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April 2, 2014

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

Via Email and Federal Express

Re: App. No. 369 from Fiber Winds Energy, LLC to Lorenzo ISD
Amendment No. 003 to Application

Dear Stephanie,

Enclosed please find supplemental pages and information provided by the Applicant for the Chapter 313 Application submitted by Fiber Winds Energy, LLC to Lorenzo ISD (the "Fiber Winds Application"). Specifically, the Applicant has provided:

- Attachment 21 – Map of Crosby County Reinvestment Zone No. 2-B;
- Attachment 22 – Resolution Designating Crosby County Reinvestment Zone No. 2-B;
- Attachment 23 –Legal Description of Crosby County Reinvestment Zone No. 2-B; and,
- Attachment 24 – Crosby County Reinvestment Zone Criteria and Guidelines.

A CD containing the above documents is also enclosed. This Amendment, dated April 2, 2014 and numbered 003, is the third amendment to the Fiber Winds Application. Please let me know if you require any additional information.

Thank you,

A handwritten signature in black ink that reads "Audie Sciumbato". The signature is fluid and cursive, with a large initial "A" and a long, sweeping tail.

Audie Sciumbato, PhD

AS/ph
GWXBK50M0D1NTY
Encl.

cc: Melissa Miller, Miller Wind Consulting LLC
John Wycherly, Triglobal Energy

Via Email
Via Email

**RESOLUTION OF THE COMMISSIONERS COURT
OF CROSBY COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NUMBER
2-B**

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

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

WHEREAS, on November 28, 2011, a hearing before the Commissioners Court of Crosby County, Texas was held, at which hearing the Commissioners Court of Crosby County, Texas adopted the Crosby County Reinvestment Zone that was the area described in the metes and bounds description attached to those resolutions as Exhibit "A", which was incorporated therein by reference for all purposes; and

WHEREAS, on December 9, 2013, a hearing before the Commissioners Court of Crosby County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Crosby County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed amended reinvestment zone; and

WHEREAS, on March 10, 2014, a hearing before the Commissioners Court of Crosby County, Texas was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Crosby County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed amended reinvestment zone; and

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

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

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

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

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

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

(b) That the amended boundaries of the Crosby County Reinvestment Zone should be the area described in Exhibit "A" attached hereto, which is incorporated herein by reference for all purposes;

(c) That amendment of the Crosby County Reinvestment Zone will result in benefits to Crosby County, Texas and to the new land included in the zone and that the improvements sought are feasible and practical; and

(d) The Crosby County Reinvestment Zone meets the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Crosby County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Crosby County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Crosby County Commissioner's Court hereby amends Crosby County Reinvestment Zone Number 2-B; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described by the amended metes and bounds in Exhibit "A", and such amended reinvestment zone is hereby designated and shall hereafter be referred to as Crosby County Reinvestment Zone Number 2-B.

SECTION 4. That Crosby County Reinvestment Zone Number 2-B shall take effect on the date upon which commercial operations of a wind farm project commence within Crosby County Reinvestment Zone Number 2-B and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

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

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

PASSED, APPROVED AND ADOPTED on this the 10th day of March, 2014.

CROSBY COUNTY, TEXAS

By: David Wigley
MARCH 10, 2014 County Judge
DAVID WIGLEY

Date: MARCH 10, 2014

By: _____
Commissioner, Precinct 1

By: Frank Mullins
Commissioner, Precinct 2

By: Larry Wampler
Commissioner, Precinct 3

By: Steve H...
Commissioner, Precinct 4

Attest: Linda S. Jones
Crosby, County Clerk

Exhibit A

CROSBY COUNTY REINVESTMENT ZONE NUMBER 2-B

The description of Crosby County Reinvestment Zone Number 2-B is revised to include the following tracts of land:

DESCRIPTION OF 11,813 ACRES (MORE OR LESS) OF LAND LOCATED IN CROSBY COUNTY, TEXAS, SAID LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE FOLLOWING LANDS IN E.L. & R.R. RAILROAD COMPANY SURVEY, BLOCK "C":

ALL OF SECTIONS 2, 3, 4, 8, 9, 10, 11, 14, 15, AND 16;

THE WEST ONE-HALF OF SECTION 5, BEING ALL OF ABSTRACT 340;

THE EAST HALF AND THE SOUTHWEST QUARTER OF SECTION 17, BEING ALL OF ABSTRACT 341;

THE EAST ONE-HALF OF THAT CERTAIN SECTION 18, BEING ALL OF ABSTRACT 1146; AND

THAT CERTAIN SECTION 18, BEING ALL OF ABSTRACT 1188;

THE FOLLOWING LANDS IN E.L. & R.R. RAILROAD COMPANY SURVEY, BLOCK "Z2":

ALL OF SECTION 908; AND

THE WEST ONE-HALF AND 120 ACRES, MORE OR LESS, OUT OF THE NORTHEAST ONE-QUARTER OF SECTION 910, BEING ALL OF ABSTRACT 1072;

THE FOLLOWING LANDS IN A.B. & M. SURVEY, BLOCK "Z2":

ALL OF SECTIONS 887, 893, AND 894;

THAT PORTION OF SECTION 888, ABSTRACT 1089, LYING WEST OF COUNTY ROAD 125, BEING APPROXIMATELY 50 ACRES;

ALL OF THE M. PHILLIPS SURVEY, ABSTRACT 1222;

ALL OF THE J.C. MURPHY SURVEY, SECTION 1, ABSTRACT 657;

ALL OF THE W. COONS SURVEY, ABSTRACT 785;

ALL OF THE B.M. WOODY SURVEY, ABSTRACT 1235;

THE R.G. COOK SURVEY, ABSTRACT 784, LESS AND EXCEPT 1 ACRE MORE OR LESS OUT OF THE NORTHEAST QUARTER;

ALL THAT PORTION OF THE G.L. WHITE SURVEY, ABSTRACT 1408, BEING NORTH OF COUNTY ROAD 134;

THE W.T. RAILROAD COMPANY SURVEY, SECTION 1, ABSTRACT 1408, AND EXCEPT 3 ACRES;

IN ALL CONTAINING 11,813 ACRES OF LAND (MORE OR LESS).

FILED
2018 MAR 01 AM 9:26
LINDA S. JONES
COUNTY CLERK
CROSBY CO. TX
DEPUTY

234 816

**TAX ABATEMENT CRITERIA AND GUIDELINES FOR
CROSBY COUNTY, TEXAS**

Effective as of the 12th day of October, 2010

SECTION I. General Purpose:

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

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

SECTION II. Definitions:

Capitalized words or phrases used within these guidelines and criteria shall have the meanings set forth in Exhibit A.

SECTION III. Intent of Criteria and Guidelines:

The intent of these criteria and guidelines, as herein set forth, is to establish the minimum standards which an Applicant must meet in order for the County to consider tax abatement.

SECTION IV. Criteria and Guidelines for Tax Abatement:

A Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. To qualify for tax abatement, the Owner or Applicant must meet both of the following criteria:
 - a) the Project entails the Modernization/Renovation of Existing Facilities, Expansion of Existing Facilities or construction of a New Facility; and
 - b) the Project entails the production, manufacturing, or distribution of goods and services of which fifty percent (50%) or more are distributed outside of the County.
2. In addition to the aforementioned, the County will consider abatement only if the Owner or Applicant meets one of the following criteria:

- a) the Project consists of at least one of the following target industries:
 - i. Advanced Technologies and Manufacturing;
 - ii. Value-added Agricultural Production including Food Processing and Machinery;
 - iii. Research and Development;
 - iv. Medical Services;
 - v. Manufacturing;
 - vi. Warehouse/Distribution;
 - vii. Corporate Headquarters of a Regional/National Service Center;
 - viii. Information and Data Centers; or
 - ix. Wind-Energy Production;

 - b) the Project is not included as a target industry, but has the potential of generating additional significant economic development opportunities for the County.
3. The Applicant must also meet one of the following criteria:
- a) the Project will add at least (i) \$500,000 in Improvements to Real Property, (ii) \$1 million in new personal property, or (iii) five (5) New Permanent Jobs if the Applicant is new to the County; or
 - b) the Project will add at least (i) \$200,000 in Improvements to Real Property, (ii) \$500,000 in new personal property, or (iii) three (3) New Permanent Jobs if the facility is an Existing Facility.
4. New or Existing Facilities located in a County Reinvestment Zone or upon Real Property eligible for such status may be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.
5. Improvements to Real Property must be eligible for tax abatement status.
6. The following items shall be ineligible for tax abatement status and shall be fully taxed:
- a) real property;
 - b) inventories or supplies;
 - c) tools;
 - d) furnishings and other forms of movable personal property;
 - e) vehicles;
 - f) aircraft;
 - g) housing;
 - h) boats;
 - i) hotel accommodations;
 - j) motel accommodations;

- k) retail businesses; and
 - l) property owned by the State of Texas or any State agency.
7. In order for a Facility to qualify for abatement, the following conditions must apply:
- a) the Owner or leaseholder of Real Property must make eligible Improvements to Real Property; and
 - b) in the case of lessees, the leaseholder must have a lease commitment of at least five (5) years.
8. In County Reinvestment Zones, the amount and term of abatement shall be determined on a case by case basis, but in no event shall taxes be abated for a term in excess of ten (10) years. The amount of the taxable value of Improvements to be abated and the term of the abatement shall be determined by the County, except that a County Reinvestment Zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303, Government Code.
- In enterprise zones, the governing body of each taxing jurisdiction may execute a written agreement with the Applicant or Owner of the property. The agreement may, but is not required to, contain terms that are identical to those contained in the Abatement Agreement with the County, and the only terms for the agreement that may vary are the those dealing with the portion of the property that is to be exempt from taxation under the agreement and the duration of the agreement.
9. No Property shall be eligible for tax abatement under these criteria and guidelines unless such property is located in a County Reinvestment Zone in accordance with V.T.C.A., Tax Code, Section 312.401 and the tax abatement application is filed with the County before construction begins.
10. Notwithstanding any of the requirements set forth in Section IV Subsection 3, the governing body of the County, upon the affirmative vote of three-fourths (3/4) of its members, may vary any of the above requirements when the Applicant demonstrates that variation is in the best interest of the County or to do so and will significantly enhance the economic development of the County. By way of example only and not by limitation, the governing body of the County may consider the following or similar terms in determining whether a variance shall be granted:
- a) that the increase in productivity of the Facility will be substantial and hence directly benefit the economy;
 - b) that the increase of goods or services produced by the Facility will be substantial and directly benefit the economy;

- c) that the employment maintained at the Facility will be increased;
 - d) that the waiver will contribute and provide for the retention of existing jobs within the County; and/or
 - e) any other evidence showing a direct economic benefit to the County.
11. Taxability
- a) Tax abatement shall be granted in accordance with the terms and provisions of an Abatement Agreement executed between the County and the Applicant or Owner of Real Property and/or Tangible Personal Property, which Abatement Agreement shall be in accord with the provisions of V.T.C.A., Tax Code, Section 312.402.
 - b) All ineligible property, if otherwise taxable, shall be fully taxed.
12. The governing body of the County shall have total discretion as to whether tax abatement is to be granted. Such discretion, as herein retained, shall be exercised on a case by case basis. The adoption of these guidelines and criteria by the governing body of the County does not:
- a) limit the discretion of the governing body to decide whether to enter into a specific Abatement Agreement;
 - b) limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
 - c) create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.
13. The burden to demonstrate that an application for tax abatement should be granted shall be upon the Applicant. The County shall have full authority to request any additional information from the Applicant that the governing body of such County deems necessary to assist it in considering such application.

SECTION V. Criteria and Guidelines for Creation of a County Reinvestment Zone:

- 1. No Property shall be eligible for tax abatement through the County unless such property is located in an Enterprise Zone, in accordance with V.T.C.A., Tax Code, Section 312.4011, or a County Reinvestment Zone in accordance with V.T.C.A., Tax Code, Section 312.401. The County commissioners court, by order, if eligible to do so under V.T.C.A., Tax Code, Section 312.002 may

designate as a County Reinvestment Zone an area of the County that does not include area in the taxing jurisdiction of a municipality.

2. The governing body of the County, as required by Tax Code, Section 312.401, shall hold a public hearing on the designation of an area within its jurisdiction as a County Reinvestment Zone.
3. Notice of the hearing must be given in the same manner as provided under V.T.C.A., Tax Code, Section 312.201.
4. Property may be located both in a County Reinvestment Zone designated by the County under this subchapter and in a reinvestment zone designated by a municipality under V.T.C.A., Tax Code, Section 312 Subchapter B.
5. The designation of a County Reinvestment Zone expires five years after the date of the designation and may be renewed for periods not to exceed five years, except that a County Reinvestment Zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303, Government Code. The expiration of the designation does not affect an existing Abatement Agreement made in accordance with V.T.C.A., Tax Code, Section 312.402.
6. Designation of an area as an enterprise zone under the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code, constitutes designation of the area as a County Reinvestment Zone under V.T.C.A., Tax Code, Section 312 Subchapter C without further hearing or other procedural requirements other than those provided by the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code.

SECTION VI. Abatement Agreement:

1. An Abatement Agreement shall not exempt from taxation a portion of the value of the Facilities or Improvements for a period greater than ten (10) years.
2. An Abatement Agreement shall be subject to the rights of holders of outstanding bonds of the County.
3. Abatement Agreements made with multiple Owners must contain identical terms for the portion of the value of the property that is to be exempt and the duration of the exemption.
4. Property that is in a reinvestment zone owned or leased by a person who is a member of the governing body of the County is excluded from tax abatement.
5. Property that is subject to an Abatement Agreement when a person becomes a member of the governing body of the County does not cease to be eligible for

property tax abatement.

6. An Abatement Agreement shall:
 - a) provide access to and authorize inspection of the property by County employees to ensure that the improvements or repairs are made according to the conditions of the Abatement Agreement;
 - b) limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
 - c) provide for recapturing property tax revenue lost as a result of the Abatement Agreement if the Owner fails to make the improvements or repairs as provided by the Abatement Agreement;
 - d) contain each term agreed to by the Owner of the property;
 - e) require the owner of the property to certify annually to the County that the Owner is in compliance with each applicable term of the Abatement Agreement;
 - f) provide that the governing body of the County may cancel or modify the Abatement Agreement if the Owner fails to comply with the Abatement Agreement;
 - g) establish and set forth the Base Year Value of the property for which tax abatement is sought;
 - h) provide that the taxes paid on the Base Year Value shall not be abated as a result of the execution of said Abatement Agreement;
 - i) provide for the exemption of Improvements in each year covered by the Abatement Agreement only to the extent the value of such Improvements for each such year exceeds the value for the year in which the Abatement Agreement is executed;
 - j) set forth the estimated value of all Improvements to Real Property;
 - k) clearly provide that tax abatement shall be granted only to the extent:
 - i. the Improvements to Real Property increase the value of the Real Property for the year in which the Abatement Agreement is executed; and
 - ii. the Tangible Personal Property or Improvements to Real Property

were not located on the Real Property prior to the execution of the Abatement Agreement;

- l) list the kind, number, and location of all proposed Improvements, including:
 - i. whether the Improvements are for a New Facility, Modernization/Renovation of Existing Facilities, or Expansion of Existing Facilities;
 - ii. the nature of the construction, proposed time table of completion, and a map or drawings of the Improvements above mentioned;
 - iii. the amount of investment and the commitment for the creation of New Permanent Jobs;
 - iv. any other information required by the County;
 - m) provide a legal description of the Real Property upon which Improvements are to be made;
 - n) provide contractual obligations in the event of default by Owner, violation of the terms or conditions by Owner, recapturing property tax revenue in the event Owner defaults or otherwise fails to make Improvements as provided in said Abatement Agreement and any other provision as may be required or authorized by State Law; and
 - o) meet any other statutory or regulatory requirements.
2. Not later than the seventh day before the County enters into an Abatement Agreement for tax abatement under V.T.C.A., Tax Code, Section 312.402, the governing body of such County or a designated officer or employee thereof shall deliver to the presiding officer of the governing body of each of the taxing units in which the property to be subject to the Abatement Agreement is located, a written notice that the County intends to enter into the Abatement Agreement. The notice must include a copy of the proposed Abatement Agreement and is presumed delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.
 3. Failure to deliver the notice does not affect the validity of the Abatement Agreement.

SECTION VII. Application:

1. Any present Owner of taxable property located within the County may apply for tax abatement by filing an application with the governing body of the County.
2. The application shall consist of a completed application containing:
 - a) the name, contact information, and brief description of the Applicant;
 - b) a descriptive list of the kind, number and location of all proposed Improvements to Real Property or Existing Facility;
 - c) a map indicating the approximate location of proposed Improvements to Real Property or Existing Facilities;
 - d) a list of any and all Tangible Personal Property presently existing on the Real Property or located in an Existing Facility;
 - e) a proposed time schedule for completing the proposed Improvements;
 - f) a general description stating whether the proposed Improvements are in connection with:
 - i. the Modernization/Renovation of Existing Facilities;
 - ii. construction of a New Facility;
 - iii. the Expansion of Existing Facilities; or
 - iv. any combination of the above;
 - g) a statement of the additional value to the Real Property or Facility as a result of the proposed Improvements;
 - h) a statement of the assessed Base Year Value of the Real Property, Facility or Existing Facility;
 - i) information concerning the number of New Permanent Jobs created or the number of existing jobs retained as result of the Improvements; and
 - j) any other information which the County deems appropriate.
3. Information that is provided to the County in connection with an application or request for tax abatement and which describes the specific processes or business activity to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the Abatement Agreement is executed.
4. If the County determines that the property described is not within a current

County Reinvestment Zone, they shall so notify the Applicant and the application shall then be considered both as an application for the creation of a County Reinvestment Zone and a request for tax abatement to be effective after the zone is created.

5. An application or request for tax abatement submitted to the County under this chapter must be accompanied by an application fee of one thousand dollars and no/100 (\$1,000.00).
6. At the discretion of the County, the Applicant may be responsible for any third party fees or out-of-pocket expenses incurred by the County, including without limitation any legal, accounting, economist, appraiser fees.

SECTION VIII. Default Options

1. In the event that the Applicant or Owner has entered into an Abatement Agreement but has failed to make Improvements or is otherwise in default of any of the terms or conditions contained in the Abatement Agreement; then in such event the County shall give the Applicant or Owner sixty (60) days notice of such failure. The Applicant or Owner shall demonstrate to the satisfaction of the County above mentioned that the Applicant or Owner has commenced to cure such failure within the 60 days above mentioned. In the event the Applicant or Owner fails to demonstrate that he is taking affirmative action to cure his failure, the County shall have three options:
 - a) the County may renegotiate the Agreement with the Applicant or Owner, in which case the then-current guidelines and criteria shall apply to the new Agreement;
 - b) the County may determine that good cause exists to cancel the Agreement and all tax abatements shall terminate immediately; or
 - c) the County may terminate the Agreement and recapture taxes abated under Section IX below.
2. In any of the three above options, the County shall determine whether Applicant or Owner is in default of the Abatement Agreement and shall so notify all other local taxing authorities. Cancellation or termination of the Abatement Agreement by the County shall constitute simultaneous action to all Abatement Agreements between the County and Applicant.

SECTION IX. Recapture

1. In the event that a facility is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason, excepting fire, explosion or other casualty or accident or natural disaster or other

- event beyond the reasonable control of Applicant or Owner for a period of 180 days during the term of an Abatement Agreement, then in such event the Abatement Agreement shall terminate and all tax abatements shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the County within sixty (60) days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination. The burden shall be upon the Applicant or Owner to prove to the satisfaction of the County that the discontinuance of producing goods or services was as a result of fire, explosion, or other casualty or accident of natural disaster or other event beyond the control of Applicant or Owner. In the event that Applicant or Owner meets this burden and the County is satisfied that the discontinuance of the production of goods or services was the result of events beyond the control of the Applicant or Owner, then such Applicant or Owner shall have a period of one (1) year, commencing upon written notification from the County to the Applicant or Owner, in which to resume the production of goods and services. In the event that the Applicant or Owner fails to resume the production of goods or services within one year, then the Abatement Agreement shall terminate and the Abatement of all taxes shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the County within sixty (60) days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination.
2. In the event that the Applicant or Owner has entered into an Abatement Agreement to make Improvements to a facility but fails to undertake or complete such Improvements or fails to create all or a portion of the number of new jobs provided by the Abatement Agreement, then in such event the County shall give the Applicant or Owner sixty (60) days notice of such failure. The Applicant or Owner shall demonstrate to the satisfaction of the County that the Applicant or Owner has commenced to cure such failure within the 60 days above mentioned. In the event that the Applicant or Owner fails to demonstrate that he is taking affirmative action to cure his failure, then in such event the Abatement Agreement shall terminate and all tax abatements shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the County within 60 days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination.
 3. In the event that the County determines that the Applicant or Owner is in default of any of the terms or conditions contained in the Abatement Agreement, the County shall give the Applicant or Owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the County within the sixty (60) days notice period, then the Abatement Agreement shall terminate and all tax abatements shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the

- County within sixty (60) days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination.
4. In the event that the Applicant or Owner allows ad valorem taxes owed to the County to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event this Abatement Agreement shall terminate and all tax abatements shall likewise terminate. Taxes abated during the calendar year in which termination takes place shall be payable to the County within sixty (60) days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination.
 5. In the event that the Applicant or Owner relocates the business for which tax abatement has been granted to a location outside of the designated County Reinvestment Zone, the Abatement Agreement shall terminate after sixty (60) days written notice by the County to the Owner or Applicant. Taxes abated during the calendar year in which termination takes place shall be payable to the County within sixty (60) days of the date of termination. Taxes abated in years prior to the year of termination shall be payable to the County no later than twelve (12) months after the date of termination.
 6. The date of termination as that term is used in this Section IX shall, in every instance, be sixty (60) days after the day the County mails notice of default to the address shown in the Abatement Agreement to the Applicant or Owner. Should the default be cured by the Owner or Applicant within the 60 day notice period, the Owner or Applicant shall be responsible for so advising the County and obtaining a release from the notice of default from the County, failing in which, the abatement remains terminated and the abated taxes must be paid.
 7. In the event that an Abatement Agreement is terminated for any reason what so ever and taxes are not paid within the time period herein specified, then in such event, the provisions of V.T.C.A., Tax Code, Section 33.01 will apply.

SECTION X. Miscellaneous:

1. Any notice required to be given by these criteria or guidelines shall be given in the following manner:
 - a) Owner or Applicant: the address appearing on the Abatement Agreement.
 - b) County: the address appearing on the Abatement Agreement.
2. The Chief Appraiser of the County Appraisal District shall annually assess the Real and Personal Property comprising the County Reinvestment Zone. Each year, the Applicant or Owner receiving tax abatement shall furnish the Chief

Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the County of the assessment amount.

3. Upon the completion of Improvements made to any type of Facility, a designated employee or employees of the County shall have access to the Facility to insure compliance with the Abatement Agreement.
4. An Abatement Agreement may be assigned to a new Owner but only after written consent has been obtained from the County.
5. These guidelines and criteria are effective upon the date of their adoption by the County and shall remain in force for two (2) years. At the end of the 2 year period these guidelines and criteria may be readopted, modified, amended or rewritten as the conditions may warrant.
6. In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 312, the Tax Code shall prevail and these guidelines and criteria interpreted accordingly.
7. These guidelines and criteria may be amended or repealed by a vote of three-fourths (3/4) of the members of the governing body of the County during the 2 year term in which these guidelines and criteria are effective.

Exhibit A

1. **Abatement Agreement:** A contract between a property Owner or Applicant and the County for the abatement of taxes on qualified property located within a County Reinvestment Zone.
2. **Advanced Technologies and Manufacturing:** Advanced manufacturing which requires higher skills and results in higher wages and investment.
3. **Applicant:** Any party seeking the designation of a County Reinvestment Zone or to enter into an Abatement Agreement with the County.
4. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1 preceding the execution of an Abatement Agreement as herein defined.
5. **County:** Crosby County, Texas.
6. **Existing Facility:** A Facility located in or on Real Property eligible for tax abatement as of the date of execution of the Abatement Agreement.
7. **Expansion of Existing Facilities:** The addition of buildings, structures, machinery or equipment to a Facility located in or on Real Property eligible for tax abatement as of the date of execution of the Abatement Agreement.
8. **Facility:** Any Improvement made to Real Property eligible for tax abatement, including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
9. **Information and Data Center:** Any Facility used to house computer systems and associated components, such as tele communications and storage systems. The main purpose of the facility is running applications that handle the core business and operational data of organizations, off-site backups and other informational operations.
10. **Improvements to Real Property or Improvements:** The construction, addition to, structural upgrading of, replacement of, or completion of any Facility located upon or to be located upon Real Property, or any Tangible Personal Property placed in or on said Real Property.
11. **Manufacturing:** The production of goods or materials or the processing or change of goods or materials to a finished product.
12. **Medical Services:** Facilities such as hospitals, specialty hospitals and other like facilities that are classified under North American Industrial Classification System Code 622.

2010 OCT 13 PM 2:20
 LINDA S. JONES
 COUNTY CLERK
 CROSBY COUNTY
 TEXAS

FILED

RESOLUTION

NO. _____

PROVIDING THAT THE COUNTY OF CROSBY, TEXAS ELECTS TO BE ELIGIBLE TO PARTICIPATE IN TAX ABATEMENTS AS AUTHORIZED BY CHAPTER 312 OF THE TEXAS TAX CODE

WHEREAS, a Texas county may enter into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code ("Code") only if the governing body of such county has previously adopted a resolution stating that the county elects to be eligible to participate in tax abatement.

NOW, THEREFOR, BE IT RESOLVED BY THE COUNTY COMMISSIONERS' COURT OF CROSBY COUNTY, TEXAS, THAT:

- 1. THE COUNTY hereby elects to be eligible to participate in tax abatement in accordance with Chapter 312 of the Code.

Adopted this the 12th day of October, 2010 in Crosby County Commissioners' Court.

Davey Abell, County Judge

Gary Jordan, Commissioner, Precinct 1

Frank Mullins, Commissioner, Precinct 2

Larry Wampler, Commissioner, Precinct 3

Charles Thorton, Commissioner, Precinct 4

Attest:

Linda S. Jones, Crosby County Clerk

FILED 2010 OCT 13 AM 11:48 LINDA S. JONES COUNTY CLERK CROSBY CO., TX DEPUTY

Exhibit A

CROSBY COUNTY REINVESTMENT ZONE NUMBER 2-B

The description of Crosby County Reinvestment Zone Number 2-B is revised to include the following tracts of land:

DESCRIPTION OF 11,813 ACRES (MORE OR LESS) OF LAND LOCATED IN CROSBY COUNTY, TEXAS, SAID LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE FOLLOWING LANDS IN E.L. & R.R. RAILROAD COMPANY SURVEY, BLOCK "C":

ALL OF SECTIONS 2, 3, 4, 8, 9, 10, 11, 14, 15, AND 16;

THE WEST ONE-HALF OF SECTION 5, BEING ALL OF ABSTRACT 340;

THE EAST HALF AND THE SOUTHWEST QUARTER OF SECTION 17, BEING ALL OF ABSTRACT 341;

THE EAST ONE-HALF OF THAT CERTAIN SECTION 18, BEING ALL OF ABSTRACT 1146; AND

THAT CERTAIN SECTION 18, BEING ALL OF ABSTRACT 1188;

THE FOLLOWING LANDS IN E.L. & R.R. RAILROAD COMPANY SURVEY, BLOCK "Z2":

ALL OF SECTION 908; AND

THE WEST ONE-HALF AND 120 ACRES, MORE OR LESS, OUT OF THE NORTHEAST ONE-QUARTER OF SECTION 910, BEING ALL OF ABSTRACT 1072;

THE FOLLOWING LANDS IN A.B. & M. SURVEY, BLOCK "Z2":

ALL OF SECTIONS 887, 893, AND 894;

THAT PORTION OF SECTION 888, ABSTRACT 1089, LYING WEST OF COUNTY ROAD 125, BEING APPROXIMATELY 50 ACRES;

ALL OF THE M. PHILLIPS SURVEY, ABSTRACT 1222;

ALL OF THE J.C. MURPHY SURVEY, SECTION 1, ABSTRACT 657;

ALL OF THE W. COONS SURVEY, ABSTRACT 785;

ALL OF THE B.M. WOODY SURVEY, ABSTRACT 1235;

THE R.G. COOK SURVEY, ABSTRACT 784, LESS AND EXCEPT 1 ACRE MORE OR LESS OUT OF THE NORTHEAST QUARTER;

ALL THAT PORTION OF THE G.L. WHITE SURVEY, ABSTRACT 1408, BEING NORTH OF COUNTY ROAD 134;

THE W.T. RAILROAD COMPANY SURVEY, SECTION 1, ABSTRACT 1408, AND EXCEPT 3 ACRES;

IN ALL CONTAINING 11,813 ACRES OF LAND (MORE OR LESS).

FILED
2018 MAR 01 AM 9:26
LINDA S. JONES
COUNTY CLERK
CROSBY CO. TX
DEPUTY