,

This letter is to advise you that Cielo Wind Services under project company Salt Fork Wind, LP is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement. House Bill 1470 altered the jobs requirement by adding Section 313.025 (f-1) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Salt Fork Wind, LP, requests that Clarendon ISD's Board of Trustees make such a finding and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately seven (7) permanent jobs.

As background information on the creation of full-time jobs by wind energy projects, these type of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin.

The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Robertson", is written over the word "Sincerely,".

Jon Robertson
Development Manager

Cielo Wind Power
823 Congress Avenue, 5th Floor
Austin, TX 78701
www.cielowind.com

Checklist Item #14

ATTACHMENT

CALCULATION OF WAGE REQUIREMENTS – DONLEY COUNTY

110% of County Average Weekly Wage for All Jobs

| | | |
|-------------|-----------|------------|
| 2012 | 2Q | 431 |
| 2012 | 3Q | 431 |
| 2012 | 4Q | 472 |
| <u>2013</u> | <u>1Q</u> | <u>518</u> |

1852/4= \$463.00 average weekly salary
X 1.1 (110%)
\$509.30 *110% of County Average Weekly Wage for all jobs*

110% of County Average Weekly Wage for Manufacturing Jobs in County

| | | |
|-------------|-----------|------------|
| 2012 | 2Q | 672 |
| 2012 | 3Q | 504 |
| 2012 | 4Q | 243 |
| <u>2013</u> | <u>1Q</u> | <u>556</u> |

1975/4= \$493.75 average weekly salary
X 1.1 (110%)
\$543.13 *110% of County Average Weekly Wage for Manufacturing Jobs*

110% of County Average Weekly Wage for Manufacturing Jobs in Region (Panhandle)

\$20.12 per hour
X 40 hr per week
\$804.80 average weekly salary

\$804.80 average weekly salary
X 1.1 (110%)
\$885.28

\$885.28
X 52 weeks
\$46,034.56 *110% of County Average Weekly Wage for Manufacturing Jobs in Region*



Quarterly Employment and Wages (QCEW)

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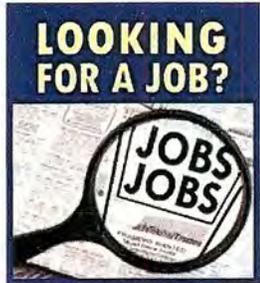
- [LMCI Searchpage](#)
- [Data Link](#)
- [Wage Information](#)
- [The Future](#)
- [Career & Economic Dev Resource](#)
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- [Resources](#)
- Select Data Type**
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- [Employment Estimates \(CES\)](#)
- [Quarterly Employment and Wages \(QCEW\)](#)
- [Wages by Profession](#)
- [Projections - Occupation](#)
- [Projections - Industry](#)
- [Consumer Price Index](#)
- [Income](#)
- [Staffing Patterns](#)
- [Population](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|---------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2012 | 1st Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$418 |
| 2012 | 2nd Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$431 |
| 2012 | 3rd Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$431 |
| 2012 | 4th Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$472 |
| 2013 | 1st Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$521 |
| 2013 | 2nd Qtr | Donley County | Private | 00 | 0 | 10 | Total, All Industries | \$867 |

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Quarterly Employment and Wages (QCEW)

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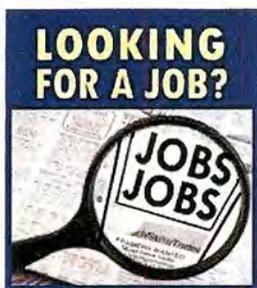
Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|---------------|-----------|----------|-------|----------|---------------|------------------|
| 2012 | 1st Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$532 |
| 2012 | 2nd Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$672 |
| 2012 | 3rd Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$504 |
| 2012 | 4th Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$243 |
| 2013 | 1st Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$556 |
| 2013 | 2nd Qtr | Donley County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,085 |

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 - [Projections - Industry](#)
 - [Consumer Price Index](#)
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**2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

| COG | Wages | |
|--|----------------|-----------------|
| | Hourly | Annual |
| Texas | \$23.56 | \$48,996 |
| <u>1. Panhandle Regional Planning Commission</u> | \$20.12 | \$41,850 |
| <u>2. South Plains Association of Governments</u> | \$16.18 | \$33,662 |
| <u>3. NORTEX Regional Planning Commission</u> | \$17.83 | \$37,076 |
| <u>4. North Central Texas Council of Governments</u> | \$24.68 | \$51,333 |
| <u>5. Ark-Tex Council of Governments</u> | \$16.84 | \$35,032 |
| <u>6. East Texas Council of Governments</u> | \$19.61 | \$40,797 |
| <u>7. West Central Texas Council of Governments</u> | \$18.24 | \$37,941 |
| <u>8. Rio Grande Council of Governments</u> | \$16.17 | \$33,631 |
| <u>9. Permian Basin Regional Planning Commission</u> | \$21.93 | \$45,624 |
| <u>10. Concho Valley Council of Governments</u> | \$16.33 | \$33,956 |
| <u>11. Heart of Texas Council of Governments</u> | \$19.07 | \$39,670 |
| <u>12. Capital Area Council of Governments</u> | \$26.03 | \$54,146 |
| <u>13. Brazos Valley Council of Governments</u> | \$16.55 | \$34,424 |
| <u>14. Deep East Texas Council of Governments</u> | \$16.20 | \$33,698 |
| <u>15. South East Texas Regional Planning Commission</u> | \$29.38 | \$61,118 |
| <u>16. Houston-Galveston Area Council</u> | \$26.59 | \$55,317 |
| <u>17. Golden Crescent Regional Planning Commission</u> | \$21.03 | \$43,742 |
| <u>18. Alamo Area Council of Governments</u> | \$18.40 | \$38,280 |
| <u>19. South Texas Development Council</u> | \$13.54 | \$28,170 |
| <u>20. Coastal Bend Council of Governments</u> | \$22.97 | \$47,786 |
| <u>21. Lower Rio Grande Valley Development Council</u> | \$16.33 | \$33,961 |
| <u>22. Texoma Council of Governments</u> | \$22.57 | \$46,949 |
| <u>23. Central Texas Council of Governments</u> | \$17.16 | \$35,689 |
| <u>24. Middle Rio Grande Development Council</u> | \$18.93 | \$39,380 |

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

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

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

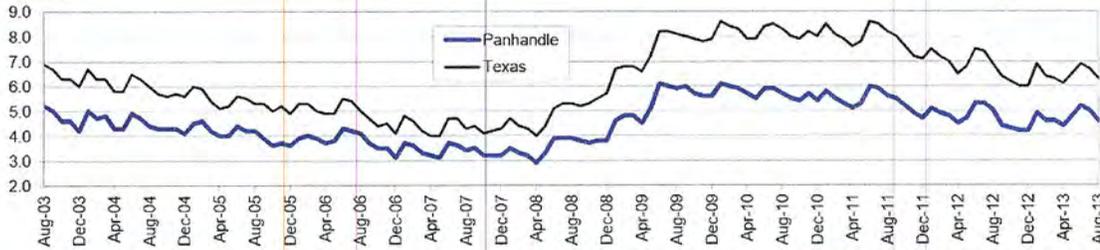
Data intended for TAC 313 purposes only.

Panhandle Workforce Development Area*

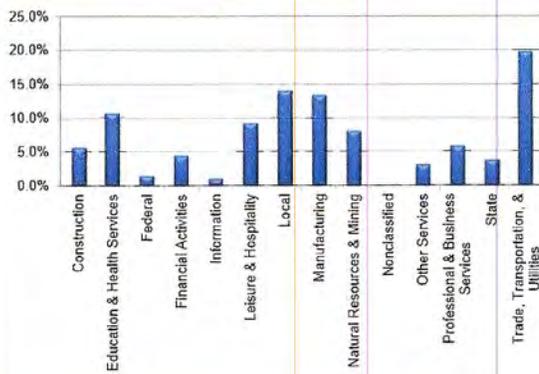
August 2013

| Panhandle WDA | | | | | Texas | | | | |
|---------------|---------|----------|------------|------|--------|------------|------------|------------|------|
| | CLF | Employed | Unemployed | Rate | | CLF | Employed | Unemployed | Rate |
| Aug-13 | 222,663 | 212,316 | 10,347 | 4.6 | Aug-13 | 12,780,824 | 11,981,929 | 798,895 | 6.3 |
| Jul-13 | 227,953 | 216,575 | 11,378 | 5.0 | Jul-13 | 12,868,256 | 12,010,823 | 857,433 | 6.7 |
| Aug-12 | 223,003 | 211,915 | 11,088 | 5.0 | Aug-12 | 12,572,856 | 11,700,357 | 872,499 | 6.9 |

Historical Unemployment Rates



Panhandle WDA Industry Composition 1st Quarter 2013



Total WDA Claims

Continued Claims for the Week of the 12th

| | Aug-13 | Jul-13 | Aug-12 | OTY |
|-----------|--------|--------|--------|------|
| Continued | 1,059 | 1,145 | 1,195 | -136 |

Texas Unemployment Insurance Claims

Continued Claims for the Week of the 12th

| | Aug-13 | Jul-13 | Aug-12 | OTY |
|-----------|---------|---------|---------|--------|
| Continued | 131,232 | 140,477 | 135,191 | -3,959 |

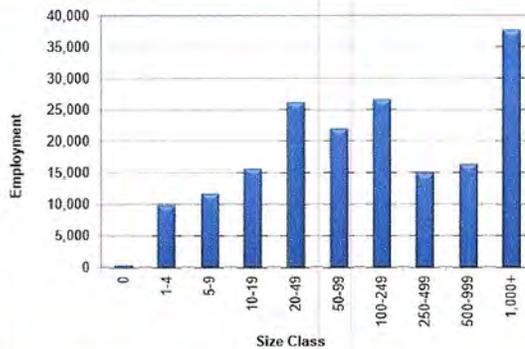
Panhandle WDA Average Weekly Wage

| | Panhandle | Texas |
|------------------|-----------|------------|
| 1st Quarter 2013 | \$796.26 | \$1,015.49 |
| 4th Quarter 2012 | \$830.63 | \$1,027.11 |
| 1st Quarter 2012 | \$779.73 | \$1,012.32 |
| Quarter Change | -\$34.37 | -\$11.62 |
| OTY Change | \$16.53 | \$3.17 |

NAICS Covered Employment Quarterly Data 1st Quarter 2013

| SUPER SECTOR | Employment | Change | |
|------------------------------------|----------------|---------------|--------------|
| | | Quarter | Year |
| Construction | 10,178 | 64 | 1,059 |
| Education & Health Services | 19,306 | -117 | 174 |
| Federal | 2,597 | -71 | -42 |
| Financial Activities | 7,953 | -299 | -275 |
| Information | 1,828 | -32 | -132 |
| Leisure & Hospitality | 16,583 | -66 | 345 |
| Local | 25,339 | -154 | -21 |
| Manufacturing | 24,282 | -200 | -126 |
| Natural Resources & Mining | 14,532 | -676 | 428 |
| Nonclassified | 59 | -9 | 33 |
| Other Services | 5,535 | -107 | -46 |
| Professional & Business Services | 10,442 | -150 | 384 |
| State | 6,724 | -176 | -180 |
| Trade, Transportation, & Utilities | 35,817 | -987 | 79 |
| TOTAL | 181,175 | -2,980 | 1,680 |

Size Class Employment Composition 1st Quarter 2013



*Counties in WDA: Armstrong, Briscoe, Carson, Castro, Childress, Collinsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, & Wheeler



Wages by Profession

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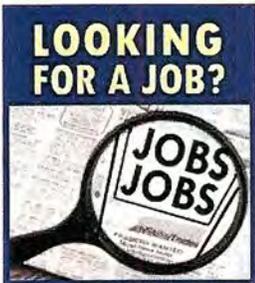
[Population](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ind Code | Industry | Occ Code | Occupation | Wage Source | Rate Type | Mean Wages |
|------|--------|---------------|----------|--------------|----------|------------------------|---|-----------------------|------------|
| 2012 | Annual | Panhandle WDA | 1012 | Construction | 470000 | Extraction Occupations | BLS Occupational Employment Statistics Survey | Annual wage or salary | \$34,321 |

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Checklist Item #15

Description of Benefits

Cielo Wind Services offers the following benefits for employees & dependents:

- Medical
- Dental
- Life Insurance
- Short-term disability
- Long-term disability
- 401K Plan
- Individual Retirement Acct (IRA)
- Paid Cell Phone
- Paid Leave
- Paid Holidays

Checklist Item #16

ECONOMIC IMPACT ANALYSIS

Not Applicable

Checklist Item #17

Schedule "A" attached

Schedule A (Rev. May 2010): Investment

Applicant Name

SALT FORK WIND, LP

ISD Name

CLARENDON ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS

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

| | | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: Sum of A and B Qualifying Investment (during the qualifying time period) | Column D: Other investment that is not qualified investment but investment affecting economic impact and total value | Column E: Total Investment (A+B+D) |
|--|---|------|----------------------------|--|--|---|--|--|--|
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) | | | | | | | | |
| | Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) | | | | | | | | |
| | Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) | | 2013-2014 | 2013 | 2,373,979 | 124,496 | 2,498,925 | | 2,498,925 |
| | Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | 86,257,000 | 755,000 | 87,012,000 | 12,945,000 | \$ 99,957,000 |
| | | 2 | 2015-2016 | 2015 | | | | | |
| | | 3 | 2016-2017 | 2016 | | | | | |
| | | 4 | 2017-2018 | 2017 | | | | | |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | 5 | 2018-2019 | 2018 | | | | | |
| | | 6 | 2019-2020 | 2019 | | | | | |
| | | 7 | 2020-2021 | 2020 | | | | | |
| | | 8 | 2021-2022 | 2021 | | | | | |
| | | 9 | 2022-2023 | 2022 | | | | | |
| | | 10 | 2023-2024 | 2023 | | | | | |
| | | 11 | 2024-2025 | 2024 | | | | | |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | 12 | 2025-2026 | 2025 | | | | | |
| | | 13 | 2026-2027 | 2026 | | | | | |
| | Post- Settle-Up Period | 14 | 2027-2028 | 2027 | | | | | |
| | Post- Settle-Up Period | 15 | 2028-2029 | 2028 | | | | | |

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).

For the purposes of investment, please list amount invested each year, not cumulative totals.

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/20/2013

DATE

Checklist Item #18

Schedule "B" attached

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Applicant Name

SALT FORK WIND, LP

ISD Name

CLARENDON ISD

Form 50-296

| | | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Reductions from Market Value | Estimated Taxable Value | |
|---|--|-------------|----------------------------|--|--------------------------------------|---|--|---------------------------------|---|--|
| | | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement" | Exempted Value | Final taxable value for I&S - after all reductions | Final taxable value for M&O—after all reductions |
| | | pre- year 1 | 2013-2014 | 2013 | N/A | \$ - | | N/A | | |
| | Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | N/A | \$ - | \$ 99,957,000 | N/A | \$ 99,957,000 | \$ 99,957,000 |
| | | 2 | 2015-2016 | 2015 | N/A | \$ - | \$ 99,957,000 | N/A | \$ 99,957,000 | \$ 99,957,000 |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | 3 | 2016-2017 | 2016 | N/A | \$ - | \$ 94,959,150 | N/A | \$ 94,959,150 | \$ 10,000,000 |
| | | 4 | 2017-2018 | 2017 | N/A | \$ - | \$ 90,211,193 | N/A | \$ 74,759,209 | \$ 10,000,000 |
| | | 5 | 2018-2019 | 2018 | N/A | \$ - | \$ 85,700,633 | N/A | \$ 85,700,633 | \$ 10,000,000 |
| | | 6 | 2019-2020 | 2019 | N/A | \$ - | \$ 81,415,601 | N/A | \$ 81,415,601 | \$ 10,000,000 |
| | | 7 | 2020-2021 | 2020 | N/A | \$ - | \$ 77,344,821 | N/A | \$ 77,344,821 | \$ 10,000,000 |
| | | 8 | 2021-2022 | 2021 | N/A | \$ - | \$ 73,477,580 | N/A | \$ 73,477,580 | \$ 10,000,000 |
| | | 9 | 2022-2023 | 2022 | N/A | \$ - | \$ 69,803,701 | N/A | \$ 69,803,701 | \$ 10,000,000 |
| | | 10 | 2023-2024 | 2023 | N/A | \$ - | \$ 66,313,516 | N/A | \$ 66,313,516 | \$ 10,000,000 |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | 11 | 2024-2025 | 2024 | N/A | \$ - | \$ 62,997,840 | N/A | \$ 62,997,840 | \$ 62,997,840 |
| | | 12 | 2025-2026 | 2025 | N/A | \$ - | \$ 59,847,948 | N/A | \$ 59,847,948 | \$ 59,847,948 |
| | | 13 | 2026-2027 | 2026 | N/A | \$ - | \$ 56,855,551 | N/A | \$ 56,855,551 | \$ 56,855,551 |
| Post- Settle-Up Period | | 14 | 2027-2028 | 2027 | N/A | \$ - | \$ 54,012,773 | N/A | \$ 54,012,773 | \$ 54,012,773 |
| Post- Settle-Up Period | | 15 | 2028-2029 | 2028 | N/A | \$ - | \$ 51,312,135 | N/A | \$ 51,312,135 | \$ 51,312,135 |

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/20/2013

DATE

Checklist Item #19

Schedule "C" attached

Schedule C- Application: Employment Information

Applicant Name
ISD Name

SALT FORK WIND, LP
CLARENDON ISD

Form 50-296

| | | Year | School Year (YYY-YYYY) | Tax Year (Fill in actual tax year) YYY | Construction | | New 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 new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column F: Average annual wage of qualifying jobs |
| | | pre- year 1 | | | | | | | | |
| | Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | 150 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 2 | 2015-2016 | 2015 | 150 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | Tax Credit Period (with 50% cap on credit) | 3 | 2016-2017 | 2016 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 4 | 2017-2018 | 2017 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 5 | 2018-2019 | 2018 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 6 | 2019-2020 | 2019 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 7 | 2020-2021 | 2020 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 8 | 2021-2022 | 2021 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 9 | 2022-2023 | 2022 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 10 | 2023-2024 | 2023 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | Credit Settle-Up Period | 11 | 2024-2025 | 2024 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 12 | 2025-2026 | 2025 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | | 13 | 2026-2027 | 2026 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | Post- Settle-Up Period | 14 | 2027-2028 | 2027 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |
| | Post- Settle-Up Period | 15 | 2028-2029 | 2028 | 0 | 34,321 | 7 | \$ 46,034 | 7 | \$ 46,034 |

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/20/2013

DATE

Checklist Item #20

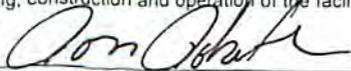
Schedule "D" attached

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name **SALT FORK WIND, LP** **SALT FORK WIND, LP** ISD Name **CLARENDON ISD** Form 50-296

| | | | | | Sales Tax Information | | Franchise Tax | Other Property Tax Abatements Sought | | | | |
|--|--|-------------------------|-------------------------|------------------------|---|---|---|---|---|---|---|-----|
| | | | | | Sales Taxable Expenditures | | Franchise Tax | County | City | Hospital | Other | |
| | | Year | School Year (YYYY-YYYY) | Tax/Calendar Year YYYY | Column F: Estimate of total annual expenditures* subject to state sales tax | Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax | Column H: Estimate of Franchise tax due from (or attributable to) the applicant | Fill in percentage exemption requested or granted in each year of the Agreement | Fill in percentage exemption requested or granted in each year of the Agreement | Fill in percentage exemption requested or granted in each year of the Agreement | Fill in percentage exemption requested or granted in each year of the Agreement | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | | | | | | | | | | | | |
| | Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | \$ 16,000,000 | \$ 24,000,000 | \$ 89,714 | 100 | N/A | 0 | 100 | |
| | | 2 | 2015-2016 | 2015 | \$ 6,000,000 | \$ 9,000,000 | \$ 89,714 | 100 | N/A | 0 | 100 | |
| | Tax Credit Period (with 50% cap on credit) | Value Limitation Period | 3 | 2016-2017 | 2016 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 4 | 2017-2018 | 2017 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 5 | 2018-2019 | 2018 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 6 | 2019-2020 | 2019 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 7 | 2020-2021 | 2020 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 8 | 2021-2022 | 2021 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 9 | 2022-2023 | 2022 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| | | | 10 | 2023-2024 | 2023 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 100 | N/A | 0 | 100 |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | | 11 | 2024-2025 | 2024 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 0 | N/A | 0 | 0 |
| | | | 12 | 2025-2026 | 2025 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 0 | N/A | 0 | 0 |
| | | | 13 | 2026-2027 | 2026 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 0 | N/A | 0 | 0 |
| Post- Settle-Up Period | | | 14 | 2027-2028 | 2027 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 0 | N/A | 0 | 0 |
| Post- Settle-Up Period | | | 15 | 2028-2029 | 2028 | \$ 325,000 | \$ 130,000 | \$ 89,714 | 0 | N/A | 0 | 0 |

*For planning, construction and operation of the facility.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/20/2013

DATE

Checklist Item #21

Map of Reinvestment Zone

Checklist Item #22

Order & Resolution Establishing Reinvestment Zone

FILED

AT 2:40 o'clock P.M.
9-9-2013

#029913

**RESOLUTION OF THE COMMISSIONERS COURT
OF DONLEY COUNTY, TEXAS
DESIGNATING DONLEY REINVESTMENT ZONE #1**

Jay Targem
COUNTY CLERK
DONLEY COUNTY
COMMISSIONERS COURT

By *[Signature]*

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

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

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

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

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

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

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

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

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

reinvestment zone; and

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

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

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

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

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

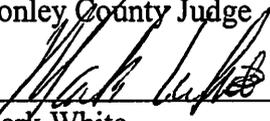
Abatement Act.

PASSED, APPROVED AND ADOPTED on September 9, 2013.

Donley County Commissioners Court



Jack Hall
Donley County Judge



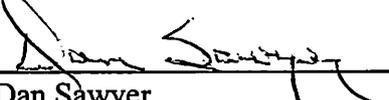
Mark White
Precinct 1 Commissioner



Don Hall
Precinct 2 Commissioner



Andy Wheatly
Precinct 3 Commissioner



Dan Sawyer
Precinct 4 Commissioner

Attest:


Fay Vargas, Donley County Clerk

Checklist Item #23

Legal Description of Reinvestment Zone

**EXHIBIT A
LEGAL DESCRIPTION OF
DONLEY REINVESTMENT ZONE #1**

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

| Section | Block | Survey |
|---------|-------|--------------|
| 10 | B3 | H&GN RR CO |
| 11 | B3 | H&GN RR CO |
| 12 | B3 | H&GN RR CO |
| 13 | B3 | H&GN RR CO |
| 14 | B3 | H&GN RR CO |
| 15 | B3 | H&GN RR CO |
| 22 | B3 | H&GN RR CO |
| 23 | B3 | H&GN RR CO |
| 24 | B3 | H&GN RR CO |
| 25 | B3 | H&GN RR CO |
| 29 | B3 | H&GN RR CO |
| 30 | B3 | H&GN RR CO |
| 31 | B3 | H&GN RR CO |
| 32 | B3 | H&GN RR CO |
| 33 | B3 | H&GN RR CO |
| 4 | B3 | H&GN RR CO |
| 5 | B3 | H&GN RR CO |
| 6 | B3 | H&GN RR CO |
| 7 | B3 | H&GN RR CO |
| 8 | B3 | H&GN RR CO |
| 9 | B3 | H&GN RR CO |
| 35 | C2 | CARHART, L H |
| 25 | C2 | GC&SF RR CO |
| 26 | C2 | GC&SF RR CO |
| 27 | C2 | GC&SF RR CO |
| 29 | C2 | GC&SF RR CO |
| 30 | C2 | GC&SF RR CO |
| 31 | C2 | GC&SF RR CO |
| 32 | C2 | GC&SF RR CO |
| 23 | C2 | H&GN RR CO |
| 24 | C2 | H&GN RR CO |

| | | |
|----|----|----------------|
| 33 | C2 | L&SV RR CO |
| 34 | C2 | L&SV RR CO |
| 21 | C2 | TT RR CO |
| 22 | C2 | TT RR CO |
| 31 | C3 | GC&SF RR CO |
| 32 | C3 | GC&SF RR CO |
| 62 | C3 | TT RR CO |
| 82 | HD | HUGGINS, S H |
| 79 | HD | JEFFERIES, J D |
| | | RAWLINGS, A J |
| | | RAWLINGS, W L |

EXHIBIT "B"
MAP OF
DONLEY REINVESTMENT ZONE #1

Checklist Item #24

Guidelines and Criteria for Reinvestment Zone

**GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENTS FOR
DONLEY COUNTY, TEXAS**

SECTION I. General Purpose:

The Donley County Commissioners Court is committed to the promotion of development and to an ongoing improvement in the quality of life for the citizens residing within the Donley County. The Donley County Commissioners Court recognizes that these objectives are generally served by enhancement and expansion of the local economy. The Donley County Commissioners Court will, on a case-by-case basis, give consideration to providing tax abatement, as authorized by V.T.C.A., Tax Code, Chapter 312, as stimulation for economic development within the Donley County. It is the policy of the Donley County Commissioners Court that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Tax Code.

Nothing contained herein shall imply, suggest or be understood to mean that the Commissioners Court is under any obligation to provide tax abatement to any applicant and attention is called to V.T.C.A., Tax Code, Section 312.002(d). With the above rights reserved all applications for tax abatement will be considered on a case-by-case basis.

The Board of Directors of the Clarendon Economic Development Corporation shall review any request for tax abatement.

The Board of Directors of the Clarendon Economic Development Corporation serves as a recommending body to the taxing units located in Clarendon, Texas, regarding whether economic development incentives should be offered in each individual case. Their recommendation shall be based upon a subjective evaluation of the following criteria, which each applicant will be requested to address in narrative format.

SECTION II. Definitions:

As used within these guidelines and criteria, the following words or phrases shall have the following meaning:

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain Improvements placed on land located in a reinvestment zone designated for economic development purposes as of the date of execution of the Tax Abatement Agreement for a period of time not to exceed ten (10) years.
2. **Abatement Agreement:** (1) A contract between a property owner and the Donley County Commissioners Court for the abatement of taxes on qualified property located within the reinvestment zone;
3. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.
4. **County:** Donley County

5. **Expansion of Existing Facilities or Structures:** The addition of buildings, structures, machinery or equipment to a Facility after the date of execution of an Abatement Agreement.
6. **Existing Facility or Structure:** A facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
7. **Facility:** The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
8. **Improvements to Real Property or Improvements:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
9. **Modernization of Existing Facilities:** The replacement or upgrading of existing facilities.
10. **New Facility:** The construction of a Facility on previously undeveloped real property eligible for tax abatement.
11. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property.
12. **Productive Life:** The number of years a Facility is expected to be in service.
13. **Real Property:** Land on which Improvements are to be made or fixtures placed.
14. **Reinvestment Zone:** Real Property designated as a Reinvestment Zone under the provisions of V.T.C.A., Tax Code, Section 312.202.
15. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility.

SECTION III. Intent of Criteria and Guidelines:

The Intent of the criteria and guidelines, as herein set forth, is to establish the minimum standards, which an applicant for tax abatement must meet, in order to be considered for such status by the Commissioners Court.

SECTION IV. Criteria and Guidelines for Tax Abatement:

1. The Board of Directors of the Clarendon Economic Development Corporation shall review any request for tax abatement.

The Board of Directors of the Clarendon Economic Development Corporation serves as a recommending body to the taxing units located in Clarendon, Texas, regarding whether economic development incentives should be offered in each individual case.

Their recommendation shall be based upon a subjective evaluation of the following criteria, which each applicant will be requested to address in narrative format.

2 Any type of Facility will be eligible for tax abatement consideration provided such Facility meets all the following guidelines and criteria:

- a. To qualify for Tax Abatement, the owner must modernize or expand an existing facility or construct a new facility.
- b. To be considered the Facility must meet one of the following criteria:
 - i. The facility will conduct its primary business in one of the following target industries:
 - A. Value-added Agricultural Production including Food Processing and Machinery
 - B. Warehouse Distribution
 - C. Retail Merchandising
 - D. Professional and Amateur Sports
 - E. Tourism
 - F. Hospitality
 - G. Medical & Health Care
 - H. Manufacturing
 - ii. The project is not included as a target industry, but is expected to create a substantial economic impact in Donley County or has the potential of generating additional significant economic development opportunities in Donley County.
 - iii. The project will significantly increase assessed valuation of real property and/or personal property, or will create new permanent jobs of substantial value in the Donley County.
- c. The Facility must meet one of the following criteria:
 - i. The project will add at least \$100,000 in real estate assessed valuation, or \$250,000 of personal property assessed valuation, or 5 new permanent jobs if the company is new to Donley County.
 - ii. The project will add at least \$75,000 in real estate assessed valuation, or \$150,000 in personal property assessed valuation if the facility is a modernization or expansion of an existing company that has operated in Donley County for five or more years.
 - d. Notwithstanding any of the requirements set forth in part (c) immediately above, the Donley County

Commissioners Court upon the affirmative vote of three-fourths (3/4) of its members may vary any of the above requirements when it is demonstrated by the applicant for Tax Abatement that variation is in the best interest of Donley County and will enhance the economic development of Donley County.

e. New or existing facilities, of any type herein defined, located in a reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.

3. The following types of Property shall be ineligible for tax abatement status and shall be fully taxed.
 - a. Real Property;
 - b. inventories or supplies;
 - c. dwelling units intended for lease to provide passive income to the landlord; provided, however, that nursing homes, hotels and the like which include the provision of services as a substantial component of the enterprise are not hereby excluded from eligibility for tax abatement;
 - d. vehicles;
 - e. aircraft;
 - f. boats;
 - g. property owned by the State of Texas or any State agency; and,
4. In reinvestment zones, the amount and term of abatement shall be determined on a case-by-case basis; however, in no event shall taxes be abated for a term in excess of ten (10) years. The Donley County Commissioners Court shall determine the amount of the taxable value of Improvements to be abated and the term of the abatement.
5. Taxability:
 - a) The portion of the value of Improvements to be abated shall be abated in accordance with the terms and provisions of a Tax Abatement Agreement executed between the Commissioners Court and the owner of the Real Property and/or Tangible Personal Property, (which agreement shall be) in accord with the provisions of V.T.C.A., Tax Code, Section 312.205.
6. The Commissioners Court shall have total discretion as to whether tax abatement is to be granted. Such discretion, as herein retained, shall be exercised on a case-by-case basis. The adoption of these guidelines and criteria by Donley County Commissioners Court does not:

- a) Limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement;
 - b) Limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or,
 - c) Create any property, contract, or other legal right in any person to have the Commissioners Court consider or grant a specific application or request for tax abatement.
7. The burden to demonstrate that an application for tax abatement should be granted shall be upon the applicant. The Commissioners Court shall have full authority to request any additional information from the applicant that the Commissioners Court deems necessary to assist it in considering such application.

SECTION V. Reinvestment Zone:

No Property shall be eligible for tax abatement unless such property is located in a reinvestment zone designated as such in accordance with V.T.C.A., Tax Code, Section 312.202. In the case of lessees the leaseholder must have a commitment at least equal to the term of the abatement agreement plus one year.

SECTION VI. Tax Abatement Agreement:

- 1. A Tax Abatement Agreement shall:
 - a) Establish and set forth the Base Year assessed value of the property for which tax abatement is sought.
 - b) Provide that the taxes paid on the base year assessed value shall not be abated as a result of the execution of said Tax Abatement Agreement.
 - c) Provide that ineligible property as subscribed in Section IV, Subsection 6, hereinabove shall be fully taxed.
 - d) Provide for the exemption of Improvements in each year covered by the agreement only to the extent the value of such Improvements for each such year exceeds the value for the year in which the agreement is executed.
 - e) Fully describe and list the kind, number and location of all of the improvements to be made in or on the Real Property.
 - f) Set forth the estimated value of all improvements to be made in or on the Real Property.

- g) Clearly provide that tax abatement shall be granted only to the extent:**
- 1. The Improvements to Real Property increase the value of the Real Property for the year in which the Tax Abatement Agreement is executed; and,**
 - 2. That the Tangible Personal Property improvements to Real Property were not located on the Real Property prior to the execution of the Tax Abatement Agreement.**
- h) Provide for the portion of the value of the improvements to Real Property or improvements to be abated. This determination is to be made consistent with the provisions of Section IV, Subsection 6, of these guidelines and criteria as hereinabove set forth.**
- i) Provide for the commencement date and the termination date. In no event shall said dates exceed a period of ten years.**
- j) Describe the type and proposed use of the improvements to Real Property or improvements including:**
- 1. The type of facility.**
 - 2. Whether the improvements are for a new facility, modernization of a facility, or expansion of a facility.**
 - 3. The nature of the construction, proposed timetable of completion, a map or drawings of the improvements above mentioned.**
 - 4. The amount of investment and the commitment for the creation of new jobs.**
 - 5. A list containing the kind, number and location of all proposed Improvements.**
 - 6. Any other information required by the Commissioners Court.**
- k) Provide a legal description of the Real Property upon which improvements are to be made.**
- 1) Provide access to and authorize inspection of the Real Property or improvements by employees of Donley County to insure improvements are made according to the specifications and conditions of the Tax Abatement Agreement.**
- m) Provide for the limitation of the uses of the Real Property or improvements consistent with the general purpose of encouraging development or redevelopment of the zone during the period covered by the Tax Abatement Agreement.**

- n) Provide the contractual obligations in the event of default by owner, violation of the terms or conditions by owner, recapturing property tax revenue in the event owner defaults or otherwise fails to make improvements as provided in said Tax Abatement Agreement, and any other provision as may be required or authorized by State Law.
- o) Contain each term agreed to by the owner of the property.
- p) Require the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement.
- q) Provide that the Donley County Commissioners Court may cancel or modify the agreement if the property owner fails to comply with the agreement.

SECTION VII. Application:

1. Any present owner or lessee of taxable property located within Donley County may apply for tax abatement by filing an application with the Clarendon Economic Development Board.
2. The application shall consist of a completed application form accompanied by:
 - a) A general description of the improvements to be undertaken.
 - b) A descriptive list of the improvements for which tax abatement is requested.
 - c) A list of the kind, number and location of all proposed improvements of the Real Property Facility or Existing Facility.
 - d) A map indicating the approximate location of improvements on the Real Property Facility or Existing Facility together with the location of any or all Existing Facilities located on the Real Property or Facility.
 - e) A list of any and all Tangible Personal Property presently existing on the Real Property or located in an existing facility.
 - f) A proposed time schedule for undertaking and completing the proposed improvements.
 - g) A general description stating whether the proposed improvements are in connection with:
 1. the modernization of a facility (of any type herein defined); or,
 2. construction of a new facility (of any type herein defined); or,
 3. expansion of a facility (of any type herein defined); or,

4. any combination of the above.
- h) A statement of the additional value to the Real Property or Facility as a result of the proposed improvements.
- i) A statement of the assessed value of the Real Property, Facility or Existing Facility for the Base Year.
- j) Information concerning the number of new jobs that will be created or information concerning the number of existing jobs to be retained as result of the improvements undertaken.
- k) Any other information, which the Commissioners Court appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed improvements with these guidelines and criteria.
- l) Information that is provided to the Commissioners Court in connection with an application or request for tax abatement and which describes the specific processes or business activity 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. Information in the custody of an Affected Jurisdiction after the agreement is executed is not confidential. (V.T.C.A., Tax Code, Section 312.003).
- m) The Commissioners Court shall determine if the property described in said application is within a designated reinvestment zone. If the Commissioners Court determines that the property described is not within a current reinvestment zone then they shall so notify the applicant and said application shall then be considered both as an application for the creation of a reinvestment zone and a request for tax abatement to be effective after the zone is created.

SECTION VIII. Recapture:

1. In the event that any type of facility subject to a tax abatement agreement is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason, excepting fire, explosion, other casualty, accident, natural disaster or other event beyond the reasonable control of applicant or owner for a period of 180 days during the term of a tax abatement agreement, then in such even the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to Donley County by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to Donley County within sixty (60) days of the date of termination. The burden shall be upon the applicant or owner to prove to the satisfaction of Donley County that the discontinuance of producing goods or services was as a result of fire, explosion, other casualty, accident, natural disaster or other event beyond the control of applicant or owner. In the event that applicant or owner meets this burden and the Commissioners Court is satisfied

that the discontinuance of the production of goods or services was the result of events beyond the control of the applicant or owner, then such applicant or owner shall have a period of one year in which to resume the production of goods and services. In the event that the applicant or owner fails to resume the production of goods or services within one year, then the Tax Abatement Agreement shall terminate and the Abatement of all taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to Donley County by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to Donley County within sixty (60) days of the date of termination. The one year time period, hereinabove mentioned, shall commence upon written notification from Donley County to the applicant or owner.

2. In the event that the applicant or owner has entered into a tax abatement agreement to make improvements to a facility subject to a tax abatement agreement, but fails to undertake or complete such improvements, then in such event the Donley County Commissioners Court to whom the application for tax abatement was directed shall give the applicant or owner sixty (60) days notice of such failure. The applicant or owner shall demonstrate to the satisfaction of the Donley County Commissioners Court, that the applicant or owner has commenced to cure such failure within the sixty (60) days above mentioned. In the event that the applicant or owner fails to demonstrate that he is taking affirmative action to cure his failure, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to Donley County by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to each Affected Jurisdiction within sixty (60) days of the date of termination.
3. In the event that the Commissioners Court determines that the applicant or owner is in default of any of the terms or conditions contained in the Tax Abatement Agreement, then in such event the Donley County Commissioners Court, shall give the applicant or owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the Commissioners Court within the sixty (60) days notice period, then the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the Donley County by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to Donley County within sixty (60) days of the date of termination.
4. In the event that the applicant or owner allows ad valorem taxes on property ineligible for tax abatement owed to Donley County, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such even the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate. Taxes abated during the calendar year in which termination, under this subparagraph, takes place shall be payable to the Hospital District by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to Donley County within sixty (60) days of the date of termination.

5. In the event that the applicant or owner, who has executed a tax abatement agreement with Donley County relocates the business for which tax abatement has been granted, to a location outside of the designated reinvestment zone, then in such event, the Tax Abatement Agreement shall terminate after sixty (60) days written notice by Donley County to the Owner/Applicant. Taxes abated during the calendar year in which termination, under this subparagraph takes place shall be payable to Donley County by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to Donley County within sixty (60) days of the date of termination.
6. The date of termination as that term is used in this Subsection VIII shall, in every instance, be the 60th day after the day Donley County sends notice of default, in the mail to the address shown in the Tax Abatement Agreement to the Applicant or Owner. Should the default be cured by the owner or Applicant within the sixty (60) day notice period, the Owner/Applicant shall be responsible for so advising Donley County and obtaining a release from the notice of default from the Donley County, failing in which, the abatement remains terminated and the abated taxes must be paid.
7. In every case of termination set forth in Subparagraphs 1,2,3,4 and 5 above, Donley County shall determine whether default has occurred by Owner (Applicant) in the terms and conditions of the Tax Abatement Agreement and shall notify other Affected Jurisdictions, if any.
8. In the event that a tax abatement agreement is terminated for any reason what so ever and taxes are not paid within the time period herein specified, then in such event, the provisions of V.T.C.A., Tax Code, Section 33.01 will apply.

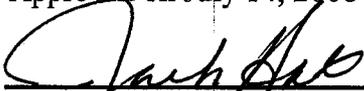
SECTION IX. Miscellaneous:

1. Any notice required to be given by these criteria or guidelines shall be given in the following manner:
 - a) To the owner or applicant: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
 - b) To the Donley County Commissioners Court: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
2. The Chief Appraiser of the Appraisal District of Donley County shall annually assess the Real and Personal Property comprising the reinvestment zone. Each year, the applicant or owner receiving tax abatement shall furnish the Chief Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify Donley County Commissioners Court of the amount of assessment.
3. Upon the completion of improvements made to any type of Facility subject to a tax abatement agreement a designated employee or employees of Donley County shall have access to the Facility to insure compliance with the Tax Abatement Agreement.

shall have access to the Facility to insure compliance with the Tax Abatement Agreement.

4. A tax abatement agreement may be assigned to a new owner but only after written consent has been obtained from the Donley County Commissioners Court.
5. These guidelines and criteria are effective upon the date of their adoption by the Donley County Commissioners Court and shall remain in force for two years. At the end of the two-year period these guidelines and criteria may be readopted, modified, amended or rewritten as the conditions may warrant.
6. In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 312, then in such event the Tax Code shall prevail and these guidelines and criteria interpreted accordingly.
7. The guidelines and criteria once adopted by the Donley County Commissioners Court may be amended or repealed by a vote of three-fourths of the members of the governing body of an Affected Jurisdiction during the two-year term in which these guidelines and criteria are effective.

Approved on July 14, 2008



Jack Hall, County Judge