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Jay Youngblood
Tyler, Texas
John J. Janssen, Ph.D.
Corpus Christi, Texas
Geneva L. Taylor
Houston, Texas
Rick W. Powell
Pittsburg/Lewisville, Texas

June 21, 2018

Via Hand Delivery

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Culberson County-Allamore Independent School District and IP Aragorn, LLC

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

Dear Local Government Assistance and Economic Analysis Division:

The Culberson County-Allamore Independent School District Board of Trustees accepted the enclosed Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes at a duly called meeting held on June 19, 2018. The Application was determined to be complete on June 21, 2018. The proposed project is a solar electric generation facility.

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

Thank you so much for your kind attention to this matter.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Sara Leon', is written over a horizontal line.

Sara Hardner Leon

SHL:sl

Enclosures

1001 ESE Loop 323, Ste. 450 Tyler, Texas 75701 t: 903-526-6618 f: 903-526-5766	115 Wild Basin Rd., Ste. 106 Austin, Texas 78746 t: 512-494-1177 f: 512-494-1188	7324 Southwest Freeway, Ste. 365 Houston, Texas 77074 t: 713-779-7500 f: 713-485-0169	802 N. Carancahua, Ste. 665 Corpus Christi, Texas 78401 t: 361-452-2804 f: 361-452-2743
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www.powell-leon.com
Toll Free: 800-494-1971

cc: Maricel G. Gonzelez, Chief Appraiser
Culberson County Appraisal District
Post Office Box 550
Van Horn, Texas 79855

Via Electronic Mail: kbaugh@ccaids.net
Ken Baugh, Superintendent of Schools
Culberson County-Allamore Independent School District

Via Electronic Mail: dcummings@cwlp.net
Dale Cummings
Cummings Westlake, LLC

Via Electronic Mail: Brandon@intersectpower.com
Brandon Kideckel
Intersect Power

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

June 19, 2018

Date Application Received by District

Ken

First Name

Baugh

Last Name

Superintendent

Title

Culberson County - Allamoore ISD

School District Name

400 West 7th St.

Street Address

P.O. Box 899

Mailing Address

Van Horn

City

432-283-2245

Phone Number

TX

State

79855

ZIP

432-283-9062

Fax Number

kbaugh@ccaids.net

Email Address

Mobile Number (optional)

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)*

Sara	Leon
First Name	Last Name
Partner	
Title	
Powell & Leon, LLP	
Firm Name	
512-494-1177	512-494-1188
Phone Number	Fax Number
	sleon@powell-leon.com
	Email Address
Mobile Number <i>(optional)</i>	

4. On what date did the district determine this application complete? June 21, 2018

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)*

Lucas	Dunnington
First Name	Last Name
Chief Operating Officer	Intersect Power
Title	Organization
2 Embarcadero Center, 7th Floor, San Francisco, CA 94111	
Street Address	
548 Market Street #68743	
Mailing Address	
San Francisco	CA 94104
City	State ZIP
510-260-2192	Applicant has no fax number
Phone Number	Fax Number
	Luke@intersectpower.com
Mobile Number <i>(optional)</i>	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.

Brandon	Kideckel
First Name	Last Name
Partner	Intersect Power
Title	Organization
2 Embarcadero Center, 7th Floor, San Francisco, CA 94111	
Street Address	
548 Market Street #68743	
Mailing Address	
San Francisco	CA 94104
City	State ZIP
510-260-2192	Applicant has no fax number
Phone Number	Fax Number
	Brandon@intersectpower.com
Mobile Number <i>(optional)</i>	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)

Dale	Cummings
First Name	Last Name
Founding Partner	
Title	
Cummings Westlake, LLC	
Firm Name	
713-266-4456	713-266-2333
Phone Number	Fax Number
dcummings@cwlp.net	
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? IP Aragorn, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32063877008
3. List the NAICS code 221114
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) LLC
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 (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ 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 December 2018
2. Commencement of construction November 2019
3. Beginning of qualifying time period January 1, 2020
4. First year of limitation 2022
5. Begin hiring new employees 4th Quarter 2020
6. Commencement of commercial operations 1st Quarter 2021
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? 1st Quarter 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Culberson
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Culberson
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: Culberson, 100%, \$.23388 n/a
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Culberson Co., 100%, \$.183734 n/a
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): n/a n/a
(Name, tax rate and percent of project) (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? 20,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 25,000,000.00
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:
- 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**);
 - 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
 - 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:
- legal description of the land (**Tab 9**);
 - 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**);
 - owner (**Tab 9**);
 - the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - 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:
- evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - legal description of reinvestment zone (**Tab 16**);
 - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - guidelines and criteria for creating the zone (**Tab 16**); and
 - 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? August 2018

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**:
- maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 72,060.00
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): \$ 0.00

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)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018
(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)? 0
- 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? 2
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
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 943.25
- b. 110% of the average weekly wage for manufacturing jobs in the county is 0.00
- c. 110% of the average weekly wage for manufacturing jobs in the region is 850.13
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? 44,206.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 44,206.80
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**.

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 1

Pages 1 through 9 of application.

TAB 2

Proof of Payment of Application Fee

Please find on the following page, copy of the check for the \$75,000 application fee to Culberson County-Allamoore Independent School District.

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)

IP Aragorn, LLC is part of a combined group. Please see attached documentation.



Franchise Tax Account Status

As of : 06/03/2018 13:44:42

This Page is Not Sufficient for Filings with the Secretary of State

IP ARAGORN, LLC	
Texas Taxpayer Number	32063877008
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/26/2017
Texas SOS File Number	0802732979
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

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

TAB 4

Detailed Description of the Project

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

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

The Project will be constructed on approximately 1,765 acres, which is part of a larger, long-term lease agreement with the Permanent University Fund of the State of Texas. The Project will be located entirely within Culberson County-Allamore Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 180 MW-AC in size;
- Photovoltaic (PV) modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

Construction of the Project is anticipated to begin in the fourth quarter of 2019 with anticipated project completion by the fourth quarter of 2020 or first quarter of 2021.

The ERCOT GINR is 19INR0088 and the project is also known as Aragorn Solar.

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

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

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

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

About IP Renewable Energy Holdings LLC

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

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)

Taxing Entity	% of Project	2017 Tax Rate Per \$100
Culberson County	100%	\$.23388
Culberson ISD	100%	\$1.496581
Culberson Hospital District	100%	\$.183734

TAB 7*Description of Qualified Investment*

The Project will be constructed on approximately 1,765 acres, which is part of a larger, long-term lease agreement with the Permanent University Fund of the State of Texas. The Project will be located entirely within Culberson County-Allamore Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 180 MW-AC in size;
- Photovoltaic (PV) modules;
- DC-to-AC inverters;
- Medium and high-voltage electric cabling;
- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

Construction of the Project is anticipated to begin in the fourth quarter of 2019 with anticipated project completion by the fourth quarter of 2020 or first quarter of 2021.

NOTE - The map in TAB 11 shows the preliminary panel and inverter locations outlined with a bold red line. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be finally determined before construction begins. The Project gen-tie line and Project substation are shown with a black box as the substation is adjacent to the existing transmission line. The proposed location of the Project operations and maintenance building is shown with a green box.

TAB 8*Description of Qualified Property*

The Project will be constructed on approximately 1,765 acres, which is part of a larger, long-term lease agreement with the Permanent University Fund of the State of Texas. The Project will be located entirely within Culberson County-Allamore Independent School District. The proposed Project will include, but is not limited to, the following:

- Planned up to 180 MW-AC in size;
- Photovoltaic (PV) modules;
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- Tracker racking system (mounting structures);
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA control equipment, and all necessary equipment needed to connect the Project to the substation and subsequently to the transmission line described immediately below;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment;
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

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

Construction of the Project is anticipated to begin in the fourth quarter of 2019 with anticipated project completion by the fourth quarter of 2020 or first quarter of 2021.

TAB 9*Description of Land***Reinvestment Zone Legal Description
Culberson County, Texas**

Block	Section
46	10
46	11
46	13
46	14
46	22
46	23
46	24
46	26
46	27
46	34
46	35

Note: This reinvestment zone will include property for the Applicant, IP Aragorn, LLC as well as property for another project, IP Titan, LLC that is a separate Chapter 313 application to Culberson County-Allamoore ISD.

TAB 10*Description of all property not eligible to become qualified property (if applicable)*

There is no solar energy-related property owned by the Applicant on the land. There is no existing property in the reinvestment zone or project area that would qualify for a Chapter 313 agreement. More specifically, **none** of the following property that would be eligible for a Chapter 313 agreement presently exists in the reinvestment zone or project area:

1. manufacturing
2. research and development
3. a clean coal project as defined by Section 5.001, Water Code
4. an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
5. renewable energy electric generation
6. electric power generation using integrated gasification combined cycle technology
7. nuclear electric power generation
8. a computer center that is used as an integrated part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
9. a Texas Priority Project, as described by 313.024(e)(7) and TAC 9.1051.

There is approximately 2 miles of 138kV electric transmission line in the reinvestment zone that is owned by LCRA Transmission Serv Corp. IP Aragorn will connect with this transmission line as part of the Project, but the existing transmission line will not become either qualified investment or qualified property. As of January 1, 2017, Culberson County Appraisal District valued this transmission line at \$36,030 per mile or \$72,060 for the approximately 2 miles of line in the reinvestment zone.

IP Aragorn, LLC will lease the land where the Project improvements will be located.

TAB 10 ATTACHMENT

Culberson County Appraisal District

Chief Appraiser - Maricel G. Gonzalez



Official Website
Hosted By Pritchard & Abbott, Inc.



Mineral Property Information

[New Property Search](#)

[Go To Previous Page](#)

Legal Information:

26.37 MILES 138 KV TRANS LINE

PERSONAL

1995

==OUT OF WATER DIST==

Account Number:

0700580-0-9900020

Operator:

Owner Information:

LCRA TRANSMISSION SERV CORP

% PROPERTY TAX DEPT

3700 LAKE AUSTIN BLVD

AUSTIN TX 78703 3504

Lease Information:

RRC#:

Category Code:

J3

Interest Type:

RA

Owner Interest:

0

Under 500:

No

Market Value:

950,110

Taxable Value:

950,110

All Mineral Values Are 2017 CERTIFIED Values.
Last Update: 05/04/2018

Jur Code	Description	Total Market	Total Exemption	Taxable
00	CULBERSON CO APPR DIST	950,110	0	950,110
01	CULBERSON COUNTY	950,110	0	950,110
01R	CULBERSON COUNTY FARM	950,110	0	950,110
30	CULB CO ALLAMORE ISD M&O	950,110	0	950,110
30IS	CULB CO ALLAMORE ISD I&S	950,110	0	950,110
60	CULBERSON CO HOSP DIST	950,110	0	950,110

[New Property Search](#)

[Go To Previous Page](#)

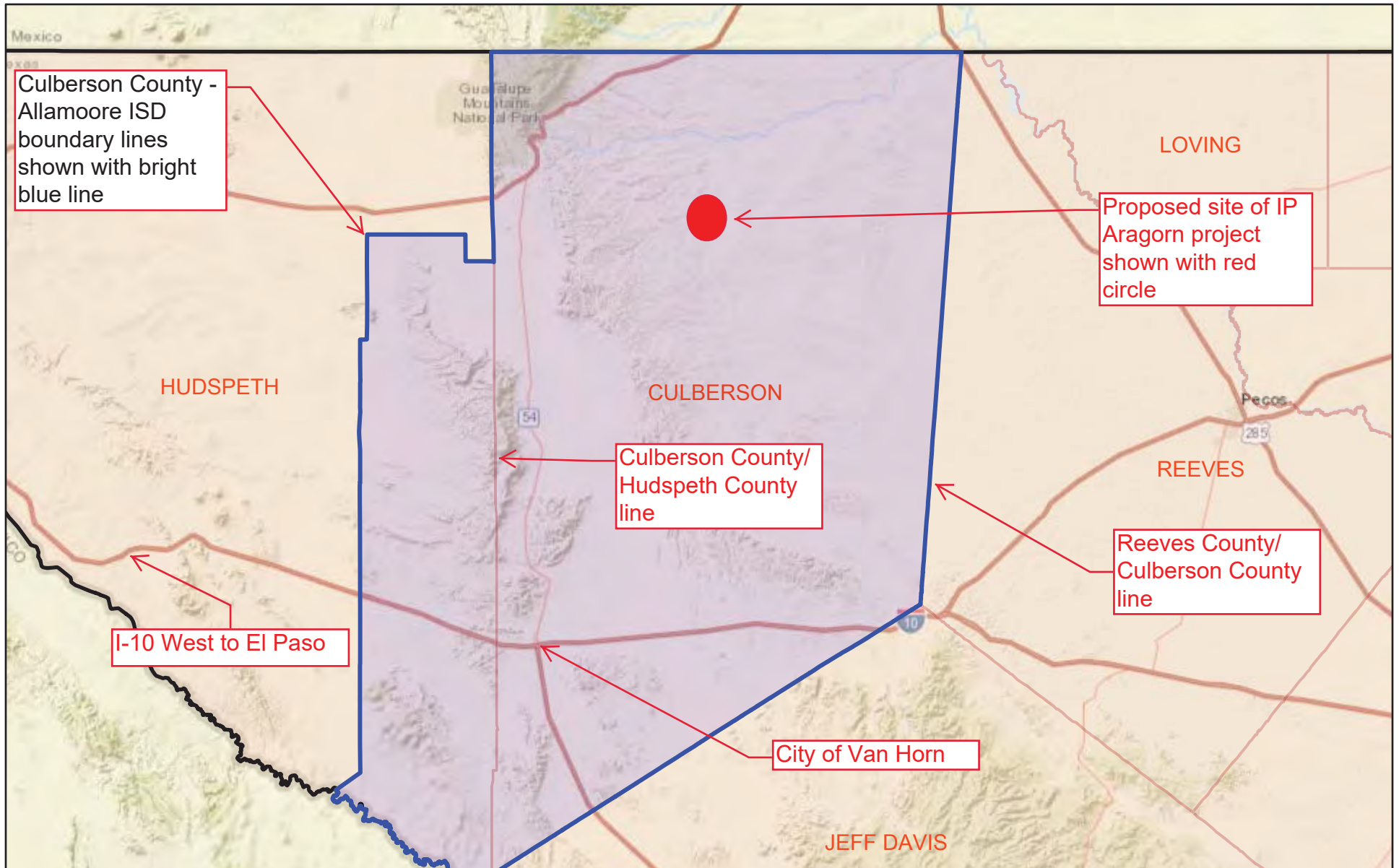
The 26.37 miles of transmission line are valued at an average of \$36,030 per mile (\$950,110/26.37 miles). The transmission line crosses two sections of land in the reinvestment zone. Each land section is approximately one square miles thus the approximately length of transmission line in the reinvestment zone is approximately two miles.

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

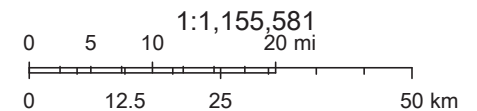
CULBERSON COUNTY - ALLAMOORE ISD VICINITY MAP



June 7, 2018

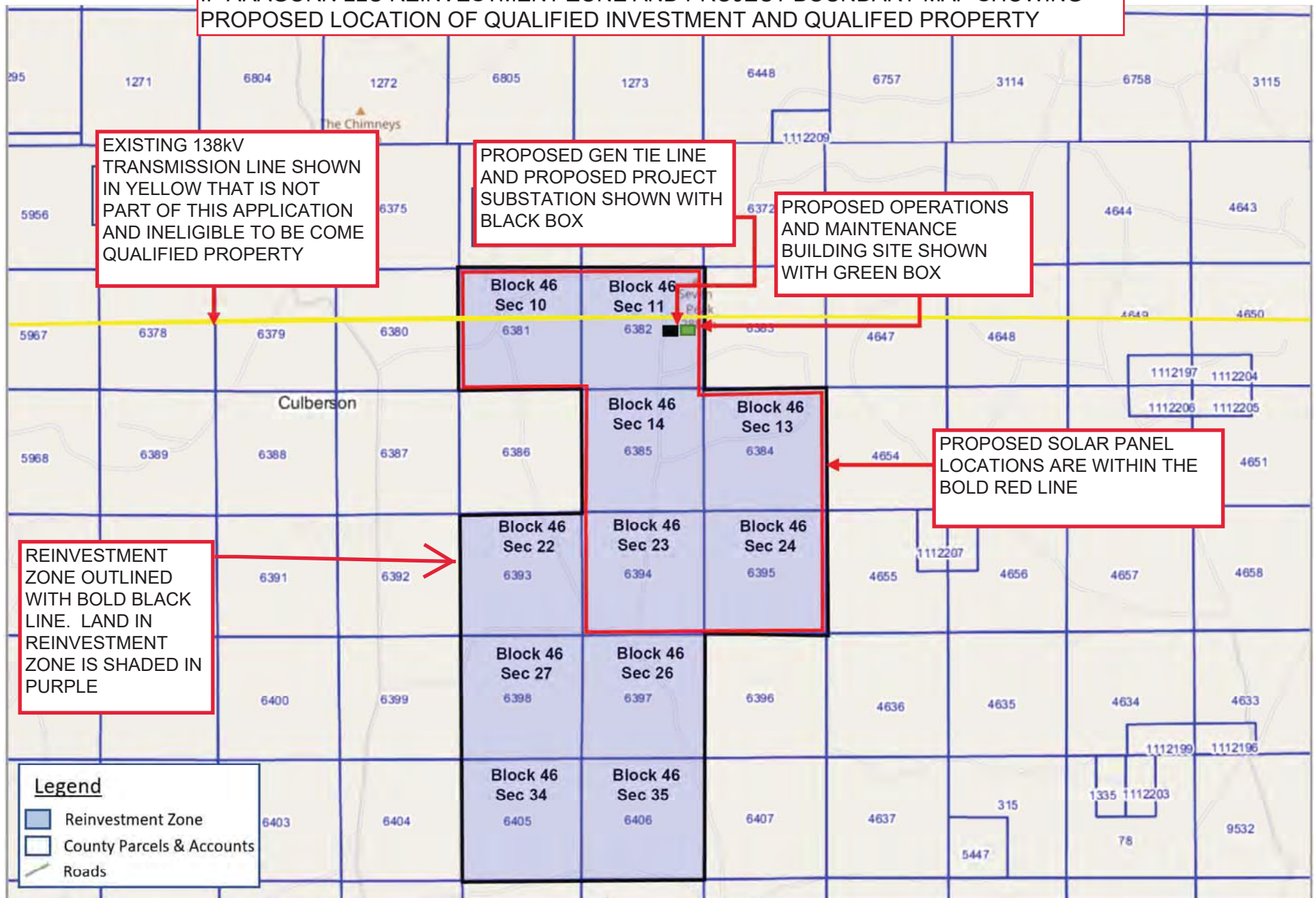
 Texas_Outline

 Counties



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),

IP ARAGORN LLC REINVESTMENT ZONE AND PROJECT BOUNDARY MAP SHOWING
PROPOSED LOCATION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY



TAB 12

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

See attached.



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

June 13, 2018

Mr. Ken Baugh, Superintendent
Culberson County - Allamoore Independent School District
400 W. 7th Street
Van Horn, TX 79855

Re: Chapter 313 Job Waiver Request

Dear Mr. Baugh,

IP Aragorn, LLC requests that the Culberson County - Allamoore 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.

IP Aragorn, LLC requests that the Culberson County - Allamoore Independent School District make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, IP Aragorn, LLC has committed to create 2 total jobs for the project, which will be in Culberson County - Allamoore ISD.

Solar 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 number of jobs specified in this application is in line with the industry standards for a solar farm of this scope and size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a

waiver of the job requirements. In addition, there is publicly available educational material and other documentation that also suggest that IP Aragorn has the appropriate number of jobs for this project.

Sincerely,

A handwritten signature in blue ink that reads "D. Dale Cummings". The signature is written in a cursive style with a small "D." at the beginning and a small "Cummings" at the end.

D. Dale Cummings

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Culberson County average weekly wage for all jobs (all industries)
- Culberson County average weekly wage for all jobs (manufacturing) – there are no TWC data for manufacturing jobs in Culberson County
- See attached Council of Governments Regional Wage Calculation and Documentation

TAB 13 TO CHAPTER 313 APPLICATION

CULBERSON COUNTY - ALLAMOORE ISD - CULBERSON COUNTY CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED
FIRST	2017	\$	872.00	\$ 45,344.00
SECOND	2017	\$	964.00	\$ 50,128.00
THIRD	2017	\$	923.00	\$ 47,996.00
FOURTH	2017	\$	1,014.00	\$ 52,728.00
AVERAGE		\$	943.25	\$ 49,049.00

CULBERSON COUNTY - ALLAMOORE ISD - CULBERSON COUNTY CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED
FIRST	2017	<i>Not applicable</i>		<i>Not applicable</i>
SECOND	2017	<i>Not applicable</i>		<i>Not applicable</i>
THIRD	2017	<i>Not applicable</i>		<i>Not applicable</i>
FOURTH	2017	<i>Not applicable</i>		<i>Not applicable</i>
AVERAGE		<i>Not applicable</i>		<i>Not applicable</i>
		X	110%	110%
		<i>Not applicable</i>		<i>Not applicable</i>

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*		ANNUALIZED
Rio Grande	2016	\$	772.85	\$ 40,188.00
		X	110%	110%
		\$	850.13	\$ 44,206.80

* 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
2017	1st Qtr	Culberson County	Private	00	0	10	Total, all industries	\$872
2017	2nd Qtr	Culberson County	Private	00	0	10	Total, all industries	\$964
2017	3rd Qtr	Culberson County	Private	00	0	10	Total, all industries	\$923
2017	4th Qtr	Culberson County	Private	00	0	10	Total, all industries	\$1,014

2016 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
1. Panhandle Regional Planning Commission	\$22.52	\$46,834
2. South Plains Association of Governments	\$18.27	\$38,009
3. NORTEX Regional Planning Commission	\$24.14	\$50,203
4. North Central Texas Council of Governments	\$26.06	\$54,215
5. Ark-Tex Council of Governments	\$19.07	\$39,663
6. East Texas Council of Governments	\$20.52	\$42,677
7. West Central Texas Council of Governments	\$20.31	\$42,242
8. Rio Grande Council of Governments	\$19.32	\$40,188
9. Permian Basin Regional Planning Commission	\$26.00	\$54,079
10. Concho Valley Council of Governments	\$18.78	\$39,066
11. Heart of Texas Council of Governments	\$21.14	\$43,962
12. Capital Area Council of Governments	\$30.06	\$62,522
13. Brazos Valley Council of Governments	\$17.66	\$36,729
14. Deep East Texas Council of Governments	\$18.06	\$37,566
15. South East Texas Regional Planning Commission	\$33.42	\$69,508
16. Houston-Galveston Area Council	\$27.52	\$57,246
17. Golden Crescent Regional Planning Commission	\$26.38	\$54,879
18. Alamo Area Council of Governments	\$21.67	\$45,072
19. South Texas Development Council	\$15.02	\$31,235
20. Coastal Bend Council of Governments	\$27.85	\$57,921
21. Lower Rio Grande Valley Development Council	\$17.55	\$36,503
22. Texoma Council of Governments	\$20.98	\$43,648
23. Central Texas Council of Governments	\$18.65	\$38,783
24. Middle Rio Grande Development Council	\$23.05	\$47,950

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

$\$40,188 \times 110\% =$
\$44,206.80

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.

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

Date 6/19/2018
Applicant Name IP Aragorn LLC
ISD Name Culberson County - Allamore ISD

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

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018	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				\$ -	\$ -	\$ -	\$ -	
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2019-2020	2019	\$ 9,700,000	\$ -	\$ -		\$ 9,700,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	\$ 180,300,000	\$ 200,000	\$ -		\$ 180,500,000.00
	QTP2	2021-2022	2021	\$ 4,200,000	\$ -	\$ -		\$ 4,200,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 194,200,000.00	\$ 200,000.00	\$ -		\$ 194,400,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 194,400,000.00				

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 6/19/2018
Applicant Name IP Aragorn LLC
ISD Name Culberson County - Allamore ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 194,200,000.00	\$ 200,000.00	\$ -	\$ -	\$ 194,400,000.00
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>		2019-2020	2019					
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>		2020-2021	2020					
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021					
Value limitation period***	1	2022-2023	2022			\$ 75,000		\$ 75,000
	2	2023-2024	2023			\$ 76,900		\$ 76,900
	3	2024-2025	2024			\$ 78,800		\$ 78,800
	4	2025-2026	2025			\$ 80,800		\$ 80,800
	5	2026-2027	2026			\$ 82,800		\$ 82,800
	6	2027-2028	2027			\$ 84,900		\$ 84,900
	7	2028-2029	2028			\$ 87,000		\$ 87,000
	8	2029-2030	2029			\$ 89,200		\$ 89,200
	9	2030-2031	2030			\$ 91,400		\$ 91,400
	10	2031-2032	2031			\$ 93,700		\$ 93,700
Total Investment made through limitation				\$ 194,200,000.00	\$ 200,000.00	\$ 840,500	\$ -	\$ 195,240,500
Continue to maintain viable presence	11	2032-2033	2032			\$ 96,000		\$ 96,000
	12	2033-2034	2033			\$ 98,400		\$ 98,400
	13	2034-2035	2034			\$ 100,900		\$ 100,900
	14	2035-2036	2035			\$ 103,400		\$ 103,400
	15	2036-2037	2036			\$ 106,000		\$ 106,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037			\$ 108,700		\$ 108,700
	17	2038-2039	2038			\$ 111,400		\$ 111,400
	18	2039-2040	2039			\$ 114,200		\$ 114,200
	19	2040-2041	2040			\$ 117,100		\$ 117,100
	20	2041-2042	2041			\$ 120,000		\$ 120,000
	21	2042-2043	2042			\$ 123,000		\$ 123,000
	22	2043-2044	2043			\$ 126,100		\$ 126,100
	23	2044-2045	2044			\$ 129,300		\$ 129,300
	24	2045-2046	2045			\$ 132,500		\$ 132,500
	25	2046-2047	2046			\$ 135,800		\$ 135,800

* 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

6/19/2018

Applicant Name

IP Aragorn LLC

Form 50-296A

ISD Name

Culberson County - Allamore 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	2018-2019	2018	\$ -					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ -					
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	
Value Limitation Period	1	2022-2023	2022	\$ -	\$ 200,000	\$ 135,622,500	\$ 135,822,500	\$ 135,822,500	\$ 25,000,000
	2	2023-2024	2023	\$ -	\$ 197,000	\$ 113,922,900	\$ 114,119,900	\$ 114,119,900	\$ 25,000,000
	3	2024-2025	2024	\$ -	\$ 194,000	\$ 101,716,900	\$ 101,910,900	\$ 101,910,900	\$ 25,000,000
	4	2025-2026	2025	\$ -	\$ 191,100	\$ 89,510,900	\$ 89,702,000	\$ 89,702,000	\$ 25,000,000
	5	2026-2027	2026	\$ -	\$ 188,200	\$ 77,304,800	\$ 77,493,000	\$ 77,493,000	\$ 25,000,000
	6	2027-2028	2027	\$ -	\$ 185,400	\$ 63,742,600	\$ 63,928,000	\$ 63,928,000	\$ 25,000,000
	7	2028-2029	2028	\$ -	\$ 182,600	\$ 51,536,600	\$ 51,719,200	\$ 51,719,200	\$ 25,000,000
	8	2029-2030	2029	\$ -	\$ 179,900	\$ 43,399,200	\$ 43,579,100	\$ 43,579,100	\$ 25,000,000
	9	2030-2031	2030	\$ -	\$ 177,200	\$ 39,330,500	\$ 39,507,700	\$ 39,507,700	\$ 25,000,000
	10	2031-2032	2031	\$ -	\$ 174,500	\$ 33,905,600	\$ 34,080,100	\$ 34,080,100	\$ 25,000,000
Continue to maintain viable presence	11	2032-2033	2032	\$ -	\$ 171,900	\$ 27,124,500	\$ 27,296,400	\$ 27,296,400	\$ 27,296,400
	12	2033-2034	2033	\$ -	\$ 169,300	\$ 27,124,500	\$ 27,293,800	\$ 27,293,800	\$ 27,293,800
	13	2034-2035	2034	\$ -	\$ 166,800	\$ 27,124,500	\$ 27,291,300	\$ 27,291,300	\$ 27,291,300
	14	2035-2036	2035	\$ -	\$ 164,300	\$ 27,124,500	\$ 27,288,800	\$ 27,288,800	\$ 27,288,800
	15	2036-2037	2036	\$ -	\$ 161,800	\$ 27,124,500	\$ 27,286,300	\$ 27,286,300	\$ 27,286,300
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2037-2038	2037	\$ -	\$ 159,400	\$ 27,124,500	\$ 27,283,900	\$ 27,283,900	\$ 27,283,900
	17	2038-2039	2038	\$ -	\$ 157,000	\$ 27,124,500	\$ 27,281,500	\$ 27,281,500	\$ 27,281,500
	18	2039-2040	2039	\$ -	\$ 154,600	\$ 27,124,500	\$ 27,279,100	\$ 27,279,100	\$ 27,279,100
	19	2040-2041	2040	\$ -	\$ 152,300	\$ 27,124,500	\$ 27,276,800	\$ 27,276,800	\$ 27,276,800
	20	2041-2042	2041	\$ -	\$ 150,000	\$ 27,124,500	\$ 27,274,500	\$ 27,274,500	\$ 27,274,500
	21	2042-2043	2042	\$ -	\$ 147,800	\$ 27,124,500	\$ 27,272,300	\$ 27,272,300	\$ 27,272,300
	22	2043-2044	2043	\$ -	\$ 145,600	\$ 27,124,500	\$ 27,270,100	\$ 27,270,100	\$ 27,270,100
	23	2044-2045	2044	\$ -	\$ 143,400	\$ 27,124,500	\$ 27,267,900	\$ 27,267,900	\$ 27,267,900
	24	2045-2046	2045	\$ -	\$ 141,200	\$ 27,124,500	\$ 27,265,700	\$ 27,265,700	\$ 27,265,700
	25	2046-2047	2046	\$ -	\$ 139,100	\$ 27,124,500	\$ 27,263,600	\$ 27,263,600	\$ 27,263,600

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	
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Column A FTE Number of Construction FTE's or man-hours (specify)	Column B Average Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average 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	2018-2019	2018	0	0	0	0	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	0	0	0	0	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	400	\$ 100,000	0	1	\$ 44,206.80
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	100	\$ 100,000	0	2	\$ 44,206.80
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2022-2023	2022	0	\$ -	0	2	\$ 44,206.80
	2	2023-2024	2023	0	\$ -	0	2	\$ 44,206.80
	3	2024-2025	2024	0	\$ -	0	2	\$ 44,206.80
	4	2025-2026	2025	0	\$ -	0	2	\$ 44,206.80
	5	2026-2027	2026	0	\$ -	0	2	\$ 44,206.80
	6	2027-2028	2027	0	\$ -	0	2	\$ 44,206.80
	7	2028-2029	2028	0	\$ -	0	2	\$ 44,206.80
	8	2029-2030	2029	0	\$ -	0	2	\$ 44,206.80
	9	2030-2031	2030	0	\$ -	0	2	\$ 44,206.80
	10	2031-2032	2031	0	\$ -	0	2	\$ 44,206.80
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	0	\$ -	0	2	\$ 44,206.80

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

6/19/2018

Applicant Name

IP Aragorn LLC

Form 50-296A

ISD Name

Culberson County - Allamore 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:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Culberson (total over 25 years)	2021 or 2022	10 years	\$ 2,705,664	\$ 1,578,674	\$ 1,126,990
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Hospital District (total over 25 years)	2021 or 2022	10 years	\$ 2,125,545	\$ 1,240,192	\$ 885,353
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions		N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements		N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project		N/A	N/A	N/A	N/A	N/A
Economic Development Corporation		N/A	N/A		N/A	
Texas Enterprise Fund		N/A	N/A		N/A	
Employee Recruitment		N/A	N/A		N/A	
Skills Development Fund		N/A	N/A		N/A	
Training Facility Space and Equipment		N/A	N/A		N/A	
Infrastructure Incentives		N/A	N/A		N/A	
Permitting Assistance		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
Other:		N/A	N/A		N/A	
TOTAL				\$ 4,831,209	\$ 2,818,866	\$ 2,012,343

Additional information on incentives for this project:

IP Aragorn, LLC has requested a ten-year 90% abatement from Culberson County and Culberson County Hospital District. No abatement agreements have been approved as of the date of this application.

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*

16 a) Not applicable.

16 b) See legal description below:

**Reinvestment Zone Legal Description
Culberson County, Texas**

Block	Section
46	10
46	11
46	13
46	14
46	22
46	23
46	24
46	26
46	27
46	34
46	35

16 c) IP Aragorn anticipates Culberson County Commissioners Court will create the reinvestment zone in July or August 2018.

16 d) See attached Culberson County Tax Abatement Guidelines and Criteria that were adopted on May 21, 2018.

CULBERSON COUNTY

GUIDELINES AND CRITERIA FOR TAX ABATEMENT

I. PURPOSE

Culberson County, herein referred to as “the County, is committed to the promotion of quality development in all parts of the County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax abatement in order to stimulate growth and development. Any such incentive shall be provided in accordance with the procedures and criteria outlined in this document. However, nothing in these guidelines shall imply or suggest, or be construed to imply or suggest, that the County is under any obligation to provide any incentive to any applicant. All such applications for tax abatement shall be considered on an individual basis with regard to both the qualification for abatement and the amount of any abatement.

II. DEFINITIONS

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

III. GUIDELINES AND CRITERIA

Improvements eligible for abatement include the following:

Aquaculture/agricultural facility;

Distribution center facility;

Manufacturing facility;

Office building;

Regional entertainment/tourism facility;

Renewable power facility and fixtures;

Research facility;

Historic building in a designated area; or

Other basic industry.

Requests for abatement will be evaluated according to factors including, but not limited to, the following:

- (1) Jobs. Projected new jobs created, including the number and type of new jobs, the number and type of new jobs retained, the average payroll, and the number of local persons hired.
- (2) Fiscal impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, any County financed infrastructure improvements that

will be required by the facility, and the compatibility of the project with the County's master plan for development.

- (3) Community Impact. The pollution, if any, as well as other potential negative environmental impact on the health and safety of the community resulting from the proposed project; whether the project will revitalize a depressed area; potential business opportunities for local vendors; alternative development possibilities for the proposed site; the impact on other taxing entities; and/or whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Culberson County to another.

IV. ABATEMENT AUTHORIZED

- (a) Authorized Date. A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction; provided, that such facility meets the criteria for granting tax abatement in reinvestment zones created by Culberson County pursuant to these Guidelines and Criteria. Property may be exempted from taxation under these guidelines for a period not to exceed statutory limitations.
- (b) Creation of New Value. Abatement may only be granted for the additional value or increase in value to eligible improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the property owner or lessee and lessor, subject to such limitations as the Tax Abatement Statute and these Guidelines and Criteria may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes replacement of a facility existing at the time of application, the abated value shall be the value of the new unit(s) less the value of the old unit(s).
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, and office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement:
 - a. Land
 - b. Animals
 - c. Inventories
 - d. Supplies
 - e. Tools
 - f. Furnishing, and other forms of movable personal property (except as provided below)
 - g. Vehicles
 - h. Vessels
 - i. Aircraft

- j. Housing or residential property
- k. Hotels/motels
- l. Fauna
- m. Flora
- n. Retail facilities, except when housed in a historic structure, within the designated downtown district
- o. Any improvements including those involved in the production, storage or distribution of natural gas or fluids that are not integral to the operation of the facility, and
- p. Property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated, or directed by a political subdivision of the State of Texas. This provision shall not be interpreted to disallow abatement where the eligible property to be abated may be located or affixed to land owned by the State or a subdivision of the State, but is wholly owned by the party seeking the abatement.

Equipment constituting personal property located in a reinvestment zone shall remain eligible for tax abatement provided the equipment is awaiting installation to become a permanent part of a fixture located or to be constructed in a reinvestment zone that is or will be eligible for property tax abatement, including any replacement parts.

- (f) **Owned/Leased Facilities.** If leased property is granted abatement, the agreement shall be executed with the lessor and lessee. If the eligible property to be abated is located on or affixed to leased land, but is wholly owned by the party seeking the abatement, the agreement shall be executed only with the owner of the property to be abated.

- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement or January 1 of the year specified in the application for abatement. The value of new eligible properties shall be abated according to the approved agreement between the applicant and governing body. The governing body, in its sole discretion, shall determine the amount of any abatement.

The abatement may be extended from the date of the initial agreement by modification provided the statutory requirements for modification are met.

- (h) **Construction in Progress.** If a qualifying facility has not been placed in service as of January 1 following execution of the abatement agreement, the taxpayer may apply for a one-year extension of the term of abatement. Said extension must be applied for prior to the end of the calendar year in which the abatement is executed.

- (i) **Taxability.** From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - a. The value of ineligible property as provided in Part IV(e) shall be fully taxable.
 - b. The base year value of existing eligible property, meaning the value of the property for the year in which the abatement agreement is executed, shall be fully taxable.

- c. The additional value of eligible property shall be taxable as provided for by the applicable abatement agreement between the owner and County.

V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner of taxable property in Culberson County may request the creation of a reinvestment zone and tax abatement by filing a written request with the County.
- (b) The application shall consist of a completed application form accompanied by:
 - (1) a general description of the proposed use and general nature and extent of the modernization, expansion or new improvements to be undertaken;
 - (2) a descriptive list of the improvements that will be a part of the facility;
 - (3) a map and property description or site plan;
 - (4) a time schedule for undertaking and completing the planned improvements;
 - (5) for modernized facilities, a statement of the assessed value of the facility, separately stated for real and personal property, for the tax year immediately preceding the application, and;
 - (6) Financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.
- (c) Upon receipt of a completed application, the County receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the County shall through public hearings as described below afford the applicant and the designated representative of any affected jurisdiction and any member of the public the opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on an agenda of the legislative body of the County to be posted at least twenty (20) days prior to the hearing.
- (d) The County shall approve or deny the application for tax abatement within sixty (60) days after receipt of the application. The presiding officer of the County shall notify the applicant of the approval or disapproval promptly thereafter.
- (e) Statutory Requirements: Not later than the seventh (7th) day before the date of the hearing, notice of the hearing must be: (1) delivered in writing to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, and (2) published in a newspaper of general circulation in the County. At the hearing, the Commissioners Court evaluates the application against the criteria described in these guidelines and decides by majority vote whether to designate the property for which the abatement is sought as a reinvestment zone. If the reinvestment zone is designated, the Commissioners Court shall pass an order to that effect. An order designating an area as a reinvestment zone is valid for five years from the date of designation. Once the area is designated as a reinvestment zone, the Commissioners Court may then arrange to consider for approval of the tax abatement agreement between the application and the County, which it may do at any regularly scheduled meeting, provided notice requirements are met. At least seven days prior to entering into a tax abatement

agreement, the County must give written notice of its intent to do so to the presiding officer of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone, along with a copy of the proposed tax abatement agreement. At the regularly scheduled meeting, the Commissioners Court may finally vote by simple majority to enter into the tax abatement agreement, or to decline.

(f) Expedited consideration of application. If the County determines that the application should received expedited consideration, the Commissioners Court may combine the steps described in the preceding paragraph into a single, regularly scheduled meeting of Commissioners Court, provided the County meets the procedural prerequisites for each step.

(g) A request for a reinvestment zone for the purpose of abatement shall not be granted if the County finds that the request for the abatement was filed after commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion, or new facility.

(h) Variance. Requests for variance from the provisions of Subsections (a) through (e) of Part IV may be made in written form to the County Commissioners Court. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of the request for variance requires a three-fourths (3/4) vote of the County Commissioners Court.

VI. PUBLIC HEARING

(a) If, after a public hearing, the County Commissioners Court weighs the relevant factors listed in these guidelines and determines that granting the abatement is not in the best interests of the County, the Court shall deny the abatement.

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

- a. There would be substantial and unreasonable adverse affect on the provision of government services or the overall tax base of the County.
- b. The applicant has insufficient financial capacity.
- c. Planned or potential use of the property would constitute a hazard to public safety, health, or morals.
- d. Planned or potential use of the property violates any other governmental codes or any applicable law.

VII. AGREEMENT

(a) After approval of the tax abatement application, the County shall formally pass a resolution and execute an agreement with the owner of the facility and the lessee involved, if any, which shall include:

- a. Estimated value to be abated and the base year value.
- b. Percent of value to be abated each year.
- c. The commencement date and the termination date of abatement.

- d. The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description, and improvements list.
 - e. Contractual obligations in the event of default, including a provision for cancellation and recapture of delinquent taxes, provisions for the administration and assignment as provided herein, and any other provision that may be required for uniformity or by state law.
 - f. Performance criteria for continuation of the abatement.
 - g. Amount of investment and average number of jobs involved for the period of abatement.
 - h. A provision that the contract shall meet all of the requirements of Texas Tax Code Sec. 312, et seq.
- (b) Such agreement shall be executed within sixty (60) days after approval of the agreement.
- (c) The County shall make its own determination of abatement which shall not bind any other affected taxing entity.

VIII. RECAPTURE

- (a) In the event that a facility is completed and begins producing product or service, but subsequently discontinues production of product or service for any reason other than fire, explosion, or other casualty or accident or natural disaster for a period of one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.
- (b) Should the County determine that the owner is in default of the agreement, the County shall notify the owner of such defect in writing at the address stated in the agreement, and if such defect is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Where cure of the proposed defect requires action undertaken over a period of time, the contract will not be considered to be in default if the performing party has undertaken efforts to cure the defect and is diligently pursuing those efforts.
- (c) In the event that the company or individual:
- a. Allows its ad valorem taxes owed the County to become delinquent, and to remain delinquent for a period of thirty (30) days following notice of delinquency without instituting proper legal procedures for their protest and/or contest; or
 - b. Violates in any way any of the terms and conditions of the abatement agreement and fails to cure same during the Cure Period;
- the agreement shall be terminated and all taxes previously abated by virtue of the agreement shall be recaptured and paid within sixty (60) days of termination. A failure to abide by estimated timelines for construction will not be considered to be

a material breach of this agreement, provided the owner makes a reasonable effort to meet the estimated timeline.

IX. ADMINISTRATION

- (a) The Chief Appraiser of the Culberson County Appraisal District shall annually determine the assessment of real and personal property comprising the reinvestment zone. Each year the company or individual receiving the abatement shall furnish the designee of the County with such information as may be necessary to determine continued eligibility for abatement. Once the value has been established, the Chief Appraiser shall notify the County of the amount of assessment. Additionally, the County designee shall notify the County of the number of new or retained employees associated with the facility or generated by the abatement agreement. Once the value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions of the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to prevent unreasonable interference with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the owner in accordance with its safety standards.
- (c) Upon completion of construction the County shall annually evaluate each facility and report possible violations of the contract and/or agreement to the County.
- (d) All proprietary information acquired by the County for purposes of monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.

X. ASSIGNMENT

- (a) Abatement may be transferred and assigned by the owner to a new owner of the same property upon approval by resolution of the County Commissioners Court subject to the financial capacity of the assignee and provided that the agreement is modified to substitute assignee as a party to the agreement.
- (b) Any such modification shall not exceed the termination date of the abatement agreement with the original owner.
- (c) No assignment or transfer shall be approved if either the parties to the existing agreement or the proposed assignee is liable to the County for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld. Upon a finding that the proposed assignee is capable of performing the obligations under the agreement, financially and otherwise, approval of the assignment will not be withheld.

XI. SUNSET PROVISION

- (a) These guidelines are effective upon the date of their adoption and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement contracts created pursuant to its agreements will be reviewed by the County to determine whether the goals of these guidelines and the Tax Abatement Statute have been achieved. Based on that review, these guidelines may be modified, renewed, or eliminated. Such actions shall not affect existing contracts.
- (b) Prior to the date for review, as defined above, these Guidelines may be modified by two-thirds (2/3) vote of the County Commissioners Court, as provided by the laws of the State of Texas.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph, or any part of these guidelines is, for any reason, adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these guidelines.
- (b) Property that is in a reinvestment zone that is owned or leased by a member of the Commissioners Court is excluded from property tax abatement.
- (c) If this Guideline Statement has omitted any mandatory requirement of the applicable tax abatement laws of the State of Texas, then such requirement is hereby incorporated as part of these guidelines.

XIII. These Guidelines and Criteria do not affect the County's right to enter into abatement agreements located in the City of Van Horn pursuant to the existing agreement between the County and City, regardless of whether such abatement agreements meet the criteria announced by these Guidelines.

Passed and approved at a regular meeting of the Culberson County Commissioners' Court, at which a quorum was present on the ^{21st} day of May, 2018.


Carlos G. Urias, County Judge

TAB 17

*Signature and Certification page, signed and dated by Authorized School District
Representative and Authorized Company Representative (applicant)*

See attached

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print
here

Ken Baugh

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

6-19-18

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
hereLUKE
Luke Dunnington

Print Name (Authorized Company Representative (Applicant))

Chief Operating Officer

Title

sign
here

Signature (Authorized Company Representative (Applicant))

6/13/2018

Date

GIVEN under my hand and seal of office this, the

day of

SEE ATTACHED

(Notary Seal)

Notary Public in and for the State of Texas

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.

ACKNOWLEDGMENT

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

State of California
County of SAN FRANCISCO)

On 06/13/2018 before me, PRABHA GIRI, NOTARY PUBLIC
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____



(Seal)

