

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

June 29, 2017

Mr. Jose Rafael Lopez
Superintendent
Taft ISD
400 College Street
Taft, TX 78390

Re: **Apex Midway Wind, LLC Chapter 313 Application – Taft ISD**

Dear Mr. Lopez:

Attached is the application of Apex Midway Wind, LLC. Apex Midway Wind, LLC is withdrawing the original Chapter 313 application to Taft ISD and replacing it with this application. The changes made from the original application filed in 2015 are found in the table on the following page.

Apex Midway Wind is submitting this application to you since the board will not meet again until August 15th. Apex has experienced considerable project delays due some of the land for the project being used instead by a large multibillion dollar petrochemical complex.

Would you please contact me if you have questions or comments?

Sincerely,



D. Dale Cummings

cc: Dru Steubing, Apex Clean Energy, Inc.
Kevin O'Hanlon, O'Hanlon, McCollum & Demerath
Dan Casey, Moak Casey & Associates, LLP

AMENDMENTS TO APEX MIDWAY WIND LLC APPLICATION

Page	Tab	Section	Question	Description
2		2	2	Mr. Steubing's title has been updated.
4		8	6	Answer has been changed to "yes". Since the 2015 agreement, Apex has obtained a county abatement. Terms are discussed on Schedule D.
4		9	1-8	Timing dates have changed for all questions.
5		10	4	Tax rates have been updated to 2016 actual rates.
7		14	2	Dates have been changed to current dates.
7		14	3	Employee count is changed to current actual.
7		14	4	Employee count has been revised.
7		14	5	Employee count has been revised.
7		14	7	Wage rates have been updated to most current rates.
7		14	9	Wage rate has been updated to the most current rate.
7		14	10	Wage rate has been updated to the most current rate.
8		16	1-2	A new signature page is attached.
	2			Evidence of amended application fee paid is attached.
	3			Updated Form 05-165 is attached.
	4			Project capacity, allocation to Taft ISD, turbine capacity, turbine supplier, turbine count, and project timing are updated.
	5			Information about Apex is updated in paragraph 3 and competing project locations are updated in the last paragraph.
	6			Project capacity, allocation to Taft ISD, turbine count, and tax rates are updated.
	7			Project capacity, allocation to Taft ISD, turbine capacity, turbine supplier, turbine count, and project timing are updated.
	8			Project capacity, allocation to Taft ISD, turbine capacity, turbine supplier, turbine count, and project timing are updated.
	10			An informational map showing the project turbines in relation to existing turbines not part of this project is included.
	11			The second map in this tab shows the updated turbine layout for the project.
	12			A revised job waiver letter is attached.
	13			Revised wage data is shown. This data is the most current available as of the date of the application.
	14			Revised schedules are attached.

TAB 1

Pages 1 through 9 of application.

Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

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

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

☐

Yes

☐

No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Mobile Number *(optional)*

Email Address

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

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

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number *(optional)*

Business Email Address

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☐ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☐ N/A

SECTION 4: Business Applicant Information

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

SECTION 5: Applicant Business Structure

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

☐ Land has no existing improvements *

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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

SECTION 10: The Property

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

SECTION 11: Investment

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

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

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☐ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

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

SECTION 15: Economic Impact

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

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print
here

Jose Rafael Lopez

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here


Signature (Authorized School District Representative)



Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here

Mark Goodwin

Print Name (Authorized Company Representative (Applicant))

President and COO

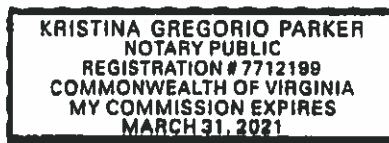
Title

sign
here


Signature (Authorized Company Representative (Applicant))



Date



(Notary Seal)

GIVEN under my hand and seal of office this, the




Notary Public in and for the State of Texas Virginia

My Commission expires: 

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

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

A copy of the check for the \$25,000 application fee to Taft ISD is found on the following page.

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)*

TAB 3

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

Apex Midway Wind, LLC is part of a combined group. See attached Form 05-165.

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 4

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.

Description of Project

Apex Midway Wind, LLC ("Apex") is requesting an appraised value limitation from Taft Independent School District (ISD) for the Midway Wind Project (the "Project"), a proposed wind powered electric generating facility in San Patricio County. The proposed Taft ISD portion of the Project (this application) will be constructed within a reinvestment zone established by San Patricio County Commissioners Court on December 16, 2013.

The proposed Project is anticipated to have a total capacity of 160.125 MW, with approximately 60.375 MW located in Taft ISD. Turbine selection is ongoing at this time and has not been finalized. The exact number of wind turbines and size of each turbine will vary depending upon the wind turbines selected, manufacturer's availability and prices, ongoing wind studies and the final megawatt generating capacity of the Project when completed. Current plans are to install 2.625 MW Gamesa turbines with an estimated 23 turbines located in Taft ISD. Portions of the project will be located in Gregory-Portland ISD and a separate Chapter 313 application is being submitted to that district for their respective portion of the project. The Applicant requests a value limitation for all materials and equipment installed for the Project, including but not limited to; wind turbines, turbine transformers (pad-mounts), towers, foundations, roadways, buildings and offices, anemometer towers, collection system, electrical substation, transmission line tie-in and associated towers, and interconnection facilities.

Construction of the Project is anticipated to begin in the first quarter of 2018 with completion by the first quarter of 2019.

TAB 5

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

Apex Clean Energy, Inc. is a leading U.S. - based developer of commercial-scale wind and solar energy facilities in North America. With a team of some of the most experienced renewable energy professionals in the industry, it has built a strong reputation for responsible development and quality projects constructed to the highest industry standards.

Prior to the formation of Apex, the management team had collectively developed, financed, constructed and managed more than \$10 billion in operating renewable energy facilities totaling nearly 10,000 megawatts of capacity. Its people have a proven track record working with communities and landowners to develop state-of-the-art facilities that produce jobs, income to landowners, revenue for local government, and clean sources of domestic energy.

Apex is building one of the nation's largest, most diversified portfolios of renewable energy resources, capable of producing over 12,000 MW of clean energy. In 2015, Apex was the market leader in the United States, with 1,042 megawatts of new wind capacity installations, enough clean energy to supply the population of a city the size of Boston or San Francisco each year for the life of the facilities. With a team of over 200 professionals and the nation's largest wind energy project pipeline, Apex is a leader in the transition to a clean energy future.

Apex has the ability to locate and develop wind farms in numerous locations throughout the United States. Apex has leased the land for the Midway project. However, a final investment decision has not been reached and no contracts for the sale of power have been executed.

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The power generation market is very competitive and practically all of Apex's Texas competitors have Chapter 313 value limitation agreements. Without the Chapter 313 value limitation, siting the project in San Patricio County is significantly less attractive.

The Apex Midway Wind project is in direct competition for internal capital expenditures with projects in the following locations:

Apex Midway Wind, LLC
Chapter 313 Application to Taft ISD
Cummings Westlake, LLC

- Curry and Quay, and Guadalupe County, New Mexico
- Beckham, Caddo, Johnston, and Pontotoc County, Oklahoma
- Yuma, County, Colorado
- Graham County, Kansas
- Nuckholls County, Nebraska
- Clay and Dickinson County, Iowa
- Newton County, Indiana
- Van Wert County, Ohio
- Cottonwood County, Minnesota
- Isabella County, Michigan
- Bowman County, North Dakota

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TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

All of the project is located in San Patricio County and San Patricio Drainage District. The project is partially in Gregory-Portland ISD and partially in Taft ISD. Below is a table showing the estimated number of megawatts and turbines in each school district (subject to final site decisions).

School District	Gregory-Portland ISD	Taft ISD	Total
Estimated Megawatts	99.75	60.375	160.125
Estimated Number of Turbines	38	23	61

Approximately 37.7% of the project is located in Taft ISD based upon megawatt capacity (60.375 out of 160.125 megawatts). Approximately 62.3% of the project is located in Gregory-Portland ISD based upon megawatt capacity (99.75 out of 160.125 megawatts).

The project is also located 100% in the following tax districts and the tax rate for each district is shown below.

- | | |
|--------------------------|-------------|
| 1) San Patricio County | – \$.491924 |
| 2) San Patricio Drainage | – \$.057888 |

2016 TAX RATES

<u>Exemptions</u>	<u>Jurisdiction</u>	<u>M&O Rate</u>	<u>I&S Rate</u>	<u>Total Rate</u>	<u>Sales Tax</u>
Over 65 - \$5,000	City of Aransas Pass	0.347433	0.341222	0.688655	
Disabled Vet:					
Over 65 - \$10,000	City of Gregory	0.627936	0.202064	0.830000	
Over 65 - \$8,000	City of Ingleside	0.428157	0.174343	0.602500	
none	Industrial District				
none	City Ingleside on the Bay	0.178889	0	0.178889	
none	City of Lakeside	0.127877	0	0.127877	
Over 65 - \$6,000	City of Mathis	0.694445	0.31725	1.011695	
Disabled - 6,000					
Over 65 - \$8,000	City of Odem	0.647253	0.138278	0.785531	
Over 65 - \$15,000	City of Portland	0.382364	0.184304	0.566668	
Over 65 - \$5,000	City of Sinton	0.560752	0.114294	0.675046	
Over 65 - \$5,000	City of Taft	0.567069	0.261483	0.828552	
Over 65 - \$5,000	City of Taft-Deannexed	0	0.375211	0.375211	
H-25,000 O65-10,000	Aransas Pass ISD	1.031380	0.200000	1.231380	
Disabled - 10,000					
Homestead \$25,000	Gregory-Portland ISD	1.17	0.18	1.35	
Over 65 - 10,000	Optional O65 - \$5,000 2008 Tax				
Diabled - 10,000	year				
Homestead \$25,000	Ingleside ISD	1.04	0.055	1.095	
Over 65 - \$10,000					
Disability - \$10,000					
Homestead \$25,000	Odem-Edroy ISD **	1.17	0.4789	1.64890	
Ove 65 - 10,000	Optional O65- \$3,000				
Disabled - 10,000					
Homestead \$25,000	Sinton ISD **	1.17	0.339	1.5090	
Over 65 - 10,000					
Disabled - 10,000					
H-25,000; O65 - 10,000	Taft ISD	1.1694	0.36550	1.53490	
Disabled 10,000					
Homestead 1%	County	0.418000	0.028921	0.446921	
Minimum 5,000	(Tax Year - 0-65 \$55,000)				
Over 65 - 60,000	County Special	0.045003	Total for County:	0.045003	
			Total for County:	0.491924	
Homestead 1%	Drainage District	0.057888	0	0.057888	
Minimum 5,000		Total County& Drainage District		0.549812	
Over 65 - 60,000					
Disabled 10,000					
Disabled Vet:	10-29% - 5,000	30-49% - 7,500	50-69% - 10,000	70-100% - 12,000	DVET 100%

TAB 7

Description of Qualified Investment

Apex Midway Wind, LLC (“Apex”) is requesting an appraised value limitation from Taft Independent School District (ISD) for the Midway Wind Project (the “Project”), a proposed wind powered electric generating facility in San Patricio County. The proposed Taft ISD portion of the Project (this application) will be constructed within a reinvestment zone established by San Patricio County Commissioners Court on December 16, 2013.

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TAB 8

Description of Qualified Property

Apex Midway Wind, LLC (“Apex”) is requesting an appraised value limitation from Taft Independent School District (ISD) for the Midway Wind Project (the “Project”), a proposed wind powered electric generating facility in San Patricio County. The proposed Taft ISD portion of the Project (this application) will be constructed within a reinvestment zone established by San Patricio County Commissioners Court on December 16, 2013.

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Construction of the Project is anticipated to begin in the first quarter of 2018 with completion by the first quarter of 2019.

TAB 9

Description of Land

The legal description for the land is shown on the following page.

Apex Midway Wind, LLC
Chapter 313 Application to Taft ISD
Cummings Westlake, LLC

REINVESTMENT ZONE LEGAL DESCRIPTION

ISD	Abstract Name	Abstract Number	Map Reference Number	Exception
Gregory-Portland	Arciniega, M	A-35	40935	Save and except any portion of abstract inside the city limits of Portland, Texas as they exist as of November 18, 2013
Gregory-Portland	Crouch, J	A-87	40987	
Gregory-Portland	Head, E G	A-155	409155	
Gregory-Portland	Keating, J	A-180	409180	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Gregory-Portland	Orick, HRS J	A-209	409209	
Gregory-Portland	Sargent, G	A-231	409231	
Gregory-Portland	Sargent, G	A-232	409232	
Gregory-Portland	San Patricio CSL	A-235	409235	
Gregory-Portland	San Patricio CSL	A-238	409238	
Gregory-Portland	Sterling, I	A-239	409239	
Gregory-Portland	SA&MG RR CO	A-255	409255	
Gregory-Portland	SA&MG RR CO	A-256	409256	
Gregory-Portland	SA&MG RR CO	A-257	409257	
Gregory-Portland	SA&MG RR CO	A-258	409258	
Gregory-Portland	SA&MG RR CO	A-259	409259	
Gregory-Portland	SA&MG RR CO	A-260	409260	
Gregory-Portland	Valdez, G	A-269	409269	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Gregory-Portland	Wright, C	A-280	409280	
Gregory-Portland	Swisher, J M	A-393	409393	
Gregory-Portland	Swisher, J M	A-394	409394	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Taft	Arciniega, M	A-35	40935	Save and except any portion of abstract inside the city limits of Portland, Texas as they exist as of November 18, 2013
Taft	Head, E G	A-155	409155	
Taft	Sargent, G	A-232	409232	
Taft	San Patricio CSL	A-235	409235	
Taft	San Patricio CSL	A-237	409237	Save and except any portion of abstract inside the city limits of Taft, Texas as they exist as of November 18, 2013
Taft	San Patricio CSL	A-238	409238	
Taft	Sterling, I	A-239	409239	
Taft	SA&MG RR CO	A-254	409254	
Taft	SA&MG RR CO	A-255	409255	

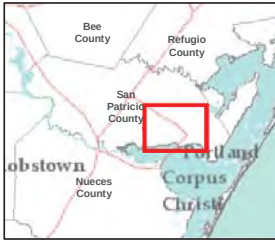
*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY APEX MIDWAY WIND, LLC TO TAFT ISD*

TAB 10

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

Not applicable. There are no existing wind farm improvements within the project boundary. A map of the project boundary is shown on the following page. All property that is the subject of this application is shown within the property boundary indicated with a bold black line. Turbine locations within the property boundary are marked with blue symbols.

Existing turbine locations that are not part of this application are shown with red circles and these existing locations are shown for informational purposes only to assist the Comptroller.

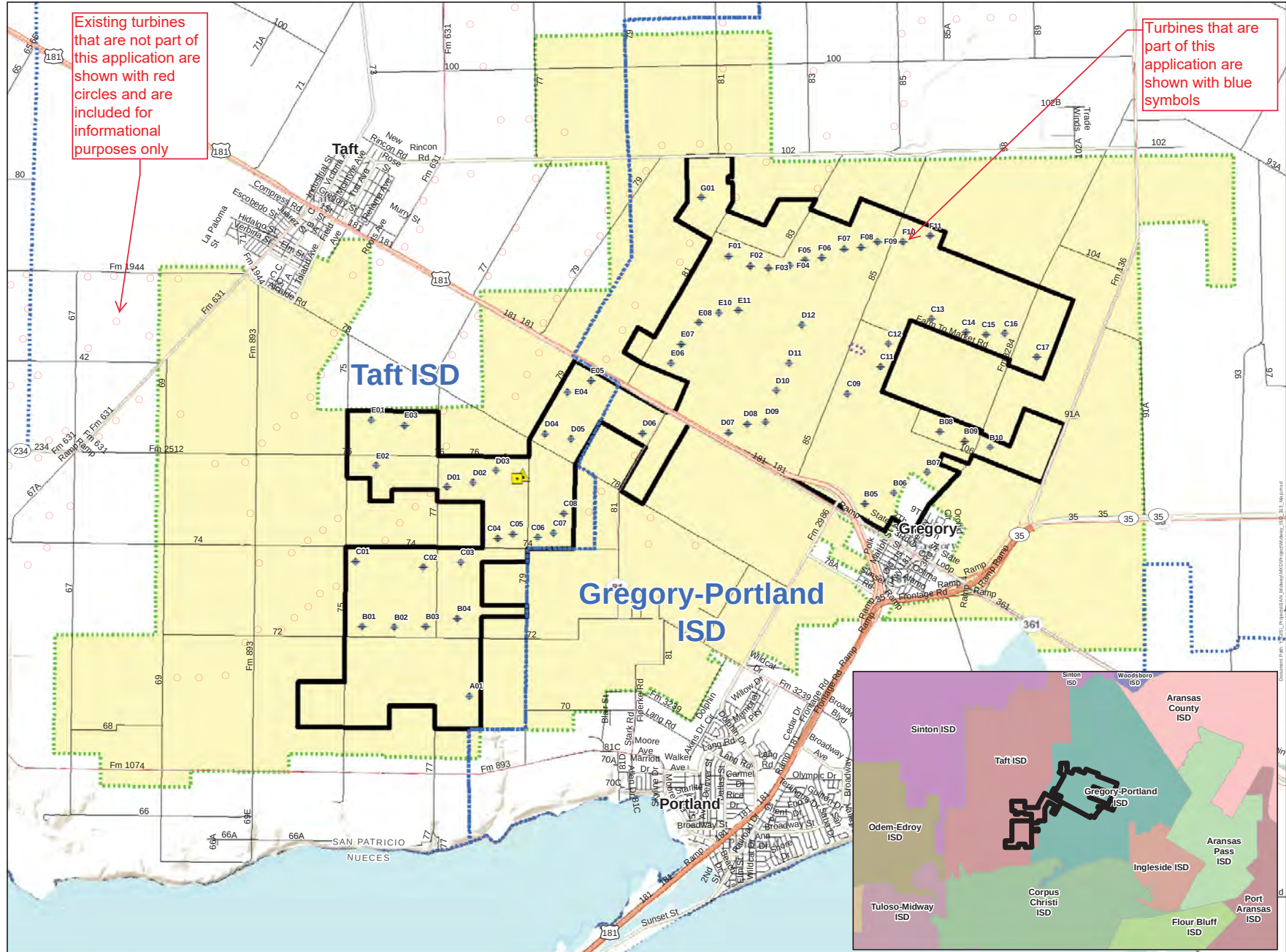


Midway Wind

- Proposed Turbine (61)
- Existing Turbine Location
- POI
- Sub
- O&M Location
- School District Boundary
- Project Boundary
- Reinvestment Zone Boundary

Map of reinvestment zone and project area showing existing turbines that are not part of this application. This map is included for informational purposes only to demonstrate that there is no existing wind farm property within the project boundary.

Date: 6/30/2017 Author: JF
Coordinate System: NAD 1983 StatePlane Texas South FIPS 4205 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Units: Foot US



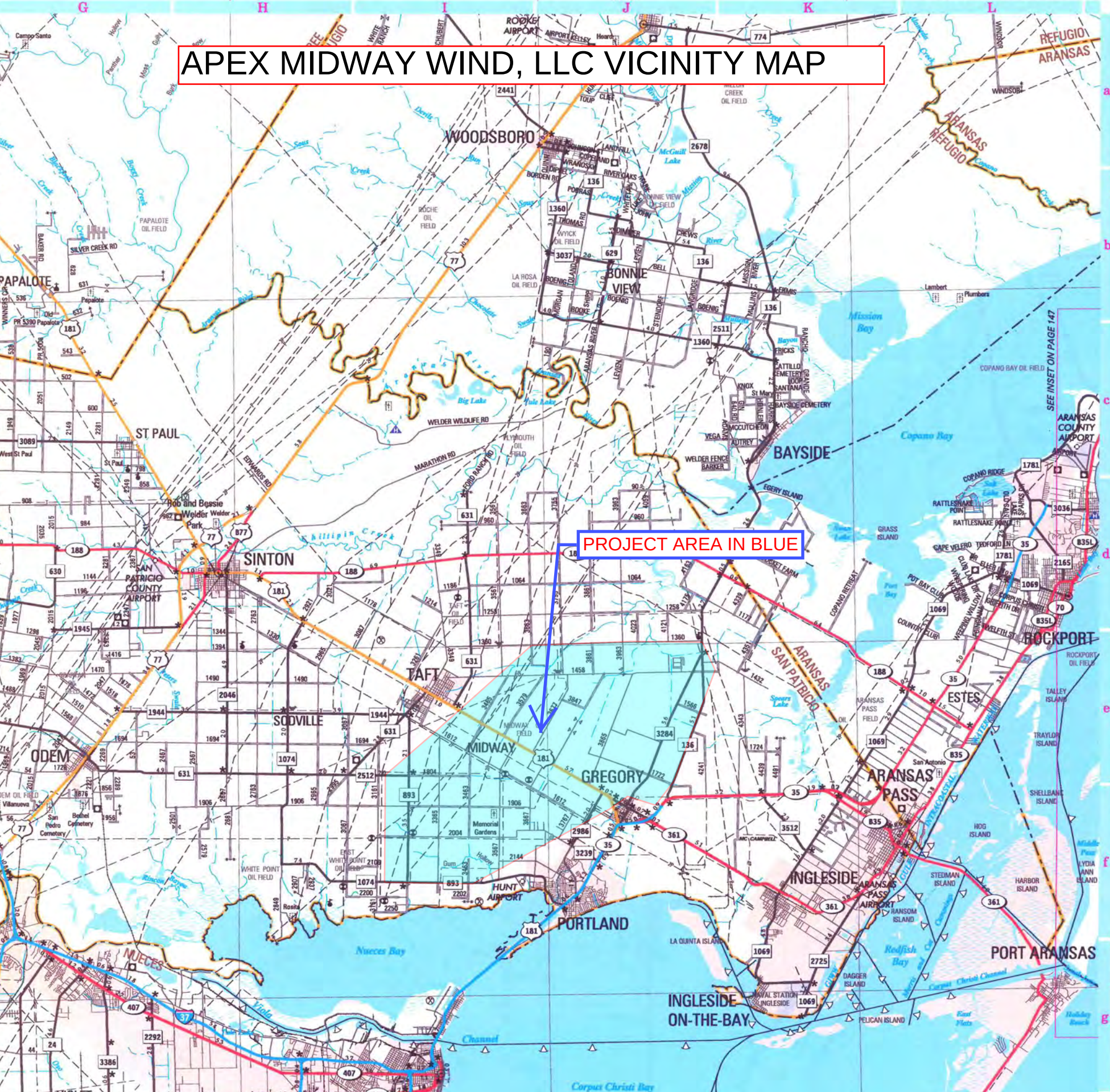
TAB 11

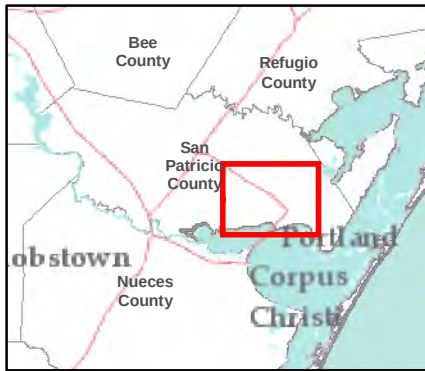
Maps that clearly show:

- a) Project vicinity*
- b) Qualified investment including location of new building or new improvements*
- c) Qualified property including location of new building or new improvements*
- d) Existing property*
- e) Land location within vicinity map*
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size*

See attached maps.

APEX MIDWAY WIND, LLC VICINITY MAP



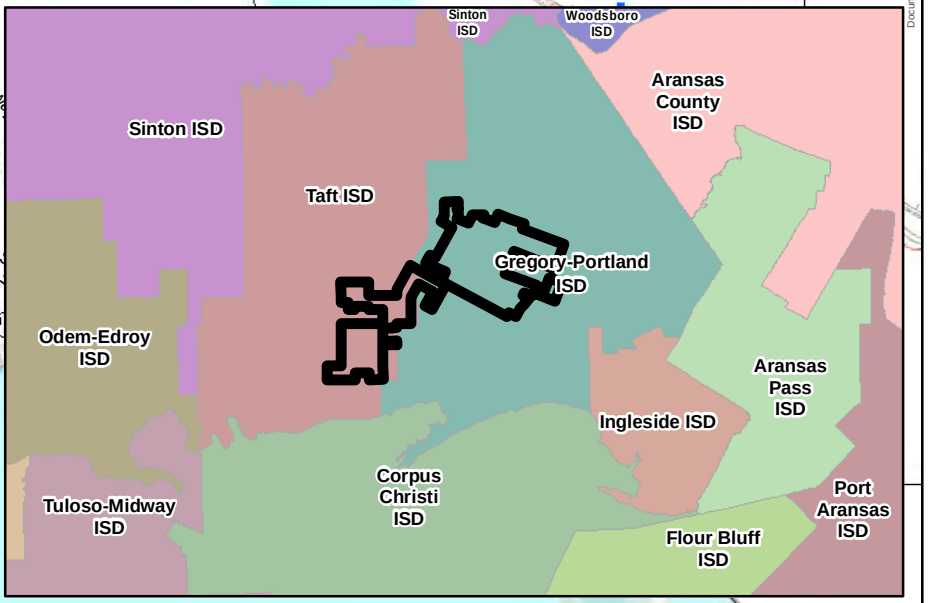
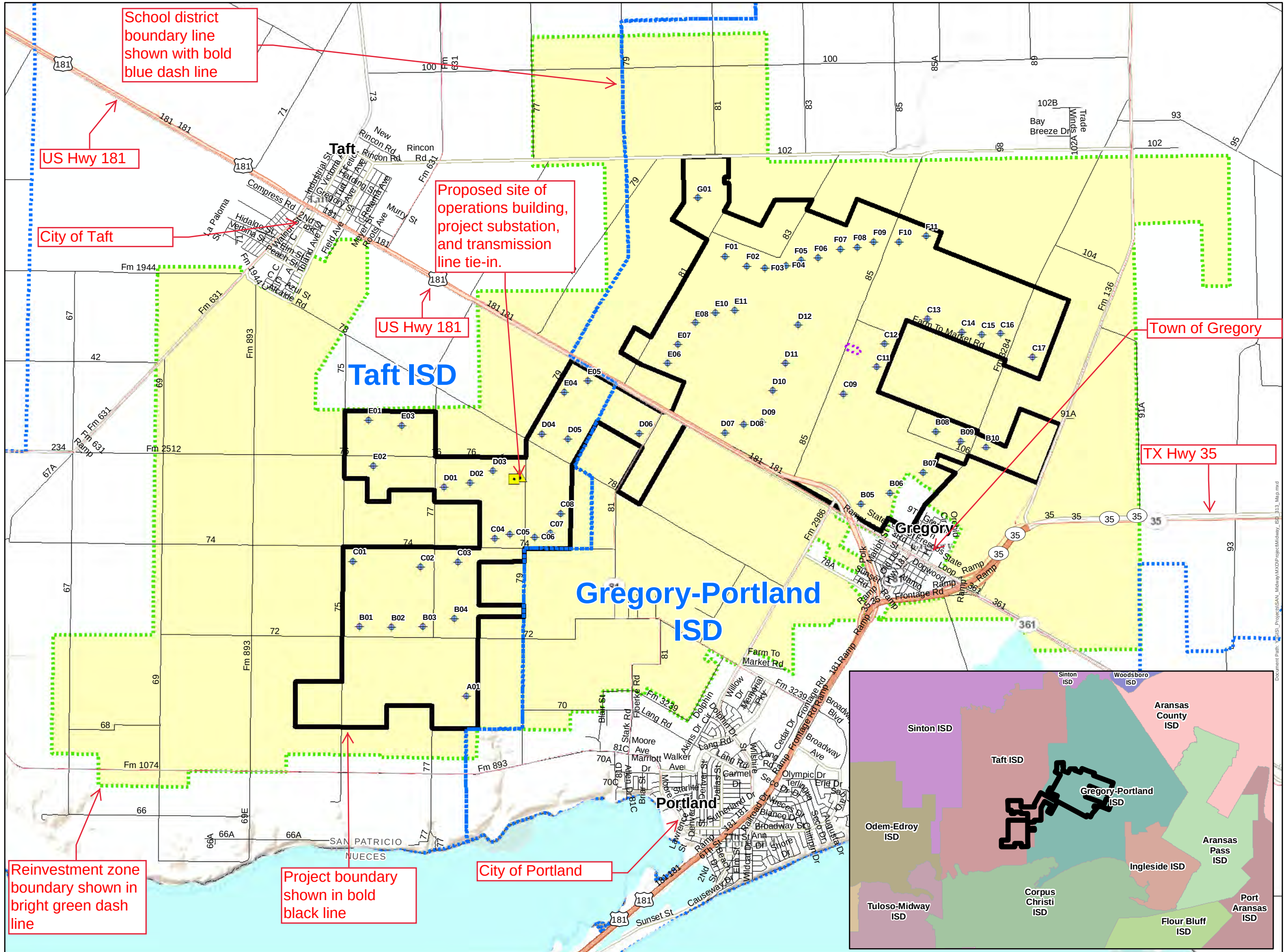


Midway Wind

- Proposed Turbine (61)
- POI
- Sub
- O&M Location
- School District Boundary
- Project Boundary
- Reinvestment Zone Boundary

All Qualified Investment and Qualified Property will be located wholly within the reinvestment zone and project boundary.

Date: 6/27/2017 Author: JF
Coordinate System: NAD 1983 StatePlane Texas South FIPS 4205 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Units: Foot US



TAB 12

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

Please see the job waiver request on the following page.

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

June 29, 2017

Mr. Jose Rafael Lopez
Superintendent
Taft Independent School District
400 College Street
Taft, TX 78390

Re: Chapter 313 Job Waiver Request

Dear Mr. Lopez,

Apex Midway Wind, LLC requests that the Taft Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation 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.

Apex Midway Wind, LLC requests that the Taft Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Apex Midway Wind, LLC has committed to create two qualifying jobs in Taft ISD. Wind projects create a large number of full and part-time, but temporary, jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15-20 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. 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. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

A handwritten signature in blue ink that reads "D. Dale Cummings". The signature is written in a cursive, flowing style.

D. Dale Cummings

TAB 13

Calculation of three possible wage requirements with TWC documentation

- *San Patricio County average weekly wage for all jobs (all industries)*
- *San Patricio County average weekly wage for all jobs (manufacturing)*
- *Council of Governments Regional Wage Calculation and Documentation*

See attachments.

APEX MIDWAY WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION

TAFT ISD - SAN PATRICIO COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2016	\$ 882.00	\$ 45,864.00
SECOND	2016	\$ 868.00	\$ 45,136.00
THIRD	2016	\$ 975.00	\$ 50,700.00
FOURTH	2016	\$ 975.00	\$ 50,700.00
AVERAGE		\$ 925.00	\$ 48,100.00

TAFT ISD - SAN PATRICIO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2016	\$ 1,636.00	\$ 85,072.00
SECOND	2016	\$ 1,647.00	\$ 85,644.00
THIRD	2016	\$ 1,754.00	\$ 91,208.00
FOURTH	2016	\$ 1,657.00	\$ 86,164.00
AVERAGE		\$ 1,673.50	\$ 87,308.00
X		110%	110%
		\$ 1,840.85	\$ 96,038.80

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Coastal Bend	2015	\$ 1,038.62	\$ 54,008.00
X		110%	110%
		\$ 1,142.48	\$ 59,408.80

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2016	1st Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$882
2016	2nd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$868
2016	3rd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$975
2016	4th Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$975

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2016	1st Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,636
2016	2nd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,647
2016	3rd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,754
2016	4th Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,657

2015 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

\$54,008 x 110% = \$59,408.80

TAB 14

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

See attached Schedules A1, A2, B, C and D.

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	2017	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	
Complete tax years of qualifying time period	QTP1	2018-2019	2018	\$ 80,433,700	\$ 1,100,000	\$ -	\$ -	\$ 81,533,700
	QTP2	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 80,433,700	\$ 1,100,000	\$ -	\$ -	\$ 81,533,700
Enter amounts from TOTAL row above in Schedule A2								
Total Qualified Investment (sum of green cells)				\$ 81,533,700				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date 6/29/2017

Applicant Name Apex Midway Wind, LLC

Form 50-296A

ISD Name Taft ISD

Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$ 80,433,700	\$ 1,100,000	\$ -	\$ -	\$ 81,533,700
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>		2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
Value limitation period***	1	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
	3	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
	4	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
	5	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -
	6	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
	7	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -
	8	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -
	9	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ -
	10	2029-2030	2029	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment made through limitation				\$ 80,433,700	\$ 1,100,000	\$ -	\$ -	\$ 81,533,700
Continue to maintain viable presence	11	2030-2031	2030			\$ -		\$ -
	12	2031-2032	2031			\$ -		\$ -
	13	2032-2033	2032			\$ -		\$ -
	14	2033-2034	2033			\$ -		\$ -
	15	2034-2035	2034			\$ -		\$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035			\$ -		\$ -
	17	2036-2037	2036			\$ -		\$ -
	18	2037-2038	2037			\$ -		\$ -
	19	2038-2039	2038			\$ -		\$ -
	20	2039-2040	2039			\$ -		\$ -
	21	2040-2041	2040			\$ -		\$ -
	22	2041-2042	2041			\$ -		\$ -
	23	2042-2043	2042			\$ -		\$ -
	24	2043-2044	2043			\$ -		\$ -
	25	2044-2045	2044			\$ -		\$ -

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were~~not~~ captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date

6/29/2017

Applicant Name

Apex Midway Wind, LLC

Form 50-296A

ISD Name

Taft ISD

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ -	\$ 1,086,300	\$ 77,819,600	\$ 78,905,900	\$ 78,905,900	\$ 78,905,900
Value Limitation Period	1	2020-2021	2020	\$ -	\$ 1,059,100	\$ 72,761,300	\$ 73,820,400	\$ 73,820,400	\$ 30,000,000
	2	2021-2022	2021	\$ -	\$ 1,032,600	\$ 68,031,800	\$ 69,064,400	\$ 69,064,400	\$ 30,000,000
	3	2022-2023	2022	\$ -	\$ 1,006,800	\$ 63,609,700	\$ 64,616,500	\$ 64,616,500	\$ 30,000,000
	4	2023-2024	2023	\$ -	\$ 981,600	\$ 59,475,100	\$ 60,456,700	\$ 60,456,700	\$ 30,000,000
	5	2024-2025	2024	\$ -	\$ 957,100	\$ 55,609,200	\$ 56,566,300	\$ 56,566,300	\$ 30,000,000
	6	2025-2026	2025	\$ -	\$ 933,200	\$ 51,994,600	\$ 52,927,800	\$ 52,927,800	\$ 30,000,000
	7	2026-2027	2026	\$ -	\$ 909,900	\$ 48,615,000	\$ 49,524,900	\$ 49,524,900	\$ 30,000,000
	8	2027-2028	2027	\$ -	\$ 887,200	\$ 45,455,000	\$ 46,342,200	\$ 46,342,200	\$ 30,000,000
	9	2028-2029	2028	\$ -	\$ 865,000	\$ 42,500,400	\$ 43,365,400	\$ 43,365,400	\$ 30,000,000
	10	2029-2030	2029	\$ -	\$ 843,400	\$ 39,737,900	\$ 40,581,300	\$ 40,581,300	\$ 30,000,000
Continue to maintain viable presence	11	2030-2031	2030	\$ -	\$ 822,300	\$ 37,154,900	\$ 37,977,200	\$ 37,977,200	\$ 37,977,200
	12	2031-2032	2031	\$ -	\$ 801,700	\$ 34,739,800	\$ 35,541,500	\$ 35,541,500	\$ 35,541,500
	13	2032-2033	2032	\$ -	\$ 781,700	\$ 32,481,700	\$ 33,263,400	\$ 33,263,400	\$ 33,263,400
	14	2033-2034	2033	\$ -	\$ 762,200	\$ 30,370,400	\$ 31,132,600	\$ 31,132,600	\$ 31,132,600
	15	2034-2035	2034	\$ -	\$ 743,100	\$ 28,396,300	\$ 29,139,400	\$ 29,139,400	\$ 29,139,400
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	\$ -	\$ 724,500	\$ 26,550,500	\$ 27,275,000	\$ 27,275,000	\$ 27,275,000
	17	2036-2037	2036	\$ -	\$ 706,400	\$ 24,824,700	\$ 25,531,100	\$ 25,531,100	\$ 25,531,100
	18	2037-2038	2037	\$ -	\$ 688,700	\$ 23,211,100	\$ 23,899,800	\$ 23,899,800	\$ 23,899,800
	19	2038-2039	2038	\$ -	\$ 671,500	\$ 21,702,400	\$ 22,373,900	\$ 22,373,900	\$ 22,373,900
	20	2039-2040	2039	\$ -	\$ 654,700	\$ 20,291,700	\$ 20,946,400	\$ 20,946,400	\$ 20,946,400
	21	2040-2041	2040	\$ -	\$ 638,300	\$ 18,972,700	\$ 19,611,000	\$ 19,611,000	\$ 19,611,000
	22	2041-2042	2041	\$ -	\$ 622,300	\$ 17,739,500	\$ 18,361,800	\$ 18,361,800	\$ 18,361,800
	23	2042-2043	2042	\$ -	\$ 606,700	\$ 16,586,400	\$ 17,193,100	\$ 17,193,100	\$ 17,193,100
	24	2043-2044	2043	\$ -	\$ 591,500	\$ 15,508,300	\$ 16,099,800	\$ 16,099,800	\$ 16,099,800
	25	2044-2045	2044	\$ -	\$ 576,700	\$ 14,500,300	\$ 15,077,000	\$ 15,077,000	\$ 15,077,000

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

Only include market value for eligible property on this schedule.

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	ALL JOBS ARE FTE Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	\$ -	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	75	\$ 45,000	0	1	\$ 59,408.00
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	25	\$ 45,000	0	2	\$ 59,408.80
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	0		0	2	\$ 59,408.80
	2	2021-2022	2021	0		0	2	\$ 59,408.80
	3	2022-2023	2022	0		0	2	\$ 59,408.80
	4	2023-2024	2023	0		0	2	\$ 59,408.80
	5	2024-2025	2024	0		0	2	\$ 59,408.80
	6	2025-2026	2025	0		0	2	\$ 59,408.80
	7	2026-2027	2026	0		0	2	\$ 59,408.80
	8	2027-2028	2027	0		0	2	\$ 59,408.80
	9	2028-2029	2028	0		0	2	\$ 59,408.80
	10	2029-2030	2029	0		0	2	\$ 59,408.80
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044	0		0	2	\$ 59,408.80

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

- C1.

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

☒

Yes

☐

No
- C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

☒

Yes

☐

No
- C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

☐

Yes

☒

No

Schedule D: Other Incentives (Estimated)

Date

6/29/2017

Applicant Name

Apex Midway Wind, LLC

Form 50-296A

ISD Name

Taft ISD

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: San Patricio	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	City: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Other: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Tax Code Chapter 312	County: San Patricio (Total over 25 years)	2019	9 years	\$ 4,700,276	\$ 2,466,566	\$ 2,233,710
	City: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Other: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Local Government Code Chapters 380/381	County: San Patricio	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	City: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Other: Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Freeport Exemptions	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Non-Annexation Agreements	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Enterprise Zone/Project	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Economic Development Corporation	Not applicable	Not applicable	Not applicable		Not applicable	
Texas Enterprise Fund	Not applicable	Not applicable	Not applicable		Not applicable	
Employee Recruitment	Not applicable	Not applicable	Not applicable		Not applicable	
Skills Development Fund	Not applicable	Not applicable	Not applicable		Not applicable	
Training Facility Space and Equipment	Not applicable	Not applicable	Not applicable		Not applicable	
Infrastructure Incentives	Not applicable	Not applicable	Not applicable		Not applicable	
Permitting Assistance	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
Other:	Not applicable	Not applicable	Not applicable		Not applicable	
TOTAL				\$ 4,700,276	\$ 2,466,566	\$ 2,233,710

Additional information on incentives for this project:

Chapter 312 tax abatement with San Patricio County has been obtained. The abatement agreement is for nine years with the following percentages: 100% for years 1-3, 90% for years 4-5, 60% for years 6-7, and 40% for years 8-9. The tax abatement does *not* apply to the county's road and bridge fund or I&S. Those 2016 tax rates are \$.045003 per \$100 value and \$.028921 per \$100 value, respectively. The tax abatement only applies to the county's general tax rate of \$.418 per \$100 value. Tax abatement savings over a 25-year period due to the county tax abatement agreement are approximately \$2,466,566. However all but approximately \$350,000 of this tax savings is expected to be spent to improve county roads under a road use agreement with San Patricio County.

TAB 15

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

None.

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

See attached reinvestment zone information on the following pages. The San Patricio County Commissioners Court created the reinvestment zone on December 16, 2013. The county's guidelines and criteria in effect at the time the reinvestment zone was created is attached.

THE STATE OF TEXAS

COMMISSIONERS' COURT

COUNTY OF SAN PATRICIO

RESOLUTION APEX MIDWAY LLC
ORDER FOR DESIGNATION OF REINVESTMENT ZONE

- WHEREAS, the San Patricio County Commissioners' Court has determined that the economic well being of San Patricio County is of primary concern to the Commissioners' Court, and;
- WHEREAS, Chapter 312, Texas Tax Code, known as the Texas Property Redevelopment and Tax Abatement Act Provides that San Patricio County has the authority to create reinvestment zones within the County for the purpose of economic development, and;
- WHEREAS, on December 16, 2013, the San Patricio County Commissioners' Court, by resolution, established certain guidelines and criteria governing tax abatement agreements and indicated the desire of San Patricio County to become eligible to participate in tax abatement agreements, and;
- WHEREAS, Apex Midway Wind, LLC has requested the designation of a reinvestment zone for purposes of tax abatement of real property belonging to Apex Midway Wind, LLC, for the purposes of economic development as defined under the Texas Property Redevelopment and Tax Abatement Act, and;
- WHEREAS, on the 6th day of December, 2013, proper notice was posted, stating that a public hearing would be conducted by the San Patricio County Commissioners' Court on the 16th day of December, 2013, to consider the request by Apex Midway Wind, LLC to have property herein described in Exhibit "A" designated as a reinvestment zone, and;
- WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the terms of the agreement and the property subject to the agreement as presented to San Patricio County by Apex Midway Wind, LLC meet the applicable guidelines and criteria adopted by the Commissioners' Court on December 9, 2013, and;
- WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the creation of a reinvestment zone for the above stated property would be a benefit to the said property and the development anticipated to occur in the proposed zone would contribute to the economic development of San Patricio County, and;
- WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the designation of the reinvestment zone would contribute to the retention or

WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the designation of the reinvestment zone would contribute to the retention or expansion of primary employment within San Patricio County, and;

WHEREAS, it is the finding of the Commissioners' Court of San Patricio County that the designation of the reinvestment zone would attract major investment in the zone, and;

WHEREAS, the above stated property does not contain area in the taxing jurisdiction of an incorporated municipality;

BE IT THEREFORE ORDERED that the Commissioners' Court of San Patricio County designates as a reinvestment zone, property herein described in Exhibit "A", pursuant to the authority contained in Section 312.401 of the Texas Property Redevelopment and Tax Abatement Act.

Passed in open court this 16th day of December 2013.


Terry Simpson
Terry Simpson, County Judge
San Patricio County, Texas

Nina D. Brevino
Commissioner, Precinct 1

Attest:

Gracie Alaniz-Gonzales
Gracie Alaniz-Gonzales
County Clerk
San Patricio County, Texas

Butt Martin
Commissioner, Precinct 2

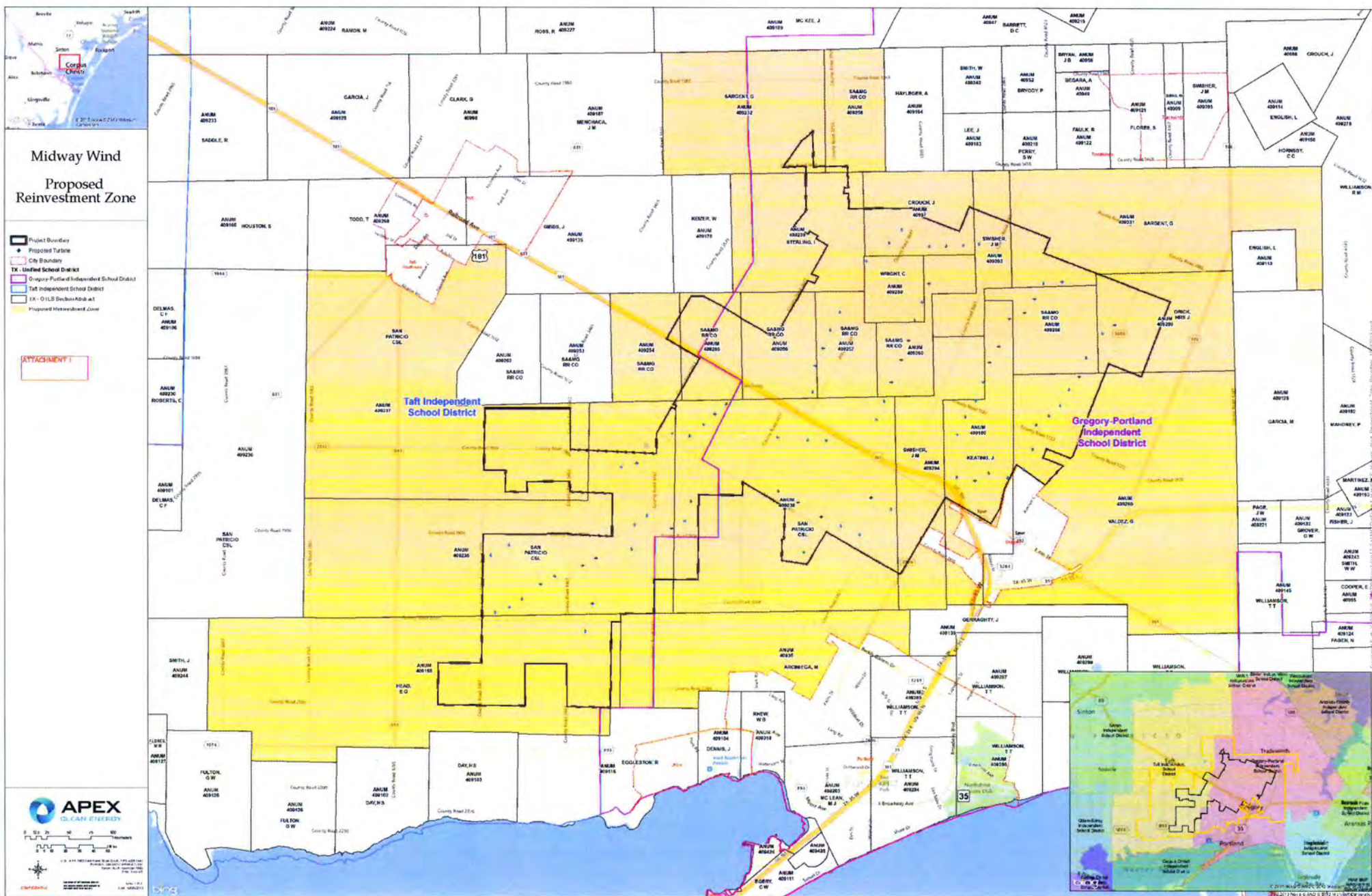
Alma S. Moreno
Commissioner, Precinct 3

Commissioner, Precinct 4

EXHIBIT A

Apex Midway Wind, LLC Reinvestment Zone Legal Description

Arciniega, M	A-35	40935	Save and except any portion of abstract inside the city limits of Portland, Texas as they exist as of November 18, 2013
Head, E G	A-155	409155	
Keating, J	A-180	409180	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Orick, HRS J	A-209	409209	
Sargent, G	A-231	409231	
Sargent, G	A-232	409232	
San Patricio CSL	A-235	409235	
San Patricio CSL	A-237	409237	Save and except any portion of abstract inside the city limits of Taft, Texas as they exist as of November 18, 2013
San Patricio CSL	A-238	409238	
Sterling, I	A-239	409239	
SA&MG RR CO	A-254	409254	
SA&MG RR CO	A-255	409255	
SA&MG RR CO	A-256	409256	
SA&MG RR CO	A-257	409257	
SA&MG RR CO	A-258	409258	
SA&MG RR CO	A-259	409259	
SA&MG RR CO	A-260	409260	
Valdez, G	A-269	409269	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Wright, C	A-280	409280	
Swisher, J M	A-393	409393	
Swisher, J M	A-394	409394	Save and except any portion of abstract inside the city limits of Gregory, Texas as they exist as of November 18, 2013
Crouch, J	A-87	40987	



THE STATE OF TEXAS

COMMISSIONERS COURT

COUNTY OF SAN PATRICIO

NOTICE OF MEETING

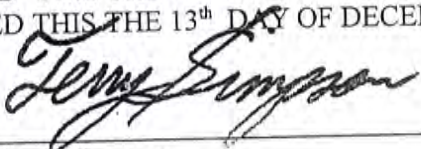
IN ACCORDANCE WITH VERNON'S TEXAS CODES ANNOTATED, GOVERNMENT CODE, CHAPTER 551 NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE COMMISSIONERS' COURT WILL BE HELD ON MONDAY, DECEMBER 16th, 2013 AT 2:30 P.M. IN THE SAN PATRICIO COUNTY COURTHOUSE, COMMISSIONERS COURTROOM, #230-SECOND FLOOR AT WHICH TIME THE FOLLOWING SUBJECTS WILL BE DISCUSSED, CONSIDERED, PASSED OR ADOPTED.

1. ADMINISTRATION

- 1.1 Call meeting to order
- 1.2 Pledge of allegiance
- 1.3 Consideration and action on creating a re-investment zone for Apex Midway Wind, LLC

2. ADJOURN

SIGNED THIS THE 13th DAY OF DECEMBER, 2013
POSTED THIS THE 13th DAY OF DECEMBER, 2013



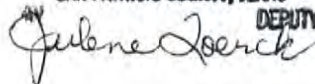
Judge Terry Simpson

PERSONS WITH DISABILITIES PLANNING TO ATTEND THIS MEETING WHO MAY NEED AUXILIARY AIDS OR SERVICES ARE ASKED TO CONTACT THE COUNTY JUDGE'S OFFICE AT 361-364-9301

FILED
AT 2:26 P M O'CLOCK

DEC 13 2013

GRACIE ALANIZ-GONZALES COUNTY CLERK
SAN PATRICIO COUNTY, TEXAS

BY  DEPUTY

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the area would enhance the economic base of area taxing entities; and

WHEREAS, San Patricio County must compete with other counties across the nation currently offering tax inducements to attract new plant and modernization projects, and studies have shown that a favorable local tax climate and start-up tax concessions rank second on the list of priorities for new plant installations or expansions; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any tax incentives offered must be strictly limited in application to those new and existing industries that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing entities; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (The "Act"), Chapter 312 of the Texas Tax Code authorizes counties, cities and school districts to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-fourths vote; and

WHEREAS, to assure a common, coordinated effort to promote economic development, these Guidelines and Criteria have been circulated among San Patricio County and other governmental entities for consideration as a common policy for all jurisdictions which choose to participate in tax abatement agreements;

NOW, THEREFORE, BE IT RESOLVED by the County of San Patricio that these Guidelines and Criteria for granting tax abatement be adopted:

Section 1. Definitions.

(a) "Abatement" means the temporary, full or partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designed for economic development purposes pursuant to the Act.

(b) "Added Value" means the increase in the assessed value of an eligible property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility." It does not mean or include "deferred maintenance."

- (c) "Agreement" means a contract between a property owner and/or lessee and an Eligible jurisdiction for the purposes of temporary tax abatement.
- (d) "Base Year Value" means the assessed value of eligible property as of the January 1 preceding the execution of an Agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the Agreement.
- (e) "Basic Industrial, Manufacturing or Service Facility" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of San Patricio County.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.
- (h) "Eligible Jurisdiction" means San Patricio County and any municipality or school district, the majority of which is located in San Patricio County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing zone designated pursuant to the Act.
- (i) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (j) "Facility" means property improvements completed or in the process of construction which together compromise an integral whole.
- (k) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of deferred maintenance.
- (l) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (m) "Owner" means the owner of a Facility subject to abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the property subject to tax abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving abatement.

Section 2. Abatement Authorized.

- (a) Authorized Facilities. A Facility may be eligible for abatement if it is a Basic Industrial, Manufacturing or Service Facility. Abatement may be granted for new facilities and

improvements to existing facilities for the purpose of Modernization or Expansion.

(b) Tangible Personal Property. Equipment and/or tools used, or brought or leased for use, in the operations of the business applying for tax abatement, other than that which was located on the real property at any time before the period covered by the tax abatement agreement, and other than inventory, supplies, and/or office equipment.

(c) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subject to and listed in an abatement Agreement between the Eligible jurisdiction and the property owner and lessee (if required), subject to such limitations as said jurisdiction may require. The economic life of the improvements must exceed the term of the abatement Agreement.

(d) Eligible Property. Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility. Abatements may also extend to tangible personal property that is located within the zone.

(e) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. Abatement shall be allowed for a period of ten years.

(f) Abatement Percentage. Temporary property tax abatement shall be authorized for the development of a Facility or the addition of tangible personal property that meets either a qualification criteria of capital investment or a qualification criteria based upon a combination of the number of new jobs created plus salary.

(1) The capital investment qualification criteria is as follows:

Capital Investment	Abatement Level
\$2,000,000 to \$10,000,000	Level 1
\$10,000,001 to \$50,000,000	Level 2
\$50,000,001 to \$150,000,000	Level 3
\$150,000,001 to \$500,000,000	Level 4
Over \$500,000,000	Level 5

(2) The combination of new jobs and salary criteria is as follows:

	Salary \$35,000 to \$50,000	Salary \$50,001 to \$70,000	Salary Over \$70,000
20 to 99 New Jobs	Level 1	Level 2	Level 3
100 to 199 New Jobs	Level 2	Level 3	Level 4
200 or more New Jobs	Level 3	Level 4	Level 5

(3) Upon compliance with the above criteria, the percentage of tax abated shall be in accordance with the following schedule:

Year	Level 1	Level 2	Level 3	Level 4	Level 5
Year 1	60%	70%	80%	90%	100%
Year 2	50%	60%	70%	80%	90%
Year 3	40%	50%	60%	70%	80%
Year 4	30%	40%	50%	60%	70%
Year 5	20%	30%	40%	50%	60%
Year 6	10%	20%	30%	40%	50%
Year 7		10%	20%	30%	40%
Year 8			10%	20%	30%
Year 9				10%	20%
Year 10					10%

(4) In order to be counted as a permanent job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 35 hours per week and the employer must cover over 51% of the employee's health insurance costs. Any jobs filled by H1B and H2B workers will be excluded as permanent jobs. The percentage of abatement provided each year under the Agreement shall be based upon the employment information as of January 1 of such year. As a result, the actual amount of abatement may vary from year to year based upon employment levels and property valuations.

(5) During the period of construction of the Facility, the Owner shall receive an abatement percentage based upon the criteria set forth in the Owner's application for abatement approved by the governing body of the Eligible jurisdiction. The construction period may last up to two years.

(6) For example, Company A has an abatement Agreement entered 5/1/2011 and projects to create 250 permanent jobs at a \$50,000 to \$55,000 salary average. If the actual experience of Company A involves fluctuating job and salary levels, the actual abatement under the Agreement could follow the following pattern:

<u>Year</u>	<u>New Jobs</u>	<u>Salary Level</u>	<u>Abatement Percentage</u>	<u>Abatement Level</u>
1/1/12*	0	\$ 0	90%	Level 4
1/1/13*	0	\$ 0	80%	Level 4
1/1/14	150	\$55,000	60%	Level 3
1/1/15	250	\$60,000	60%	Level 4
1/1/16	300	\$65,000	50%	Level 4
1/1/17	150	\$45,000	20%	Level 2
1/1/18	250	\$55,000	30%	Level 4
1/1/19	300	\$65,000	20%	Level 4
1/1/20	350	\$75,000	20%	Level 5
1/1/21	400	\$80,000	10%	Level 5

*Construction Underway

(g) Properties in Industrial Districts. For eligible property to be constructed in an area which is covered by an executed industrial district agreement with San Patricio County, the method of calculating payments in lieu of property taxes for such eligible property shall be as set forth in the industrial district agreement. As an alternative to an industrial district agreement, an eligible property may be covered by a tax abatement agreement, but such shall constitute an election by the Owner that the land and improvements shall not be included within the type of industrial district arrangement following the expiration of the tax abatement agreement.

(h) Economic Qualification. In order to be eligible for tax abatement, the planned improvement:

- (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum number of 20 permanent jobs in San Patricio County;
- (2) must not adversely affect competition in the local market with established local businesses.

(i) Taxability. From the execution of the Agreement to the end of the abatement period, taxes shall be payable as follows:

- (1) The value of any property other than Eligible Property shall be fully taxable (except for personal property added in connection with a Rehabilitation Project);
- (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
- (3) The Added Value of new Eligible Property shall be taxable in the manner described in Section 2(f) above.

Section 3. **Application**

(a) Written Application. Any present or potential owner of taxable property may request tax abatement by filing a written application with: (i) the City Manager of the City, if such property is within the city limits, or (ii) the County Judge of San Patricio County, if such property is in the unincorporated areas of San Patricio County.

(b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion project, a statement of the assessed value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County or other Eligible jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.

- (c) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager or County Judge, as the case may be, shall forward a copy of the application to the presiding officer of the governing body of each Eligible jurisdiction having jurisdiction of the property covered by the application.
- (d) Feasibility. After receipt of an application for abatement, the City or the County, as applicable, shall consider the feasibility and the impact of the proposed tax abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the abatement of taxes and the benefit to the Eligible jurisdiction and the property to be covered by such abatement.
- (e) No Abatement if Construction has Commenced. No tax abatement Agreement shall be approved if the application for the abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (f) Variance. Requests for variance from the provisions of Section 2 may be made in written form, provided, however, that no variance may extend the term of abatement beyond ten years after completion of construction. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body of each Eligible jurisdiction providing abatement.

Section 4. Public Hearing and Approval.

- (a) Designation of Zone. A resolution designating a zone for tax abatement under the Act may not be adopted by the City or the County until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible jurisdiction and to the public in the manner required by the Act.
- (b) Required Findings. In order to enter into a tax abatement Agreement, the County, the City and any school district must find that the terms of the proposed Agreement meet these Guidelines and Criteria.
- (c) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for tax abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed project should be granted temporary tax abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed temporary abatement of taxes will inure to the long-term benefit of such Eligible jurisdiction.

Section 5. **Agreement.**

(a) Contents of Tax Abatement Agreement. The tax abatement Agreement with the Owner of the Facility shall include:

- (1) the estimated value to be subject to abatement and the Base Year Value;
- (2) the percentage of value to be abated each year as provided in Section 2(f);
- (3) the commencement date and termination date of abatement;
- (4) a provision that the term of the Agreement shall extend until five (5) years after the expiration of the period of tax abatement;
- (5) the proposed use of the Facility, nature of construction, time schedule, map, property description and improvements list as provided in the application as required;
- (6) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law; and
- (7) the amount of Added Value and required number of permanent jobs.

(b) Time of Execution. The tax abatement Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.

(c) Attorney's Fees. In the event any attorney's fees are incurred by the Eligible jurisdiction in the preparation of a tax abatement Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

Section 6. **Recapture.**

(a) Failure to Commence Operations During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum number of 20 permanent jobs by the January 1 following the completion of construction, no abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum number of 20 permanent jobs by the next January 1, then the abatement Agreement shall terminate and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination.

(b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the required minimum number of 20 permanent jobs but subsequently discontinues operations and the minimum number of 20 permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement after the

completion of construction, for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the Eligible jurisdiction providing abatement, and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within 60 days of such termination.

- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall terminate and so shall the abatement of the taxes for the tax year of the delinquency. The total taxes assessed without abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible jurisdiction providing abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period, the Agreement may be terminated and the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the Eligible jurisdiction providing abatement determine that the total level of capital investment in eligible property is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual capital investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of abatement with respect to any property any portion of the abated value which is added to the current total value of the Eligible jurisdiction but is not treated as "new property value" (as defined in Section 26.012 (17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance rate" in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible jurisdiction for the succeeding year, then the Eligible jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
 - (1) The amount of the taxes abated for that year by the Eligible jurisdiction with respect to such taxpayer.
 - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total assessed value of the Eligible jurisdiction.

If the Eligible jurisdiction has granted an abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Continuation of Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall be secured by a first and prior tax lien which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

Section 7. **Administration.**

- (a) Annual Assessment. The San Patricio County Appraisal District shall annually determine an assessment of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the assessment and the abatement.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the Eligible jurisdiction will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with its safety standards.
- (c) Annual Evaluation. Upon completion of construction, the Eligible jurisdiction individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving abatement to ensure compliance with the Agreement and report possible violations of the Agreement.
- (d) Annual Reports. The Owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that the Owner is in compliance with each applicable term of the

agreement. Additionally, during the initial four years of the term of property tax abatement, the Owner shall provide to the Eligible Jurisdiction approving the abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the Eligible jurisdiction no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.

- (e) "Buy Local" Provisions. Each recipient of property tax abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception cases involving purchases over \$10,000.00 a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving property tax abatements to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas County or Nueces County. In the event of a breach of the buy-local provision, the percentage of abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost for the project.
- (f) Right to Modify or Cancel. Notwithstanding anything herein or in any agreement to the contrary, the governing body of the Eligible Jurisdiction may cancel or modify the agreement if the Owner fails to comply with the Agreement.

SCHEDULE 1

“Buy Local” Annual Reports

The following information shall be reported to the Governmental Unit on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local).
2. Dollar amount spent for materials* (total).
3. Dollar amount spent for labor** (local).
4. Dollar amount spent for labor** (total).
5. Number of jobs created in the construction project (local).
6. Number of jobs created in the construction project (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

* “Materials” is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** “Labor” is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the project design.

The term “local” as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either San Patricio County, Aransas County, or Nueces County.

APPLICATION FOR TAX ABATEMENT IN SAN PATRICIO COUNTY

INSTRUCTIONS:

Applicants and projects must meet the requirements established by the San Patricio County Guidelines and Criteria in order to receive positive consideration. Section 2 of the Guidelines sets out regulations governing eligible facilities, eligible and ineligible improvements, terms, and economic qualifications. Conformance with all applicable sections is required for eligibility.

APPLICANTS INFORMATION:

The taxing unity may consider the applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned business of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established, business references (name of contact and telephone number of principal bank, accountant and attorney) and may be required to submit an audited financial statement and business plan.

PROJECT INFORMATION:

Only facilities listed in Section 2(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 1 to see if the project qualifies. If the project is a Regional Entertainment Facility or other Basic Industry, the application should include market studies, business plans, agreements or other materials demonstrating that the facility is intended to serve a market the majority of which is substantially outside of the San Patricio County region.

ECONOMIC INFORMATION

Permanent Employment Estimates. In estimating the permanent employment of the projects, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

Estimated appraised Value 'on Site.' The value January 1 preceding abatement should be the value established by the San Patricio County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least two million dollars after the period of abatement expires. Projections of value should be a "best estimate" based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plan administration, housing, etc.

Applications for Tax Abatement in San Patricio County Fill-in Instructions

This application should be filed at least THIRTY (30) DAYS prior to the beginning of construction or the installation of equipment. This application will become a part of any later agreement or contract and known false representations thereon will be grounds for the voiding of any later agreement or contract .

ORIGINAL COPY OF THIS APPLICATION AND ATTACHMENTS SHOULD BE SUBMITTED

To: San Patricio County Judge— 400 W. Sinton Street, Room 109, Sinton, TX 78387

APPLICANT INFORMATION

Submittal Date

Company Name

Company Address

Company Phone

Contact of this Project

Number employed

Annual Sales Per Year

Annual Report Submitted? Yes _____

No _____ (See instructions)

Type of Structure: Corporation ()

Partnership ()

Proprietorship ()

PROJECT INFORMATION

Type of Facility to be abated: Manufacturing ()

Regional Distribution ()

Regional Service ()

Regional Entertainment Center ()

Research ()

Other ()

Basic Industry ()

Multi-family housing ()

Proposed Facility Address and Legal Description:

Attach map showing site

School District _____

Other District(s) ___ drainage

City _____

Describe product or service to be provided

This application is for new construction ()

expansion ()

Modernization ()

Project Description:

Please attach a statement fully explaining the project: describing the site and existing improvements; describing all proposed improvements; providing a list of improvements and fixed equipment for which abatement is requested. Equipment list attached.

ECONOMIC AND IMPACT INFORMATION

Permanent Employment Estimates

If any existing Facility, please present a report indicating the total number of permanent employees at the Facility on the first day of each month for the past twelve months.

Estimated Number of Plant Jobs Retained () Created () at Start

Estimated Operational Date and or opening of improvements

Construction and employment estimated

Construction Start (month/year) _____

Construction Completion (month/year) _____

Number of Construction jobs start _____ peak _____ finish _____

Number of Construction jobs per year _____

School District Impact Estimates

Number of families transferred to area _____

Number of children added to ISD _____

City Impact Estimates

Volume of treated water required from city _____

Volume of effluent to be treated by city _____

Estimated Appraised Value on Site

Land

Personal Property

Improvements

Valuations January 1

Preceding abatement \$ _____ \$ _____ \$ _____

Value, upon completion of project, of personal property and improvements not subject to abatements:

\$ _____ \$ _____ \$ _____

Estimated value of eligible improvements after abatement agreement expires: \$ _____

Variance:

Is a variance being sought under Section 3 (f) of the Guidelines?

_____ Yes _____ No

If "yes" attach any supplementary information required. Letter attached asking for variance

Other Agreement Applications

Has the company made application for abatement of this project to other taxing jurisdictions within the San Patricio County?

_____ Yes _____ No

To other taxing jurisdictions or counties?

_____ Yes _____ No

If "yes," please provide dates of application; hearing dates; names of jurisdiction(s) and contact; and any letters of intent to abate.

Declaration

To the best of my knowledge the above information is an accurate description of project details.

Company Official Signature

Printed Name of Company Official

Title of Company Official: Property Tax Manager

ACTION

DO NOT WRITE HERE

FOR OFFICIAL USSE

1. EDC Contact
2. San Patricio County Precinct _____
3. School District _____
4. City _____
5. Other District _____
6. Jurisdictions Notified (date) _____
7. Initial Review Complete (date) _____
8. Review Circulated (date) _____
9. Concurrence
 ISD _____
 Other District(s) _____
 City _____
10. Letter of Intent (date) _____
11. Hearing Notice on Agenda (date) _____
12. Public Hearing (date) _____
13. Action
 ISD _____
 Other District(s) _____
 City _____
14. Agreement Signed (date) _____

COUNTY TAX ABATEMENTS

Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code
312.001, *et seq.*

Procedure

- Adopt Guidelines and Criteria
- Pass Resolution declaring itself to be eligible to participate in abatements
- Establish Reinvestment Zone only after: (a) seven days advance notice published in local newspaper; (b) delivery of notice to presiding officer of governing bodies of taxing units within proposed reinvestment zone
- Finding by San Patricio County that: (a) improvements are feasible, practical and would benefit land within zone after expiration of agreement; and (b) reasonably likely to contribute to retention or expansion of primary employment or to attract major investment
- At least seven days prior to signing, give notice of intent to enter into agreement

The Abatement Agreement

- Contain a list of the kind, number and location of all proposed improvements;
- Provide access to and authorize inspection to ensure that the improvements are made according to the agreement;
- Limit the uses of the property consistent with encouraging development within the reinvestment zone;
- Provide for recapture of tax revenue lost if the owner fails to make the improvements;
- Contain each term agreed to by the owner;
- Require an annual certification by the owner to the governing body that owner is in compliance; and
- Provide that the governing body may cancel or modify the agreement if the owner fails to comply with the agreement.

Job Creation

Company agrees to create at least 20 permanent full time jobs at the Project and make reasonable efforts to employ persons who are residents of San Patricio County, Texas in such jobs; provided, however, that Company shall not be required to employ San Patricio County residents who are not (i) equally or more qualified than nonresident applicants; (ii) available for employment on terms and/or salaries comparable to those required by nonresident applicants or (iii) able to become qualified with 72 hours of training. In the event a San Patricio County resident could become qualified with a maximum of 72 hours of training, Company shall provide for such training. Each of the persons employed in such jobs shall perform a portion of their work in San Patricio County, Texas

Local Goods and Services

Company and its authorized vendors intend to make reasonable effort to purchase services and supplies from San Patricio County individuals and businesses during the construction of the Facility in San Patricio County, provided that such materials and supplies are of the same quality as those available from non-San Patricio County individuals or businesses and are available at comparable terms. Comparable terms shall mean a price that is less than or equal to 105% of the price of non-San Patricio County individual or businesses. Company will take reasonable steps to employ or have employed residents of San Patricio County, provided that such residents have the required skills and experience and are available at a competitive wage or salary, as applicable. In furtherance of that goal, the following provisions, or a reasonable derivation thereof, will be followed by Company.

Local Coordinator

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

Protection of Roads

During construction of the Improvements, Company shall use commercially reasonable efforts to minimize the disruption to all public and San Patricio County roads caused by the construction of the Improvements and shall repair any damages caused to San Patricio County roads by the construction. The repairs shall be completed by Company in accordance with the published standards and specifications for road maintenance for other San Patricio County roads. Upon the completion of the construction, Company shall leave such public and San Patricio County roads in as close to the condition as they were prior to construction as is practicable, excepting normal wear and tear.

AG-0600

San Patricio County and Owner acknowledge that Texas Attorney General Opinion GA-0600, dated January 29, 2008, arguably may be interpreted to hold that certain provisions of Section 312 of the Texas Tax Code may not authorize a commissioners court to execute a tax abatement agreement for leasehold interests in or improvements on taxable real property, and that said opinion is currently under review and subject to challenge by interested parties. If, during the Term of this Agreement, should this Agreement, as a tax abatement agreement under Section 312 of the Texas Tax Code, or a similar tax abatement agreement wherein San Patricio County granted a tax abatement to the owner/operator of a renewable energy project using wind turbines be declared invalid or unenforceable under Texas law in a non-appealable judicial decision, then to the extent that taxes then previously abated hereunder shall be required by law to be repaid to San Patricio County, all taxes abated hereunder shall be due and payable within ninety (90) days of receipt of written notice/demand.

Maintain Viable Presence

Company agrees that it will maintain a Viable Presence within the Reinvestment Zone for a period of twenty (20) years from the date that the portion of the Facility located in San Patricio County has commenced commercial operations.

Viable Presence means (i) the operation of the Facility, as the same may from time to time be expanded, upgraded, improved, modified, and changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered, over the term of this Agreement, and (ii) the retention over the term of this Agreement of not fewer than twenty (20) Qualifying Jobs to be located and performed within Company's entire project, which includes, but is not limited to, Company's Qualified Property, as set forth in the Application, with the minimum salaries required by Texas Tax Code 313.021 (3)(E). As its sole and exclusive remedy for Company's failure to Maintain a Viable Presence, San Patricio County shall be entitled to cancel this Agreement pursuant to the provisions hereof and to recapture property tax revenue abated as a result of this Agreement, subject to the provisions hereof regarding notice and Company's right to cure.

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Apex Midway Wind, LLC Representative (applicant)

See attached.