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August 24, 2016

John Villarreal
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: 313 Application – Blue Cloud Wind Energy, LLC

Dear John and Stephanie:

Enclosed please find an application for appraised value limitation on qualified property submitted to Sudan ISD by Blue Cloud Wind Energy, LLC on August 8, 2016, along with the schedules in Excel format. A CD containing these documents is also enclosed.

The Sudan ISD Board elected to accept the application on August 8, 2016. The application was determined to be complete on August 24, 2016. We ask that the Comptroller's Office prepare the economic impact report for this development.

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

Sincerely,

A handwritten signature in black ink that reads "Audie Sciumbato".

Audie Sciumbato

Encl.

KXX1WXI10D3LQN

cc: Chief Appraiser, Bailey County Appraisal District
Chief Appraiser, Lamb County Appraisal District
John Hall, President Blue Cloud

Blue Cloud Wind Energy, LLC
313 Abatement Application
Sudan Independent School District

Submitted: August 8, 2016

Deemed Complete: August 24, 2016



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

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 www.texasahead.org/tax_programs/chapter313/. 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

08/08/16

Date Application Received by District

Scott

First Name

Harrell

Last Name

Superintendent

Title

Sudan ISD

School District Name

P.O. Box 249 (Highway 303)

Street Address

Same

Mailing Address

Sudan

City

Texas

State

79371

ZIP

806-227-2431

Phone Number

Fax Number

scottharrell@sudanisd.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)

<p>Fred First Name</p> <p>Attorney Title</p> <p>Underwood Law Firm, P.C. Firm Name</p> <p>806-379-0306 Phone Number</p> <p>Mobile Number (optional)</p>	<p>Stormer Last Name</p> <p>Fax Number</p> <p>Fred.Stormer@UWLAW.com Email Address</p>
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4. On what date did the district determine this application complete? August 24, 2016
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)

<p>John First Name</p> <p>President Title</p> <p>17300 North Dallas Parkway, Suite 2020 Street Address</p> <p>Same Mailing Address</p> <p>Dallas City</p> <p>972-290-0825 Phone Number</p> <p>Mobile Number (optional)</p>	<p>Hall Last Name</p> <p>Blue Cloud Organization</p> <p>Texas State</p> <p>75248 ZIP</p> <p>Fax Number</p> <p>hallbros@fivearea.com Business Email Address</p>
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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.

<p>Stephen First Name</p> <p>Chief Legal Counsel Title</p> <p>17300 North Dallas Parkway, Suite 2020 Street Address</p> <p>Same Mailing Address</p> <p>Dallas City</p> <p>972-290-0825 Phone Number</p> <p>Mobile Number (optional)</p>	<p>Johns Last Name</p> <p>Tri Global Energy, LLC Organization</p> <p>Texas State</p> <p>75248 ZIP</p> <p>Fax Number</p> <p>sjohns@triglobalenergy.com Business Email Address</p>
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3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

SECTION 3: Fees and Payments

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

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Blue Cloud Wind Energy, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32060730036

3. List the NAICS code 221115

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
N/A

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation

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**)

N/A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

- 1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
- 2. Check the project characteristics that apply to the proposed project:
 - Land has no existing improvements
 - Land has existing improvements (*complete Section 13*)
 - Expansion of existing operation on the land (*complete Section 13*)
 - Relocation within Texas

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

- 1. Application approval by school board January 2017
- 2. Commencement of construction April 2017
- 3. Beginning of qualifying time period January 2017
- 4. First year of limitation 2019
- 5. Begin hiring new employees January 2018
- 6. Commencement of commercial operations June 2018
- 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? June 2018

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Bailey & Lamb Counties
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Bailey CAD
- 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: <u>Bailey, .89950, 80%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>None</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>None</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>H P Water District, .0081, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Lamb County, .7943, 20%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>Sudan I.S.D., 1.1095, 100%</u> <small>(Name, tax rate and percent of project)</small>
- 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 www.texasahead.org/tax_programs/chapter313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- 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 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 2016
 (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? 4

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 764.50
- b. 110% of the average weekly wage for manufacturing jobs in the county is 763.13
- c. 110% of the average weekly wage for manufacturing jobs in the region is 770.17

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? 40,048.84

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,100.00

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	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> 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 <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
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	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> 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* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Tab 2

Proof of Payment of Application Fee

Proof of payment attached.

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)*

Attachment 3

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

Not Applicable

Attachment 4

Detailed description of the project.

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.

Blue Cloud Wind Energy, LLC (“Blue Cloud” or the “Project”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. Blue Cloud is wholly owned by Copenhagen Infrastructure Partners (“CIP”), and is under development by Tri Global Energy, LLC (“Tri Global”). CIP is in the business of financing, owning, and operating large infrastructure projects, in particular utility scale wind energy projects. Tri Global Energy is in the business of initiating, developing, constructing and operating plants generating electricity from renewable energy projects.

Blue Cloud Wind Energy, LLC is requesting an appraised value limitation from Sudan ISD for a proposed wind energy project using wind turbines, operational structures, and a transmission line located in Bailey and Lamb Counties. The wind farm and its associated infrastructure will be constructed within a Reinvestment Zone established by Bailey County and Lamb County, Texas. A map showing the location of the wind farm is included as Attachment 11a. The wind farm will have an estimated capacity of 150 megawatts (“MW”). To construct the wind farm, Blue Cloud Wind Energy, LLC intends to install between 44 and 75 wind turbines all within Sudan ISD that will have a rated capacity of 2.0 to 3.5 MW. In addition to the wind turbines, roads will be constructed and improved as necessary along with transmission lines. A collection substation and associated infrastructure will be installed to permit the interconnection and transmission of electricity generated by the wind turbines and an operations and maintenance building will be erected.

Construction of the wind farm is proposed to begin in April of 2017 and is expected to take approximately 9-12 months to complete, with an estimated commercial operations date by June 30th, 2018, contingent upon favorable economics for the project. The project expects to have an operational life exceeding 25 years.

While the wind regime for Blue Cloud Wind Energy, LLC is very good, there are currently many favorable locations for wind projects that could be developed across the US. Blue Cloud Wind Energy, LLC has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Sudan ISD. Project investors are looking for wind projects across the US and can locate projects in a wide variety of locations should Blue Cloud Wind Energy, LLC be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association (“AWEA”) there are now 73,992 MW of installed wind capacity in the United States and over 48,500 wind turbines. At the beginning of 2016 there have been more US wind power MW’s under construction than ever before. 9,400 MW’s are currently being built across the country. When completed, these projects will generate enough electricity annually to power millions of households.

A graphic provided by AWEA in its market report demonstrates the national geographic diversity of successfully completed projects. Clearly wind projects are abundant, and the applicant has the ability to select from a wide variety of locations across the United States should it be unable to develop a competitive project in Texas capable of generating sufficient returns to its investors.



CIP is a Copenhagen-based fund management company that was founded in 2012. The five founding partners have a collective total of over 80 years and \$33.4B worth of energy industry transaction experience. With over \$20B in assets, they have invested into an energy portfolio consisting of 1,339 MW of wind, 123 MW of biomass, and a 900 MW transmission infrastructure system. CIP prefers to invest with a long-term buy and hold strategy.

Tri Global team member accomplishments include leadership roles in the development, construction, and operations of over 5,000 MWs of wind energy capacity and over 2,500 MWs of fossil generation, as well as securing over \$2 billion in corporate and project finance. Tri Global’s President, Tom Carbone, is the former North American president of Vestas, one of the world’s leading turbine manufacturers. He led the company's sales, project installation, and service business areas, tripling their annual order-intake from \$300 million to over \$1 billion.

redeployed to other renewable energy development projects in other power markets in the United States. Blue Cloud Wind Energy, LLC, however, was formed for the express purpose of developing a community sponsored wind farm that would help bring economic development to the area. Tri Global identified Texas, and in particular Sudan ISD, for its strong wind resource, access to available transmission capacity within the SPP market, and favorable property tax incentives under the Tax Code for Chapter 312 tax abatement and Chapter 313 Appraised Value Limitation.

CIP and Tri Global prefer to develop and build the proposed Blue Cloud as described throughout this Application. This Project is still under development. As of July 15th, 2016, Blue Cloud Wind Energy LLC'S physical assets are valued at approximately \$100,000. Most of this capital is comprised of non-qualified property, specifically four (4) temporary meteorological towers erected on the project site.

Should the appraised value limitation be granted, Blue Cloud Wind Energy, LLC has created a development and investment plan that it is capitalized to implement. Without such a limitation for the Project, competing against other Texas projects that have qualified, CIP would likely be forced to redeploy its assets and capital to other counties and states competing for similar wind projects.

Attachment 5

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

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.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Blue Cloud Wind Energy, LLC was formed in 2016.

Since its formation Blue Cloud Wind Energy, LLC and its associate parties have not entered into any agreements for offtake or project finance. Blue Cloud and its affiliates have, however, entered into the following representative agreements and material contracts for the development of a project phase within Sudan ISD:

- Grants of leases and easements covering approximately 22,000 acres with 50 landowners.
- GIA (Generator Interconnection Agreement) with Southwestern Public Service (SPS) and the Southwest Power Pool (SPP)
- Wind data measurement contract with Wireless Innovations for data transmission for 4 Met Towers
- Contract with V-Bar for data storage and verification of wind data
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC
- Environmental and habitat studies with SWCA
- Wind and site analysis studies with AWS Truepower LLC
- Geotechnical surveys with BARR Engineering
- Contract for transformer engineering, procurement, and supply with SMIT Transformatoren, B.V.
- Consulting agreement with Energy Renewal Partners, LLC.

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities defined within the agreements and contracts listed above will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project within Sudan ISD.

These contracts and initial investments are preliminary in nature as Blue Cloud Wind Energy, LLC has determined that a value limitation agreement with Sudan ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

The CIP and Tri Global management teams have experience in multiple international and domestic markets. Based on this experience, the management teams evaluate all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the globe.

The Blue Cloud Project is currently in such a period of assessment to determine whether the identified site in Sudan ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative types of generation that receive their own forms of economic support. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$225M necessary to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

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?

The Blue Cloud Project was selected as a candidate due to the robust wind speed and proximity to SPP transmission within the Sudan ISD area. However, due to historically low power prices and increasing levels of competition in the Texas electric market, without a favorable tax incentive the Project will be unable to provide the returns necessary for investors and financiers at current electricity prices. Without the 313 Value Limitation, the applicant will be forced to redeploy its capital into another region or state with a higher expected return.

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Blue Cloud Wind Energy, LLC.

ATTACHMENT 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).

5a. if no, attach in Tab 6 additional information on the project scope and size to assist in the economic analysis.

All of the planned Qualified Property for the Project is located solely in Sudan ISD.

Sudan ISD	100%
-----------	------

Attachment 7

Description of Qualified Investment

- 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).*

Blue Cloud Wind Energy, LLC plans to construct an estimated 150MW wind farm, located entirely within Sudan ISD in Bailey and Lamb Counties, Texas. All of the Qualified Investment for this Project will be located entirely within Sudan ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance building, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 2.0 to 3.5 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Sudan ISD. Current plans are to install between 44 and 75 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Blue Cloud intends to connect to the proposed Needmore Substation via a 230kV transmission line. All of the infrastructure will remain within the project boundary and within the Reinvestment Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Attachment 8

Description of Qualified Property

Blue Cloud Wind Energy, LLC plans to construct an estimated 150MW wind farm, located entirely within Sudan ISD in Bailey and Lamb Counties, Texas. All of the Qualified Investment for this Project will be located entirely within Sudan ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance buildings, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 2.0 MW to 3.5 MW turbines. Although final turbine selection and location of the infrastructure may change, all equipment outlined above is expected to be located within Sudan ISD. Current plans are to install between 44 and 75 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Blue Cloud intends to connect to the proposed Needmore Substation via a 230kV transmission line. All of the infrastructure will remain within the project boundary and within the Reinvestment Zone. The map in Attachment 11c shows the proposed project area with the anticipated improvement locations.

Attachment 9

Description of Land

PORTION OF PROPERTY LOCATED IN LAMB COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHEAST PART (NE/PART) OF LEAGUE 210, ABSTRACT 410, DEAF SMITH CSL SURVEY, LAMB COUNTY, TEXAS;

THE NORTH PART (N/PART) OF LEAGUE 215, ABSTRACT 411, CROCKETT CSL SURVEY, LAMB COUNTY, TEXAS;

ALL OF LEAGUE 216, ABSTRACT 101, CROCKETT CSL SURVEY, LAMB COUNTY, TEXAS;

THE WEST PART (W/PART) OF LEAGUE 224, ABSTRACT 102, COLLINGSWORTH CSL SURVEY, LAMB COUNTY, TEXAS;

THE NORTHWEST PART (NW/PART) OF LEAGUE 225, ABSTRACT 412, COLLINGSWORTH CSL SURVEY, LAMB COUNTY, TEXAS;

ALL OF LEAGUE 237, ABSTRACT 100, DEAF SMITH CSL SURVEY, LAMB COUNTY, TEXAS;

PORTION OF PROPERTY LOCATED IN BAILEY COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LEAGUE 193, ABSTRACT 216, FOARD CSL SURVEY, BAILEY COUNTY, TEXAS;

THE NORTH AND EAST PART (N&E/PART) OF LEAGUE 194, ABSTRACT 334, FOARD CSL SURVEY, BAILEY COUNTY, TEXAS;

ALL OF LEAGUE 200, ABSTRACT 335, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS; SAVE AND EXCEPT AN AREA OUT OF THE WEST HALF (W/2);

ALL OF LEAGUE 201, ABSTRACT 218, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS;

THE EAST THIRD (E/3) OF LEAGUE 202, ABSTRACT 214, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS;

THE WEST TWO THIRDS (W/ 2/3) OF LEAGUE 208, ABSTRACT 213, OCHILTREE CSL SURVEY, BAILEY COUNTY, TEXAS;

ALL OF LEAGUE 209, ABSTRACT 217, DEAF SMITH CSL SURVEY, BAILEY COUNTY, TEXAS;

THE WEST TWO THIRDS (W/ 2/3) OF LEAGUE 210, ABSTRACT 336, DEAF SMITH CSL SURVEY, BAILEY COUNTY, TEXAS

Attachment 10

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

The Project has four (4) existing temporary meteorological towers located on the site:

Site No. 4211 – 60m NRG Tower – Serial No. 428001665

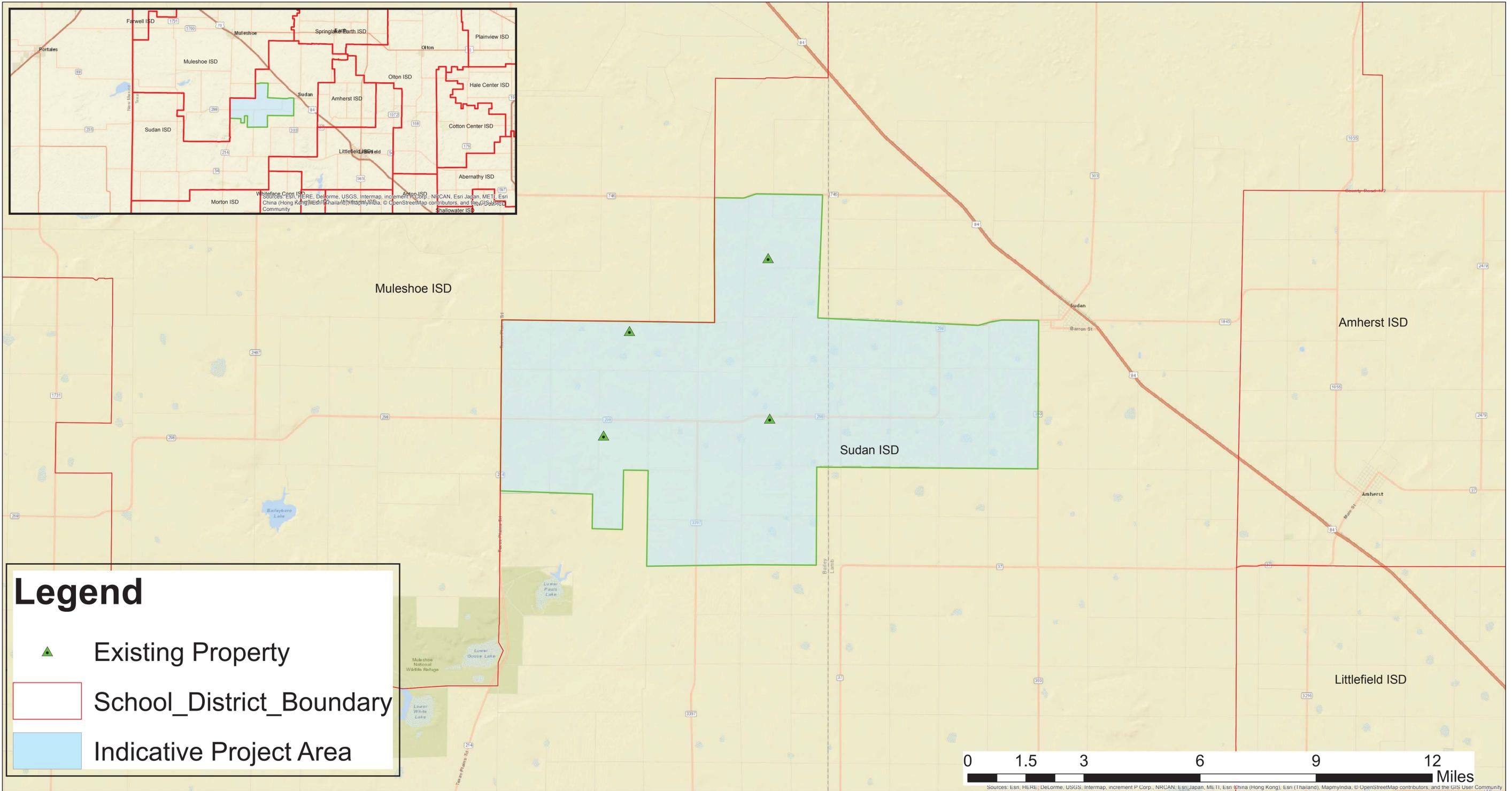
Site No. 4212 – 80m NRG Tower – Serial No. 494102283

Site No. 4213 – 60m NRG Tower – Serial No. 494107125

Site No. 4214 – 60m NRG Tower – Serial No. 494107093

A map reflecting their placement is provided below and in Attachment 11d.

Please see the attached map below.



Blue Cloud Wind Energy, LLC
Existing/Non-Eligible Property

313 Application to Sudan ISD



Sheet No.
1

Blue Cloud Wind Energy, LLC

Sudan ISD

August 2016

Attachment 11

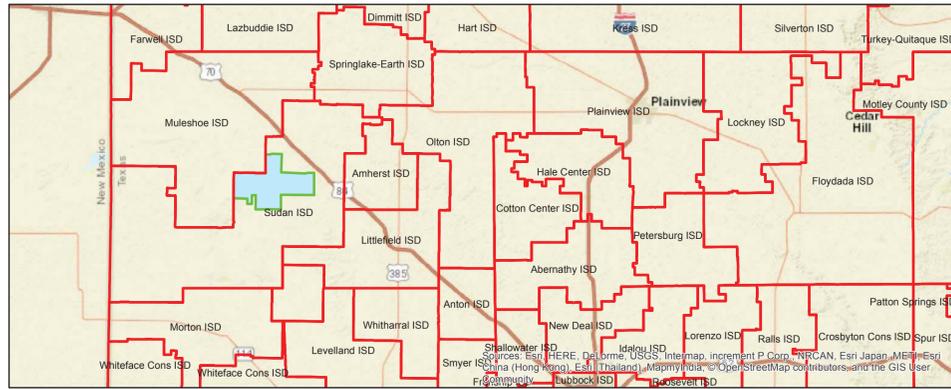
Maps that clearly show:

- 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*

Attachment 11a

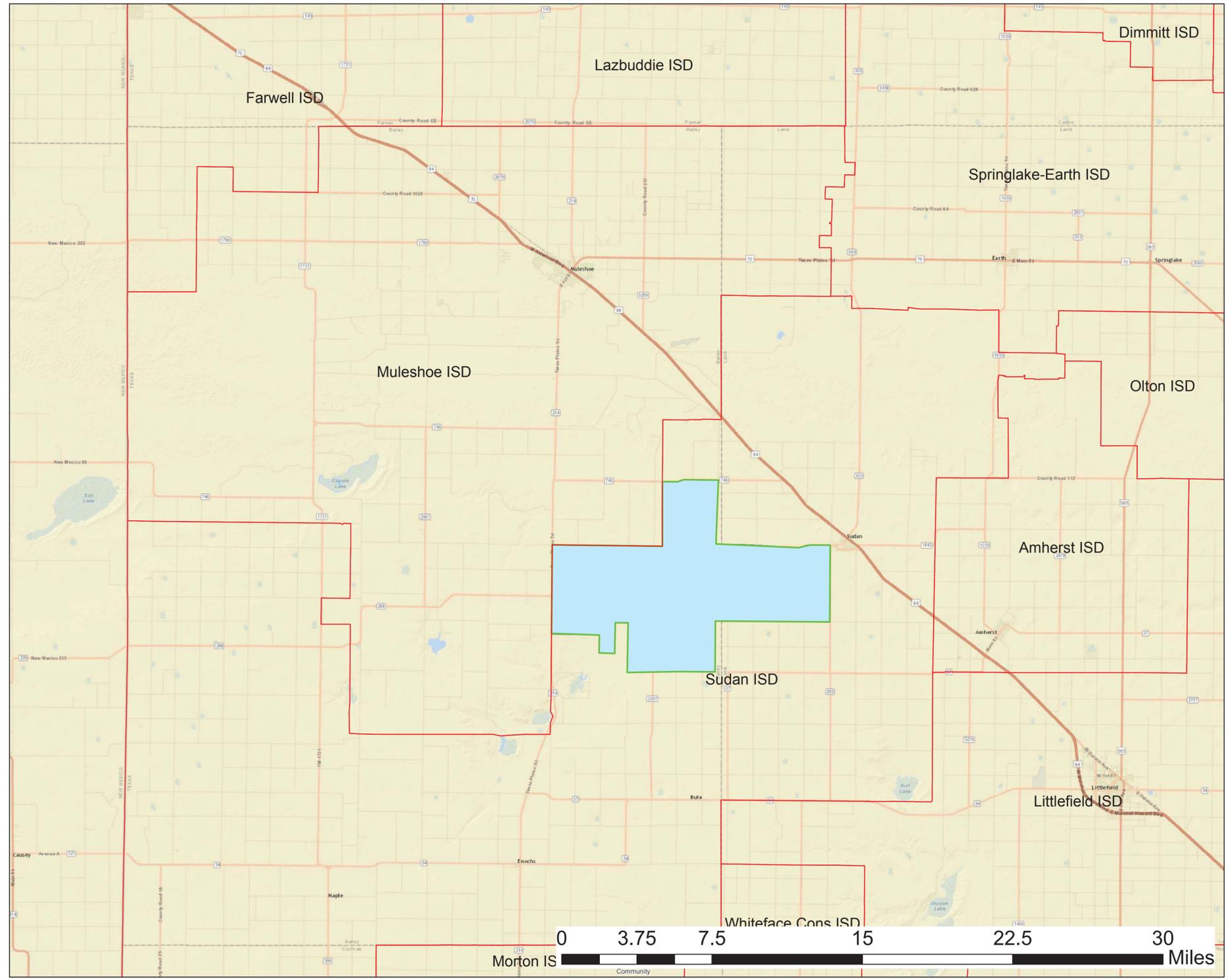
a) Project vicinity

Please see the attached map.



Legend

- School_District_Boundary
- ★ Blue Cloud
- Reinvestment Zone



Blue Cloud Wind Energy, LLC
Property Within Vicinity

313 Application to Sudan ISD



Blue Cloud Wind Energy, LLC

Sudan ISD

Sheet No.

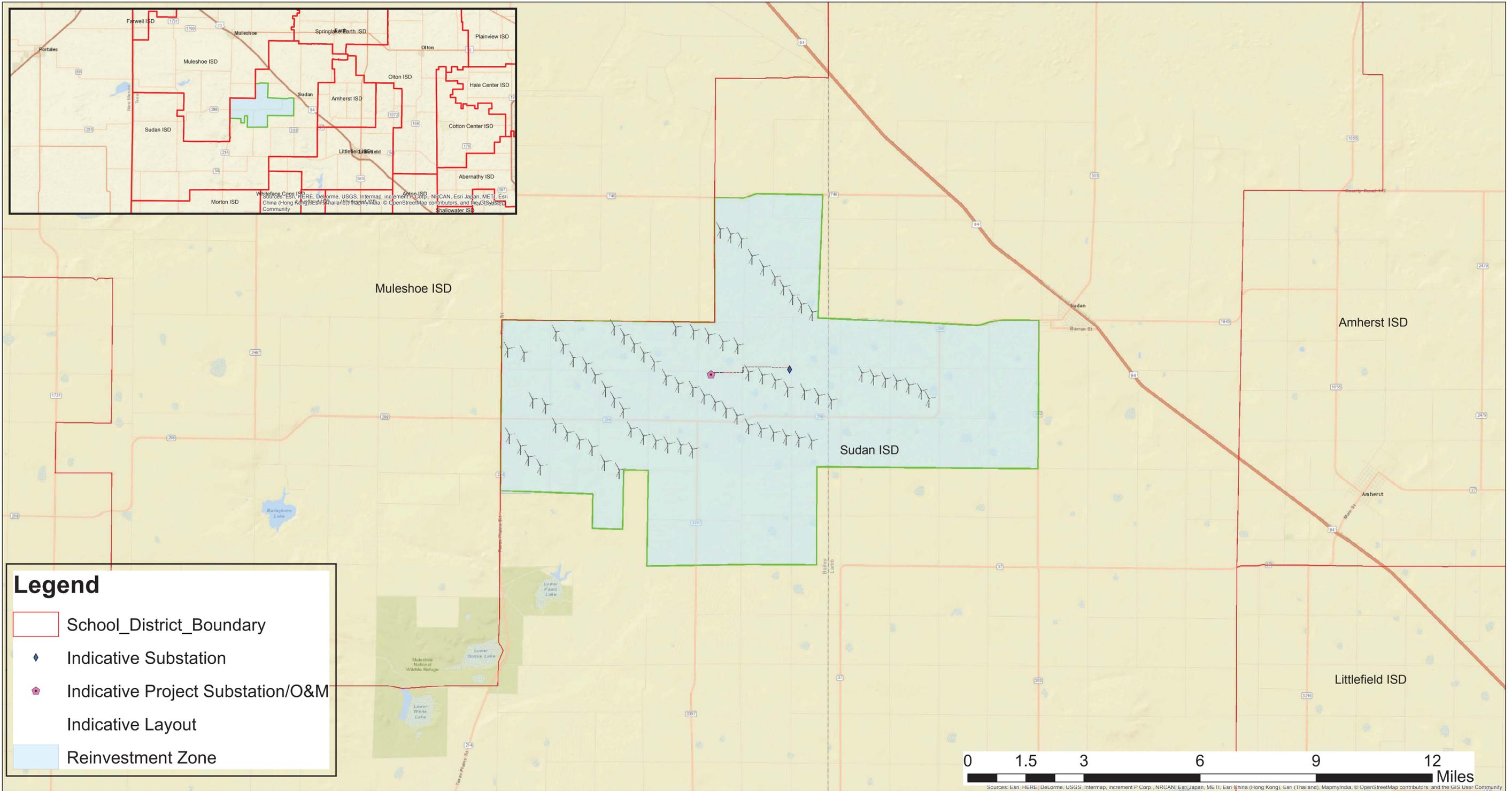
August 2016

1

Attachment 11b

- 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***

Please see the attached map.



Legend

- School_District_Boundary
- ◆ Indicative Substation
- ◆ Indicative Project Substation/O&M
- Indicative Layout
- Reinvestment Zone



Blue Cloud Wind Energy, LLC
Qualified Investment

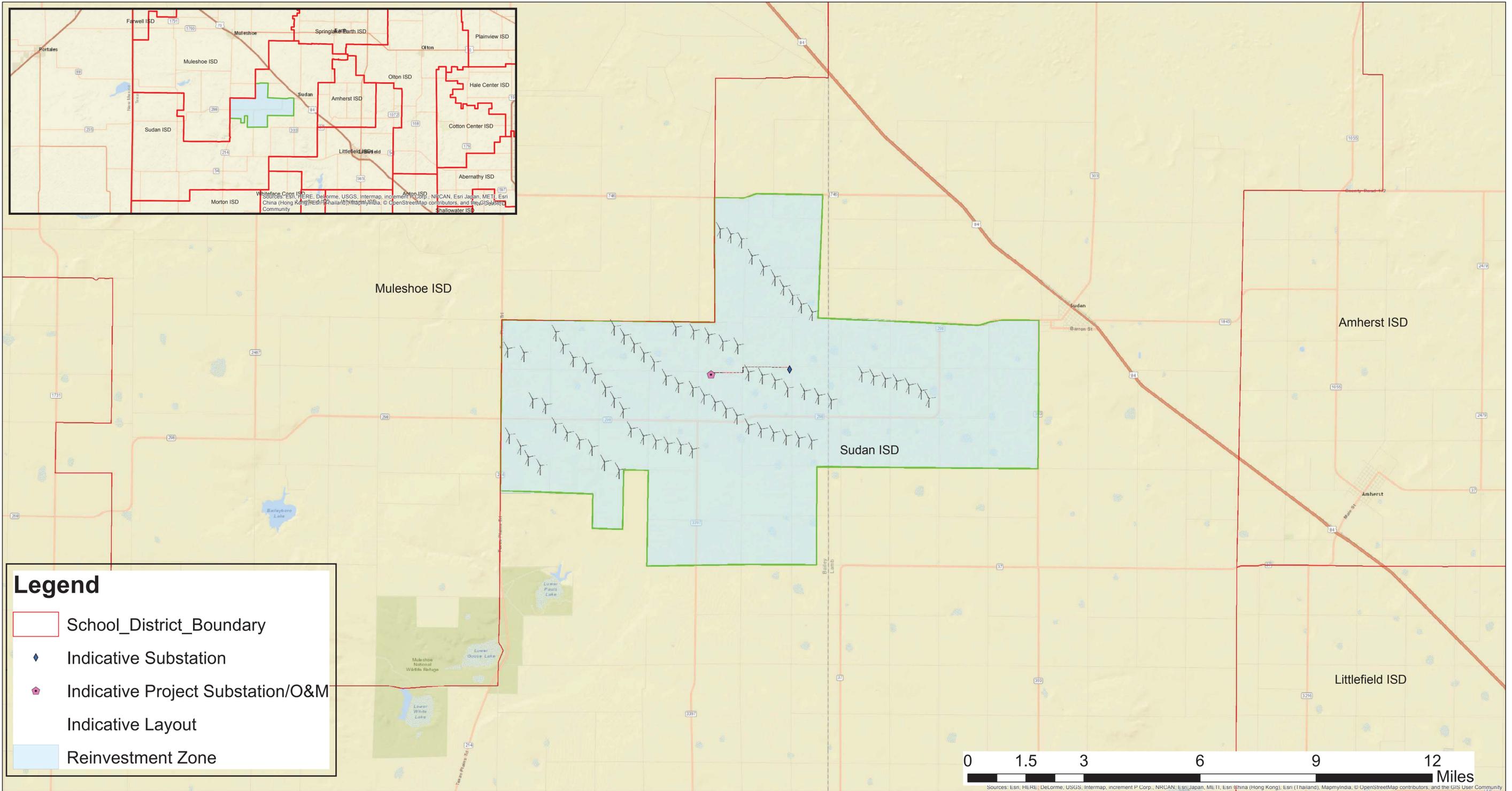
313 Application to Sudan ISD
Note: Location of Qualified Investment/Qualified Property is subject to change, but will remain within ISD boundary.

 Sheet No. 1	Blue Cloud Wind Energy, LLC
	Sudan ISD
	August 2016

Attachment 11c

c) *Qualified property including location of new buildings or new improvements*

Please see the attached map below.



Legend

- School_District_Boundary
- ◆ Indicative Substation
- ◆ Indicative Project Substation/O&M
- Indicative Layout
- Reinvestment Zone



Blue Cloud Wind Energy, LLC
Qualified Property

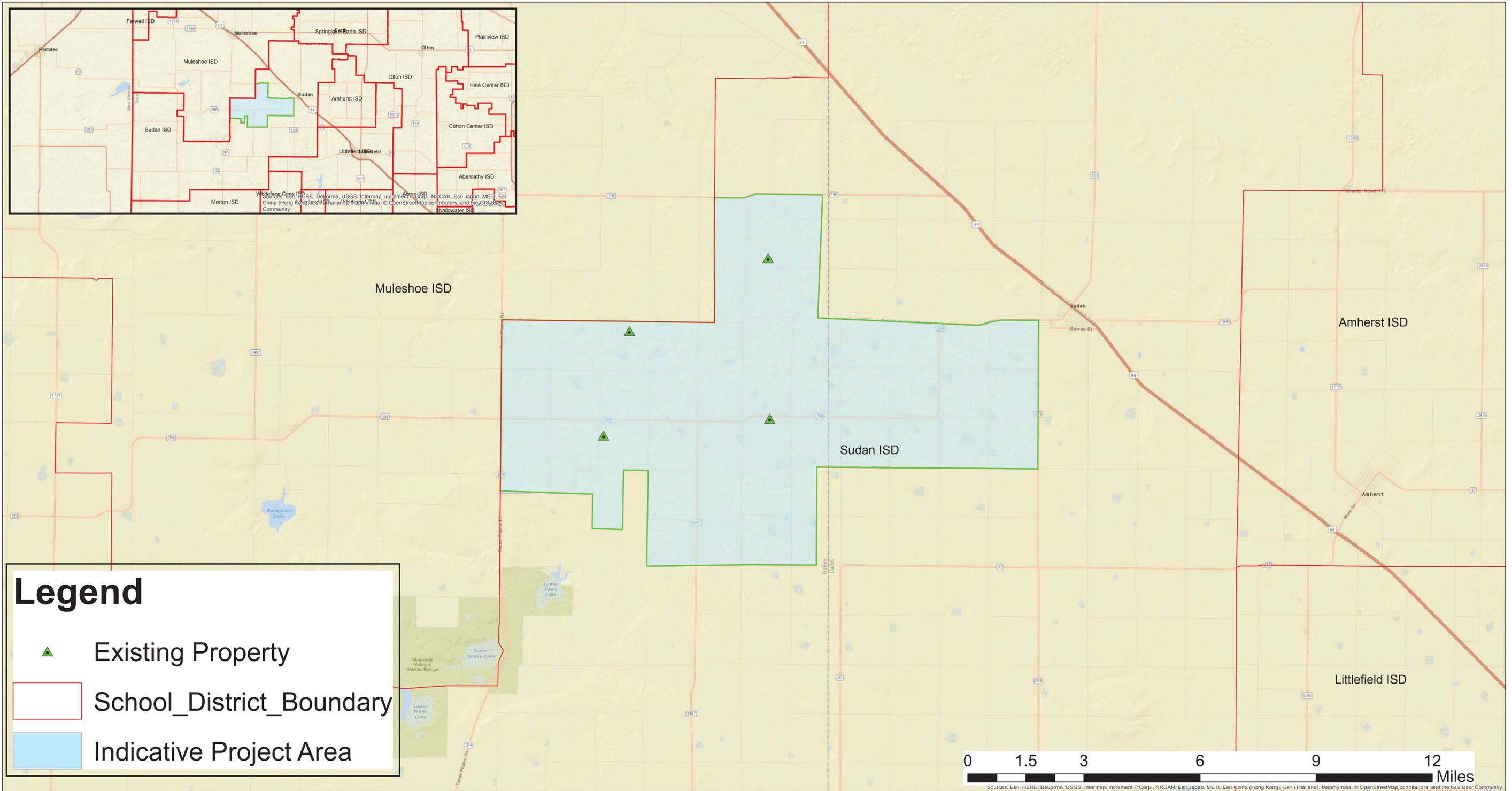
313 Application to Sudan ISD
Note: Location of Qualified Investment/Qualified Property is subject to change, but will remain within ISD boundary.

 Sheet No. 1	Blue Cloud Wind Energy, LLC
	Sudan ISD
	August 2016

Attachment 11d

d) Existing property

Please see the attached map below.



Blue Cloud Wind Energy, LLC
Existing/Non-Eligible Property

313 Application to Sudan ISD



Blue Cloud Wind Energy, LLC

Sudan ISD

Sheet No.

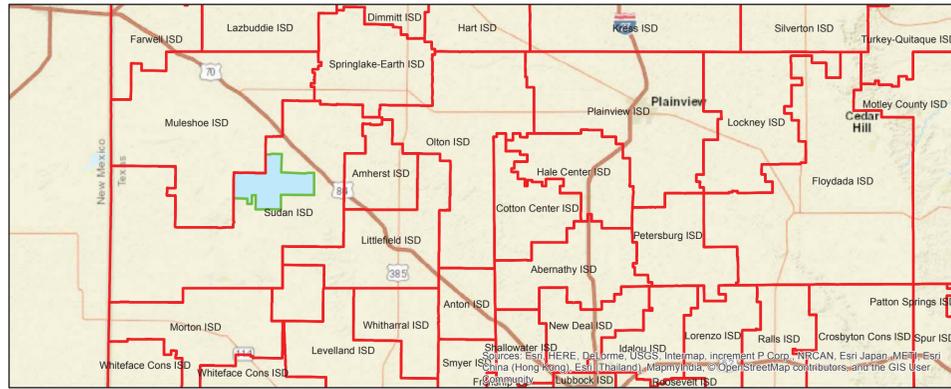
August 2016

1

Attachment 11e

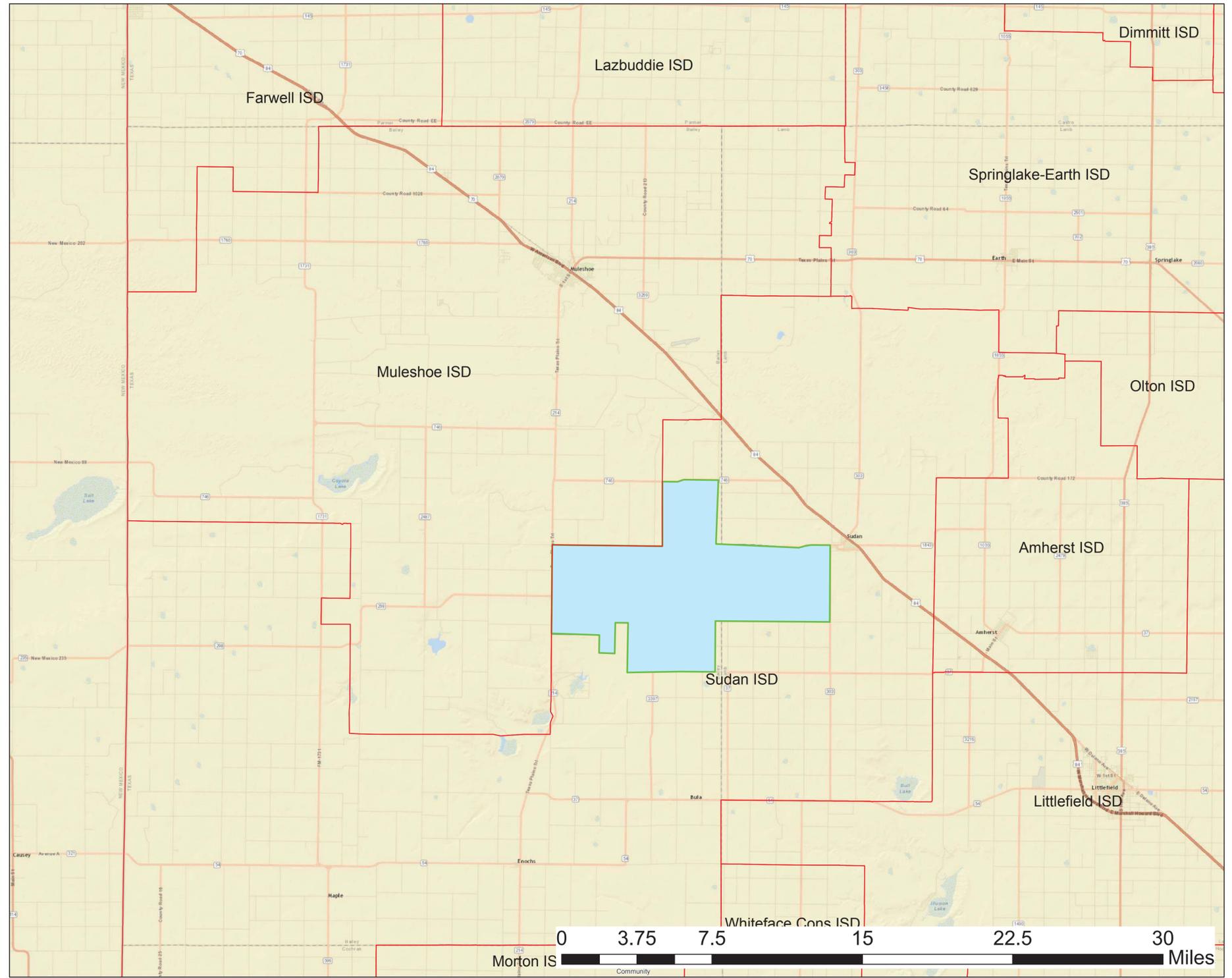
e) Land location within vicinity map

Please see the attached map.



Legend

- School_District_Boundary
- ★ Blue Cloud
- Reinvestment Zone



Blue Cloud Wind Energy, LLC
Property Within Vicinity

313 Application to Sudan ISD



Blue Cloud Wind Energy, LLC

Sudan ISD

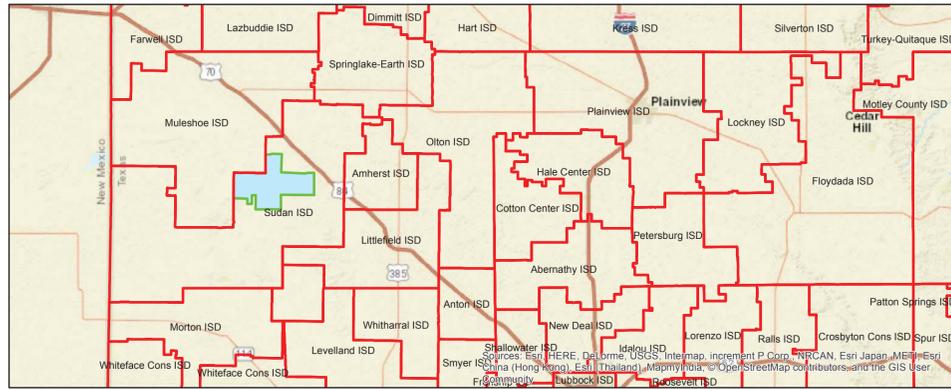
Sheet No.
1

August 2016

Attachment 11f

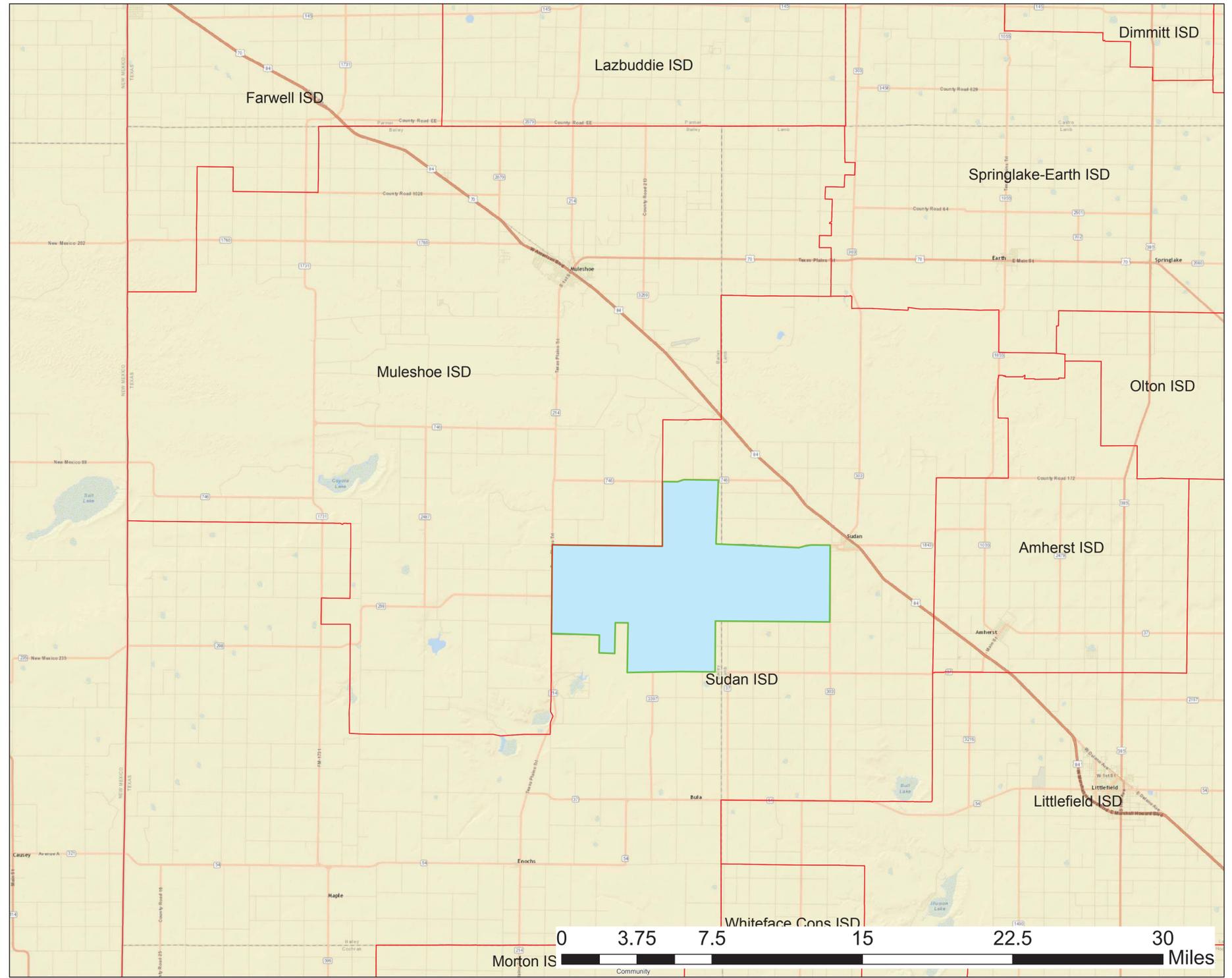
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

Please see attached map.



Legend

- School_District_Boundary
- ★ Blue Cloud
- Reinvestment Zone



Blue Cloud Wind Energy, LLC
Property Within Vicinity

313 Application to Sudan ISD



Blue Cloud Wind Energy, LLC

Sudan ISD

Sheet No.

August 2016

1

Attachment 12

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

See attached waiver request below.

Blue Cloud Wind Energy, LLC

August 8th, 2016

Scott Harrell
Sudan Independent School District
107 FM 303, Sudan, Texas 79371

Re: Chapter 313 Job Waiver Request for Blue Cloud Wind Energy, LLC

Dear Mr. Harrell,

Blue Cloud Wind Energy, LLC requests that the Sudan Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.02S (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.

Blue Cloud Wind Energy, LLC requests that the Sudan Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Blue Cloud Wind Energy, LLC has committed to create 4 total jobs for the project, all of which will be in Sudan I.S.D.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 - 20 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



John Hall
Blue Cloud Wind Energy, LLC

Attachment 13

a. Average weekly wage for all jobs (all industries) in the county

Year	Period	Area	Ownership	Level	Ind Code	Industry	Avg Weekly Wages
2016	1st Qtr	Bailey County	Private	0	10	Total, All Industries	\$738
2015	2nd Qtr	Bailey County	Private	0	10	Total, All Industries	\$735
2015	3rd Qtr	Bailey County	Private	0	10	Total, All Industries	\$740
2015	4th Qtr	Bailey County	Private	0	10	Total, All Industries	\$845
Average							\$764.50

Source Data: Texas Workforce Commission:

Quarterly Employment and Wages (QCEW)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	2nd Qtr	Bailey County	Private	00	0	10	Total, All Industries	\$735
2015	3rd Qtr	Bailey County	Private	00	0	10	Total, All Industries	\$740
2015	4th Qtr	Bailey County	Private	00	0	10	Total, All Industries	\$845
2016	1st Qtr	Bailey County	Private	00	0	10	Total, All Industries	\$738
2015	1st Qtr	Bailey County	Private	00	0	10	Total, All Industries	\$719

b. 110% of the average weekly wage for manufacturing jobs in the area

Year	Period	Area	Ownership	Level	Ind Code	Industry	Avg Weekly Wages
2015	2nd Qtr	Bailey County	Private	0	31-33	Manufacturing	\$654
2015	3rd Qtr	Bailey County	Private	0	31-33	Manufacturing	\$697
2015	4th Qtr	Bailey County	Private	0	31-33	Manufacturing	\$763
2016	1 st Qtr	Bailey County	Private	0	31-33	Manufacturing	\$661
Average							\$693.75

Source Data: Texas Workforce Commission:

110% of the average weekly wage for manufacturing jobs in the county: $\$693.75 \times 1.1 = \763.13

Quarterly Employment and Wages (QCEW)

[Help with Download](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	2nd Qtr	Bailey County	Private	31	2	31-33	Manufacturing	\$654
2015	3rd Qtr	Bailey County	Private	31	2	31-33	Manufacturing	\$697
2015	4th Qtr	Bailey County	Private	31	2	31-33	Manufacturing	\$763
2016	1st Qtr	Bailey County	Private	31	2	31-33	Manufacturing	\$661

c. 110% of the average weekly wage for all jobs in the region

$$\text{\$40,048.80/52} = \text{\$770.17 per week}$$

The annual salary for the **South Plains Association of Governments** as published by the Texas Occupational Employment and Wages in July 2016:

$$\text{\$36,408} \times 1.1 = \text{\$40,048.80}$$

**2015 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

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

Source: Texas Occupational Employment and Wages

Data published: July 2016

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

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

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

Data intended for TAC 313 purposes only.

Attachment 14

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

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

Applicant Name Blue Cloud Wind Energy, LLC
ISD Name Sudan ISD

Form 50-296A
 Revised Feb 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)	2016-2017	2016	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				\$	-	\$	-	\$	-	\$	-
Complete tax years of qualifying time period	QTP1	2017-2018	2017	\$	195,000,000.00	\$	-	\$	-	\$	195,000,000.00
	QTP2	2018-2019	2018	\$	-	\$	-	\$	-	\$	-
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$	195,000,000.00	\$	-	\$	-	\$	195,000,000.00
				Enter amounts from TOTAL row above in Schedule A2							
Total Qualified Investment (sum of green cells)				\$	195,000,000.00						

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.

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

Applicant Name Blue Cloud Wind Energy, LLC
ISD Name Sudan ISD

Form 50-296A
 Revised Feb 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 YYYY below)	New investment (original cost) in intangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		\$195,000,000	\$ -		\$ -	\$ 195,000,000.00
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2016-2017	2016				\$ -	\$ -
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$195,000,000	\$ -			\$ 195,000,000.00
Value limitation period***	1	2018-2019	2018					
	2	2019-2020	2019					
	3	2020-2021	2020					
	4	2021-2022	2021					
	5	2022-2023	2022					
	6	2023-2024	2023					
	7	2024-2025	2024					
	8	2025-2026	2025					
	9	2026-2027	2026					
	10	2027-2028	2027					
Total Investment made through limitation				\$ 195,000,000.00	\$ -	\$ -	\$ -	\$ 195,000,000.00
Continue to maintain viable presence	11	2028-2029	2028					
	12	2029-2030	2029					
	13	2030-2031	2030					
	14	2031-2032	2031					
	15	2032-2033	2032					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033					
	17	2034-2035	2034					
	18	2035-2036	2035					
	19	2036-2037	2036					
	20	2037-2038	2037					
	21	2038-2039	2038					
	22	2039-2040	2039					
	23	2040-2041	2040					
	24	2041-2042	2041					
	25	2042-2043	2042					

* 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 **7/20/2016**
 Applicant Name **Blue Cloud Wind Energy, LLC**
 ISD Name **Sudan ISD**

Form 50-296A
 Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	0	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Value Limitation Period	1	2019-2020	2019	\$ -	\$ -	\$ 195,000,000.00	\$ 195,000,000.00	\$ 195,000,000.00	\$ 20,000,000.00
	2	2020-2021	2020	\$ -	\$ -	\$ 185,250,000.00	\$ 185,250,000.00	\$ 185,250,000.00	\$ 20,000,000.00
	3	2021-2022	2021	\$ -	\$ -	\$ 175,500,000.00	\$ 175,500,000.00	\$ 175,500,000.00	\$ 20,000,000.00
	4	2022-2023	2022	\$ -	\$ -	\$ 165,750,000.00	\$ 165,750,000.00	\$ 165,750,000.00	\$ 20,000,000.00
	5	2023-2024	2023	\$ -	\$ -	\$ 156,000,000.00	\$ 156,000,000.00	\$ 156,000,000.00	\$ 20,000,000.00
	6	2024-2025	2024	\$ -	\$ -	\$ 146,250,000.00	\$ 146,250,000.00	\$ 146,250,000.00	\$ 20,000,000.00
	7	2025-2026	2025	\$ -	\$ -	\$ 136,500,000.00	\$ 136,500,000.00	\$ 136,500,000.00	\$ 20,000,000.00
	8	2026-2027	2026	\$ -	\$ -	\$ 126,750,000.00	\$ 126,750,000.00	\$ 126,750,000.00	\$ 20,000,000.00
	9	2027-2028	2027	\$ -	\$ -	\$ 117,000,000.00	\$ 117,000,000.00	\$ 117,000,000.00	\$ 20,000,000.00
	10	2028-2029	2028	\$ -	\$ -	\$ 107,250,000.00	\$ 107,250,000.00	\$ 107,250,000.00	\$ 20,000,000.00
Continue to maintain viable presence	11	2029-2030	2029	\$ -	\$ -	\$ 97,500,000.00	\$ 97,500,000.00	\$ 97,500,000.00	\$ 20,000,000.00
	12	2030-2031	2030	\$ -	\$ -	\$ 87,750,000.00	\$ 87,750,000.00	\$ 87,750,000.00	\$ 20,000,000.00
	13	2031-2032	2031	\$ -	\$ -	\$ 78,000,000.00	\$ 78,000,000.00	\$ 78,000,000.00	\$ 20,000,000.00
	14	2032-2033	2032	\$ -	\$ -	\$ 68,250,000.00	\$ 68,250,000.00	\$ 68,250,000.00	\$ 20,000,000.00
	15	2033-2034	2033	\$ -	\$ -	\$ 58,500,000.00	\$ 58,500,000.00	\$ 58,500,000.00	\$ 20,000,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	\$ -	\$ -	\$ 48,750,000.00	\$ 48,750,000.00	\$ 48,750,000.00	\$ 20,000,000.00
	17	2035-2036	2035	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	18	2036-2037	2036	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	19	2037-2038	2037	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	20	2038-2039	2038	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	21	2039-2040	2039	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	22	2040-2041	2040	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	23	2041-2042	2041	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	24	2042-2043	2042	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00
	25	2043-2044	2043	\$ -	\$ -	\$ 39,000,000.00	\$ 39,000,000.00	\$ 39,000,000.00	\$ 20,000,000.00

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.

Schedule C: Employment Information

Applicant Name Blue Cloud Wind Energy, LLC
ISD Name Sudan ISD

Form 50-296A
 Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of 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 annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	\$ -	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	150 FTE	\$ 52,364.00	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019			0	4	\$ 40,100.00
	2	2020-2021	2020			0	4	\$ 40,100.00
	3	2021-2022	2021			0	4	\$ 40,100.00
	4	2022-2023	2022			0	4	\$ 40,100.00
	5	2023-2024	2023			0	4	\$ 40,100.00
	6	2024-2025	2024			0	4	\$ 40,100.00
	7	2025-2026	2025			0	4	\$ 40,100.00
	8	2026-2027	2026			0	4	\$ 40,100.00
	9	2027-2028	2027			0	4	\$ 40,100.00
	10	2028-2029	2028			0	4	\$ 40,100.00
Years Following Value Limitation Period	11 through 26	2029-2044	2029-2044			0	4	\$ 40,100.00

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:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?

<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No
<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No



Schedule D: Other Incentives (Estimated)

Applicant Name **Blue Cloud Wind Energy, LLC**
ISD Name **Sudan ISD**

Form 50-286A
Revised Feb 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: City: Other:					
Tax Code Chapter 312	Balley County (Revising)	2019	2029	\$584,491	100% abatement years 1-10, \$2,000/MW at COD - PILOT payment	\$240,000
	Lamb County (Revising)	2019	2029	\$146,215	100% abatement years 1-10, \$2,000/MW at COD - PILOT payment	\$60,000
Local Government Code Chapters 380/381	County: City: Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
TOTAL				\$ 730,705.56		\$ 300,000.00

Additional information on incentives for this project:

Attachment 15

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

Pending, not attached.

Attachment 16

Description of Reinvestment or Enterprise Zone, including:

- a) Evidence that the area qualifies as an 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**

**RESOLUTION OF THE COMMISSIONERS COURT
OF BAILEY COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NUMBER 2014-01**

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

WHEREAS, the Commissioners Court of Bailey 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 Tax Abatement Guidelines and Criteria of Bailey County (the "Guidelines"); and

WHEREAS, on October 3, 2014, a hearing before the Commissioners Court of Bailey 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 Bailey County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

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

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

BE IT RESOLVED BY THE COMMISSIONERS COURT OF BAILEY 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 Bailey County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

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

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

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the Bailey County Commissioners Court hereby creates Bailey County Reinvestment Zone Number 2014-01; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Bailey County Reinvestment Zone Number 2014-01.

SECTION 4. That Bailey County Reinvestment Zone Number 2014-01 shall take effect on October 3, 2014 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 sufficient notice of the date, hour, place and subject, of the meeting of the Bailey County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the ^{3rd}~~22nd~~ day of ^{October} September, 2014.

Floyd J. (Butch) Vandiver
Floyd J. (Butch) Vandiver
Commissioner, Precinct 1

Absent
C. E. Grant
Commissioner, Precinct 2

Absent
Joey Kindle
Commissioner, Precinct 3

Juan Chavez
Juan Chavez
Commissioner, Precinct 4

Sherri Harrison
Sherri Harrison
County Judge

ATTEST:

Tracy Torres, Deputy
Paula Benton, COUNTY CLERK
Robin Dickerson



FILED FOR RECORD
^{3rd} DAY OF Oct. YR 2014
AT 10 HR 30 MIN. A M.
ROBIN DICKERSON, COUNTY CLERK
BAILEY COUNTY, TEXAS

EXHIBIT A
DESCRIPTION OF
BAILEY COUNTY
REINVESTMENT ZONE 2014-01

All of Leagues 193 and 208, Abstract 216 and 213, Ochiltree CSL Survey, Bailey County, Texas

All of Leagues 209 and 210, Abstract 217 and 336, Deaf Smith CSL Survey, Bailey County, Texas

All of League 201, Abstract 218, Roberts CSL Survey, Bailey County, Texas

All of the North two-thirds (N/ 2/3) of League 194, Abstract 334, Foard CSL Survey, Bailey County, Texas, Save and Except an area out of the South half (S/2) of the North two-thirds (N/ 2/3), containing 913 acres, more or less

All of League 200, Abstract 335, Roberts CSL Survey, Bailey County, Texas, Save and Except an area out of the West half (W/2), containing 674 acres, more or less

The East third (E/3) of League 202, Abstract 214, Roberts CSL Survey, Bailey County, Texas

STATE OF TEXAS

BAILEY COUNTY

TAX ABATEMENT GUIDELINES AND CRITERIA

Bailey County (the "County") is committed to the promotion of quality development in all parts of Bailey County and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider providing Tax Abatements (as defined below) to stimulate economic development. It is the policy of the County that such an incentive will be provided in accord with the guidelines and criteria outlined in this document. All applicants for Tax Abatements shall be considered on an individual basis.

In order to be eligible for designation as a Reinvestment Zone and receive Tax Abatement, and unless otherwise approved by the County, the planned improvement:

1. must be an Eligible Facility (as defined below);
2. must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
3. must be reasonably expected to have an increase in positive net economic benefit to Bailey County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not limited to) new sustaining payroll and/or capital improvement; and
4. must not be expected to solely or primarily have the effect of transferring employment from one part of Bailey County to another.

In addition to the criteria set forth above, the County reserves the right to negotiate a Tax Abatement Agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property that is a direct result of the development, redevelopment, and improvement specified in the Agreement will be eligible for Abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the applicant located within the jurisdiction creating the reinvestment zone.

All Tax Abatement Agreements will remain in effect no longer than allowed by law.

It is the goal of the County to grant Tax Abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the County to consider, adopt, modify, or decline any Tax Abatement request.

This policy is effective as of the 3rd day of October, 2014, and shall at all times be kept current with regard to the needs of Bailey County and reflective of the official views of the County, and shall be reviewed every two (2) years.

The adoption of these guidelines and criteria by the Commissioners does not:

1. limit the discretion of the governing body to decide whether to enter into a specific Tax Abatement Agreement;
2. 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
3. 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.

SECTION I. DEFINITIONS

A. **"Abatement" or "Tax Abatement"** means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated for economic development purposes.

B. **"Agreement" or "Abatement Agreement"** means a contractual Agreement between a property owner and/or lessee and the County.

C. **"Base Year Value"** means the assessed value on the eligible property as of January 1 preceding the execution of the Agreement.

D. **"Deferred Maintenance"** means improvements necessary for continued operation which do not improve productivity or alter the process technology.

E. **"Eligible Facilities"** means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting the Abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Bailey County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Bailey County such as, but not limited to, restaurants and retail sales establishments. Eligible facilities may include, but shall not be limited to a(n):

- aquaculture/agriculture facility;
- distribution center facility;
- manufacturing facility;
- office building;
- regional entertainment/tourism facility;
- research service facility;
- regional service facility;
- historic building in a designated area;

wind energy facility; or
other basic industrial facility.

F. **"Expansion"** means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

G. **"Facility"** means property improvement(s) completed or in the process of construction which together comprise an interregional whole.

H. **"Modernization"** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment.

I. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion or Modernization.

J. **"Productive Life"** means the number of years property improvement(s) is/are expected to be in service in a facility.

SECTION II. ABATEMENT AUTHORIZED

A. **Eligible Facilities.** Upon application, Eligible Facilities shall be considered for Tax Abatement as hereinafter provided.

B. **Creation of New Values.** Abatement may only be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

C. **New and Existing Facilities.** Abatement may be granted for the additional value of eligible property improvement(s) made subsequent to and specified in an Abatement Agreement between the County and the property owner or lessee, subject to such limitations as the County may require.

D. **Eligible Property.** Abatement may be extended to the value of new, expanded, or modernized buildings, structures, fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.

E. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for Tax Abatement: land; animals; inventories, supplies; tools; furnishings; vehicles; vessels; aircraft; deferred maintenance investments; housing and property to be rented or leased, except as provided in Section II(F); property owned or used by the State of Texas.

F. **Owned/Leased Facilities.** If a leased facility is granted Abatement, the

Agreement shall be executed with the lessor and the lessee. If the land is leased, but the facility constructed or installed thereon is owned by the lessee, the lessee shall execute the Agreement.

G. **Economic Qualifications.** In order to be eligible for designation as a reinvestment zone and receive Tax Abatement, the planned improvement:

- (1) must be an Eligible Facility;
- (2) must add at least Five Hundred Thousand Dollars (\$500,000.00) to the tax roll of eligible property;
- (3) must be reasonably expected to have an increase in positive net economic benefit to Bailey County of at least One Million Dollars (\$1,000,000.00) over the life of the Abatement, computed to include (but not be limited to) new sustaining payroll and/or capital improvement. The creation of new jobs will also factor into the decision to grant an Abatement; and
- (4) must not be expected to solely or primarily have the effect of transferring employment from one part of Bailey County to another.

H. **Standards for Tax Abatement.** The following factors, among others, will be considered in determining whether to grant Tax Abatement:

- (1) value of existing improvements, if any;
- (2) type and value of proposed improvements;
- (3) productive life of proposed improvements;
- (4) number of existing jobs to be retained by proposed improvements;
- (5) number and type of new jobs to be created by proposed improvements;
- (6) amount of local payroll to be created;
- (7) whether the new jobs to be created will be filled by persons residing or projected to reside within the affected taxing jurisdiction;
- (8) amount by which property tax base valuation will be increased during the term of Abatement and after Abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than Five Hundred Thousand Dollars (\$500,000.00);
- (9) expenses to be incurred in providing facilities directly resulting from the new improvements;

(10) the amount of ad valorem taxes to be paid to the County during the Abatement period considering (a) the existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period;

(11) the population growth of Bailey County that occurs directly as a result of new improvements;

(12) the types and values of public improvements, if any, to be made by applicant seeking Abatement;

(13) whether the proposed improvements compete with existing businesses to the detriment of the local economy;

(14) the impact on the business opportunities of existing business;

(15) the attraction of other new businesses to the area;

(16) the overall compatibility with the zoning ordinances and comprehensive plan for the area; and

(17) whether the project obtains all necessary permits from the applicable environmental agencies.

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, Abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. **Denial of Abatement.** An Abatement Agreement shall not be authorized if it is determined that:

(1) there would be substantial adverse effect on the provision of government services or tax base;

(2) the applicant has insufficient financial capacity;

(3) applicant activities would violate applicable codes or laws; or

(4) any other reason deemed appropriate by the County.

J. **Taxability.** From the execution of the Abatement to the end of the Agreement period, taxes shall be payable as follows:

(1) the value of ineligible property as provided in Section II(E) shall be fully taxable;

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and

(3) the additional value of new eligible property shall be fully taxable at the end of the Abatement period.

SECTION III. APPLICATION

A. Any present or potential owner of taxable property in the County may request Tax Abatement by filing a written application with the Commissioners.

B. The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of a property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The Commissioners may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant to be attached to the application. The completed application must be accompanied by the payment of a nonrefundable application fee for administrative costs and legal fees associated with the processing of the Tax Abatement request. All checks in payment of the administrative fee shall be made payable to the County. The fee for Abatement requests shall be One Thousand and No/100 Dollars (\$1,000.00).

C. The County shall give notice as provided by the Property Tax Code, including written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located, not later than seven (7) days before acting upon the application.

D. The application process described in this Section III shall be followed regardless of whether a particular reinvestment zone is created by Bailey County or a taxing entity within Bailey County. No other notice or hearing shall be required except compliance with the open meetings act, unless the Commissioners deem them necessary in a particular case.

SECTION IV. AGREEMENT

A. After approval, the Commissioners shall formally pass a resolution and execute an Agreement with the owner of the facility and lessee, as required, which shall:

(1) include a list of the kind, number and location of all proposed improvements to the property;

(2) provide access to and authorize inspection of the property by the taxing unit to insure compliance with the Agreement;

(3) limit the use of the property consistent with the taxing unit's development

goals;

(4) provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the Agreement;

(5) include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the Agreement to each taxing unit; and

(6) allow the taxing unit to cancel or modify the Agreement at any time if the property owner fails to comply with the terms of the Agreement.

SECTION V. RECAPTURE

A. In the event that the applicant or its assignee (1) allows its ad valorem taxes owed to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or content; or (2) violates any of the terms and conditions of the Abatement Agreement and fails to cure during the cure period, the Agreement may be terminated and all taxes previously abated by virtue of the Agreement will be recaptured and paid within thirty (30) days of the termination.

B. Should the County determine that the applicant or its assignee is in default according to the terms and conditions of its Agreement, the County shall notify the applicant in writing at the address stated in the Agreement, and if such is not cured within the time set forth in such notice (the "Cure Period"), then the Agreement may be terminated.

SECTION VI. ADMINISTRATION

A. The Chief Appraiser of the Bailey County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving Abatement shall furnish the appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the Commissioners of the amount of the assessment.

B. The County may execute a contract with any other jurisdiction(s) to inspect the facility to determine if the terms and conditions of the Abatement Agreement are being met. The Abatement 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 giving twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant present and in accordance with its safety standards.

C. Upon completion of construction, a designated representative of the County shall

annually evaluate each facility receiving Abatement to insure compliance with the Agreement and shall formally report such evaluations to the Commissioners.

SECTION VII. ASSIGNMENT

The Abatement Agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility either upon the approval by resolution of the Commissioners or in accordance with the terms of an existing Tax Abatement Agreement. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner, or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably delayed or withheld. Notice shall be given to the Commissioners at least twenty (20) days in advance of any transfer or assignment.

SECTION VIII. SUNSET PROVISION

These Guidelines and Criteria are effective upon the date of their adoption, and shall supersede and replace any and all prior guidelines and criteria for Tax Abatement in the County. These Guidelines and Criteria shall remain in force for two (2) years, unless amended by a three-quarters (3/4) vote of the Commissioners, at which time all reinvestment zones and Tax Abatement Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on such review, the Guidelines and Criteria will be modified, renewed or eliminated; provided, however, no modification or elimination of the Guidelines and Criteria shall affect Tax Abatement Agreements that have been previously approved until the parties thereto shall agree to amend such Agreements.

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PASSED, APPROVED AND ADOPTED on this the 3rd day of October, 2014.

Floyd J. (Butch) Vandiver
Floyd J. (Butch) Vandiver
Commissioner, Precinct 1

Absent
C. E. Grant
Commissioner, Precinct 2

Absent
Joey Kindle Commissioner, Precinct 3

Juan Chavez
Juan Chavez Commissioner, Precinct 4

Sherri Harrison
Sherri Harrison
County Judge



Tracy Torres
Deputy Paula Benton, COUNTY CLERK
Robin Dickerson

FILED FOR RECORD
3rd DAY OF Oct YR 2014
AT 10 HR 20 MIN. AM M.
ROBIN DICKERSON, COUNTY CLERK
BAILEY COUNTY, TEXAS

Designation of Lamb
County Blue Cloud Renewable
Energy Project
Reinvestment Zone

§
§
§
§

The Commissioners' Court
of
Lamb County, Texas

ORDER

**Approving Motion for Designation
of Lamb County Blue Cloud Renewable Energy Project Reinvestment Zone**

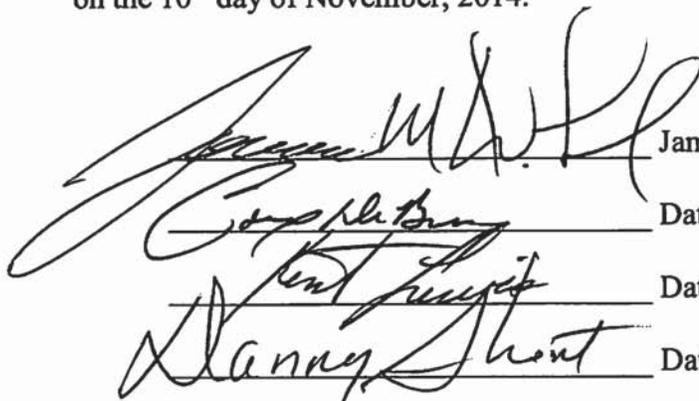
The Commissioners' Court of Lamb County, Texas, meeting in regular session on the 10th day of November, 2014, considered the following resolution:

BE IT ORDERED BY THE COMMISSIONERS' COURT OF LAMB COUNTY, TEXAS AS FOLLOWS

Motion by Commissioner Young, seconded by Lewis, that the following action be taken by the court:

1. THAT the County designate the property located in Lamb County, having the boundary description in Exhibit A and shown on the map in Exhibit B, both attached to this **Order**, as a Reinvestment Zone under the Lamb County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will benefit the zone and will contribute to the economic development of the County, and
2. THAT the County declare eligible for property tax abatement all eligible property for commercial-industrial development, now or thereafter located in that Reinvestment Zone as authorized by the Lamb County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.
3. THAT the zone shall be called the "Blue Cloud Renewable Energy Project Reinvestment Zone."

This ORDER shall become effective as of November 10, 2014. PASSED AND APPROVED at this public hearing of the Lamb County Commissioners Court, at which a quorum was present, on the 10th day of November, 2014.



James M. DeLoach, Lamb County Judge

Date: 11/10/14, Commissioner Precinct 1

Date: 11/10/14, Commissioner Precinct 2

Date: _____, Commissioner Precinct 3

Jeremy Young Date: 11-10-14, Commissioner Precinct 4

ATTESTED: Chelise [Signature] Date: 11-10-2014, County Clerk



Exhibit A

THE FOLLOWING REAL PROPERTY LOCATED IN LAMB COUNTY, TX:

All of Leagues 193 and 208, Abstract 216 and 213, Ochiltree CSL Survey, Lamb County, Texas

All of Leagues 209 and 210, Abstract 217 and 336, Deaf Smith CSL Survey, Lamb County, Texas

All of League 201, Abstract 218, Roberts CSL Survey, Lamb County, Texas

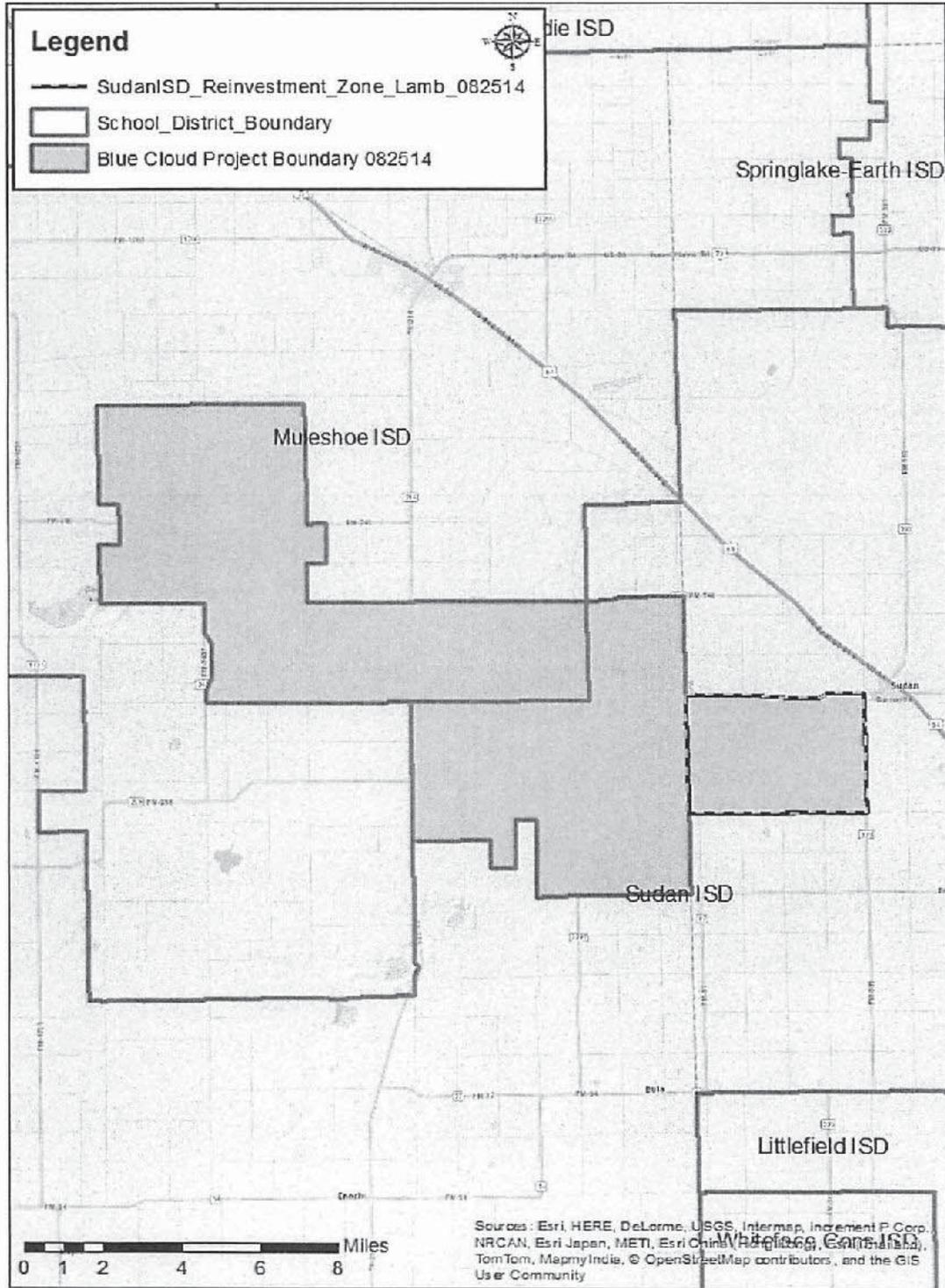
All of the North two-thirds (N/ 2/3) of League 194, Abstract 334, Foard CSL Survey, Lamb County, Texas, Save and Except an area out of the South half (S/2) of the North two-thirds (N/ 2/3), containing 913 acres, more or less

All of League 200, Abstract 335, Roberts CSL Survey, Lamb County, Texas, Save and Except an area out of the West half (W/2), containing 674 acres, more or less

The East third (E/3) of League 202, Abstract 214, Roberts CSL Survey, Lamb County, Texas

EXHIBIT B

Lamb County Reinvestment Zone - Sudan ISD



Note: Location of Qualified Investment and Qualified Property may change but will remain within ISD and Project boundary.

**Lamb County
State of Texas**

Tax Abatement Guidelines and Criteria

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property. Except as otherwise provided, all contracts will be identical.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Lamb County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of transferring employment from one part of Lamb County to another.

In addition to the criteria set forth above, the Lamb County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increase in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Lamb County to grant tax abatements on the same terms and conditions as the other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Lamb County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of _____, 2014 and shall at all times be kept current with regard to the needs of Lamb County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Lamb County Commissioners Court does not:

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JAMEE LONG
CLERK, LAMB CO. TEXAS

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. 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;
3. 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;

Section 1
Definitions

- A. “Abatement” means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Lamb County for economic development purposes.
- B. “Agreement” means a contractual agreement for a tax abatement between a Property Owner and/or Lessee and Lamb County.
- C. “Base year value” means the assessed value on the eligible property as of January 1 preceding the execution of the agreement.
- D. “Deferred maintenance” means improvements necessary for continued operation which do not improve productivity or alter the process technology.
- E. “Eligible facilities” means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Lamb County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Lamb County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- F. “Expansion” means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.
- G. “Facility” means property improvement completed or in process of construction which together comprise an interregional whole.
- H. “Modernization” means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.

- I. “New facility” means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- J. “Productive life” means the number of years a property improvement is expected to be in service in a facility.

Section 2
Abatement Authorized

- A. Eligible facilities Upon application, eligible facilities shall be considered for tax abatement as hereinafter provided.
- B. Creation of New Values Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Lamb County and the property owner or Lessee, subject to such limitations as Lamb County may require.
- C. New and existing facilities Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Lamb County and the Property Owner or Lessee, subject to such limitations as Lamb County may require.
- D. Eligible property Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements 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 tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten years, but does not include spare parts associated with wind turbine generators.
- F. Owned / leased facilities If a leased facility is granted abatement, the agreement shall be executed with the Lessor and the Lessee.
- G. Economic Qualifications In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:
 - 1. Must be reasonably expected to have an increase in positive net benefit to Lamb County of at least \$1,000,000.00 over the life of the abatement, computed to include (but not limited to) new sustaining payroll and / or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
 - 2. Must not be expected to solely or primarily have the effect of transferring employment from Lamb County to another.

H. Standards for Tax Abatement The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements;
4. Number of existing jobs to be retained by proposed improvements;
5. Number and type of new jobs to be created by proposed improvements;
6. Amount of local payroll to be created;
7. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
8. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that such valuation shall not, in any case, be less than \$1,000,000.00
9. The costs to be incurred by Lamb County to provide facilities directly resulting from the new improvements;
10. The amount of ad valorem taxes to be paid to Lamb County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
11. The population growth of Lamb County that occurs directly as a result of new improvements;
12. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
13. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
14. The impact on the business opportunities of existing businesses;
15. The attraction of other new businesses to the area;
16. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
17. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

I. Denial of Abatement Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:

1. There would be substantial adverse affect on the provision of government services or tax base;
2. The applicant has insufficient financial capacity;

3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
4. Violation of other codes or laws; or
5. Any other reason deemed appropriate by Lamb County.

J. Taxability From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3 Application

- A. Any present or potential owner of taxable property in Lamb County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- B. The Application shall consist of a general description of the new improvements to be undertaken, a descriptive list of the improvements for which an abatement is requested, a map of the reinvestment zone where the improvements will be located and property description, and an estimated time schedule for undertaking and completing the proposed improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application. The completed Application must be accompanied by the payment of a non-refundable application fee for administrative costs associated with the processing of the tax abatement request. All checks in payment of the administrative fee shall be made payable to Lamb County. For abatement requests for improvements with a planned value equal to or in excess of \$1,000,000.00 the fee shall be one thousand and no/100 dollars (\$1000.00), accompanied by the agreement that the Applicant shall pay reasonable consulting and attorney fees as may be incurred by Lamb County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement.
- C. Lamb County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon

Application, Lamb County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.

- D. If a city within Lamb County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Lamb County by following the same application process described in Section 3 A hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.

Section 4
Agreement

- A. After approval, the Commissioners Court of Lamb County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:

- 1. Include a list of the kind, number, location of all proposed improvements to the property and if this is not defined at the time of the agreement, then to be supplemented after construction of the facilities;
- 2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement;
- 3. Limit the use of the property consistent with the taxing unit's developmental goals as stated in Section 1H of the Lamb County Tax Abatement Guidelines and Criteria;
- 4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
- 5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit; and
- 6. Allow the taxing unit to cancel the agreement after notice of default and opportunity to cure if the property owner fails to comply with the terms of the agreement.

- B The owner of the facility and Lessee shall also agree to the following:

- 1. A specified number of permanent full time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Lamb County in such jobs provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and / or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.

2. Each person employed in such job shall perform a portion, if not all, of their work in Lamb County.
3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Lamb County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Lamb County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Lamb County who are interested in obtaining information about providing goods or services related to the construction of the project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Lamb County for local contractors to perform work on the construction of the project.
5. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Lamb County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Lamb County.
6. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Lamb County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.

Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5 Recapture

- A. In the event that the company or individual:
 1. Allows its ad valorem taxes owed Lamb County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;

then the agreement them may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.

- B. Should Lamb County determine that the company or individual is in default according to the terms and conditions of its agreement, Lamb County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.

Section 6 Administration

- A. The Chief Appraiser of the Lamb County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Lamb County of the amount of the assessment.
- B. Lamb County may execute a contract with any other jurisdictions) to inspect the facility to determine if the terms and conditions of the abatement agreement are being met. The abatement agreement shall stipulate that employees and/or designated representatives of Lamb 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 a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- C. Upon completion of construction, the designated representative of Lamb County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.

Section 7 Assignment

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners Court of Lamb County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Lamb County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

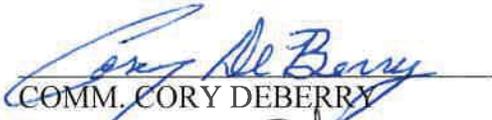
Section 8 Sunset Provision

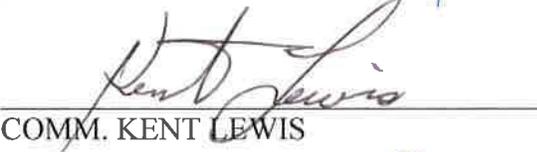
These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the Commissioners Court of Lamb County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

ADOPTED 9-22, 2014.

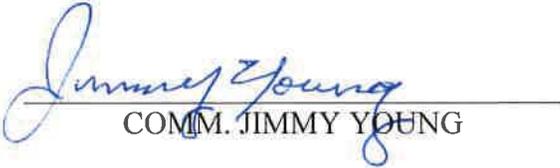
LAMB COUNTY COMMISSIONERS' COURT


JUDGE JAMES M. DELOACH


COMM. CORY DEBERRY


COMM. KENT LEWIS


COMM. DANNY SHORT


COMM. JIMMY YOUNG

Attachment 16a

a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

Not Applicable.

Attachment 16b

b) Legal description of reinvestment zone

The legal description of the land in the Reinvestment Zone

PORTION OF PROPERTY LOCATED IN LAMB COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE NORTHEAST PART (NE/PART) OF LEAGUE 210, ABSTRACT 410, DEAF SMITH CSL SURVEY, LAMB COUNTY, TEXAS;

THE NORTH PART (N/PART) OF LEAGUE 215, ABSTRACT 411, CROCKETT CSL SURVEY, LAMB COUNTY, TEXAS;

ALL OF LEAGUE 216, ABSTRACT 101, CROCKETT CSL SURVEY, LAMB COUNTY, TEXAS;

THE WEST PART (W/PART) OF LEAGUE 224, ABSTRACT 102, COLLINGSWORTH CSL SURVEY, LAMB COUNTY, TEXAS;

THE NORTHWEST PART (NW/PART) OF LEAGUE 225, ABSTRACT 412, COLLINGSWORTH CSL SURVEY, LAMB COUNTY, TEXAS;

ALL OF LEAGUE 237, ABSTRACT 100, DEAF SMITH CSL SURVEY, LAMB COUNTY, TEXAS;

PORTION OF PROPERTY LOCATED IN BAILEY COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL OF LEAGUE 193, ABSTRACT 216, FOARD CSL SURVEY, BAILEY COUNTY, TEXAS;

THE NORTH AND EAST PART (N&E/PART) OF LEAGUE 194, ABSTRACT 334, FOARD CSL SURVEY, BAILEY COUNTY, TEXAS;

ALL OF LEAGUE 200, ABSTRACT 335, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS; SAVE AND EXCEPT AN AREA OUT OF THE WEST HALF (W/2);

ALL OF LEAGUE 201, ABSTRACT 218, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS;

THE EAST THIRD (E/3) OF LEAGUE 202, ABSTRACT 214, ROBERTS CSL SURVEY, BAILEY COUNTY, TEXAS;

THE WEST TWO THIRDS (W/ 2/3) OF LEAGUE 208, ABSTRACT 213, OCHILTREE CSL SURVEY, BAILEY COUNTY, TEXAS;

ALL OF LEAGUE 209, ABSTRACT 217, DEAF SMITH CSL SURVEY, BAILEY COUNTY, TEXAS;

THE WEST TWO THIRDS (W/ 2/3) OF LEAGUE 210, ABSTRACT 336, DEAF SMITH CSL SURVEY, BAILEY COUNTY, TEXAS

Attachment 16c

c) Order, resolution or ordinance establishing the reinvestment zone*

See attached.

Attachment 16d

d) Guidelines and criteria for creating the zone

See attached.

Attachment 17

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

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 Scott Harrell
Print Name (Authorized School District Representative)
sign here [Signature] / Sudan ISD
Signature (Authorized School District Representative)

Superintendent
Title
08/08/16
Date

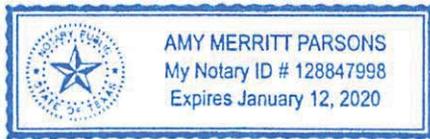
2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here John Hall
Print Name (Authorized Company Representative (Applicant))
sign here [Signature]
Signature (Authorized Company Representative (Applicant))

President
Title
08/08/2016
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of August, 2016
Amy Merritt Parsons
Notary Public in and for the State of Texas

My Commission expires: 1/12/2020

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.