

TAX ABATEMENT AGREEMENT

BETWEEN

HASKELL COUNTY, TEXAS

AND

OCI ALAMO 7 LLC

DATED

July 14, 2015

FILED FOR RECORD IN
HASKELL COUNTY, TEXAS
JULY 17 2015
CLERK OF COURTS
HASKELL COUNTY, TEXAS

STATE OF TEXAS

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COUNTY OF HASKELL

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THIS TAX ABATEMENT AGREEMENT (the "Agreement"), effective as of the last date set forth on the signature page hereto (the "Effective Date"), is made and entered into by and between Haskell County, Texas, ("County"), acting through its duly elected officers and OCI ALAMO 7 LLC, a Delaware limited liability company, ("OCI"), holding a fee simple or leasehold interest (or an option for such interests) in the real property described herein (referred to hereinafter as the "Site"). In this Agreement OCI and County may be referred to individually as a "Party" or collectively as "Parties."

RECITALS

WHEREAS, OCI wishes to develop approximately a one hundred megawatt (100 MW) alternating current (AC) solar photovoltaic generation facility (hereinafter the "Project," described more fully on Exhibit A hereto) within the jurisdictional limits of County. The Project may be larger or smaller than 100 MW upon full construction and installation;

WHEREAS, the property taxes otherwise imposed by County on OCI's planned Project (coupled with the aggregate effects of other local property taxes) form a considerable financial impediment such that, absent abatement by County, OCI might not develop the Project within Haskell County;

WHEREAS, the Project is located entirely within the Reinvestment Zone designated by County, as referenced and defined in the County's Guidelines & Criteria (defined below);

WHEREAS, it is reasonably likely that this Agreement will contribute to the retention, expansion and creation of primary employment, will be a benefit to property within the Reinvestment Zone and will contribute to the economic development of the County; and

WHEREAS, County wishes to abate the property taxes otherwise imposed (absent abatement) upon OCI by virtue of its Project and OCI wishes to develop its Project in Haskell County provided that County abates property taxes associated with the Project.

NOW, THEREFORE, for good and valuable consideration, including, without limitation, the covenants and agreements contained herein, the amount and sufficiency of which are expressly acknowledged, the Parties agree to the terms and conditions stated in this Agreement.

ARTICLE 1 DEFINITIONS

As used in this Agreement, the following terms have the respective meanings, as set forth below:

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AT 11/20/2005
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HASKELL COUNTY, TEXAS
CLERK OF COURTS

“Abatement” means the full or partial exemption from Ad Valorem Taxes on Eligible Property in the Reinvestment Zone.

“Ad Valorem Taxes” means those property taxes assessed by Haskell County on real and personal property located within Haskell County.

“OCI” means OCI Alamo 7 LLC, as set forth in the introductory paragraph of this Agreement.

“Business Activities” has the meaning set forth in Article 3.2 of this Agreement.

“Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday or an official State of Texas holiday. A Business Day shall commence at 8:00 ante meridiem (AM) central standard time (CST) and close at 5:00 post meridiem (PM) CST.

“Calendar Year” means each year beginning on January 1 and ending on the close of business December 31 thereafter.

“Certificate” means a letter provided by OCI to County within thirty (30) days after the Completion Deadline (as may be extended or deferred) that certifies that OCI has completed construction of the Project, outlines Improvements included in the Project, and states the overall Nameplate Capacity of the Project. Upon receipt of a Certificate, Haskell County may inspect the Site and the Project within the Reinvestment Zone in accordance with the terms of this Agreement in order to verify that the Improvements are as certified in such Certificate.

“Certified Appraised Value” means the appraised value, for property tax purposes, of the property on the Site within the Reinvestment Zone, as certified by the Haskell County Appraisal District for each taxable year.

“Commissioners Court” means the Commissioners Court of Haskell County, Texas.

“Completion Deadline” has the meaning set forth in Article 6.1(A)(i) of this Agreement.

“County” means Haskell County, Texas, as set forth in the introductory paragraph of this Agreement.

“County Judge” means the County Judge of Haskell County, Texas.

“Effective Date” has the meaning set forth in the introductory paragraph of this Agreement.

“Eligible Property” means property eligible for Abatement under Chapter 312 of the Texas Tax Code and the Guidelines & Criteria, including (but not limited to) new, expanded, or modernized buildings and structures; fixed machinery and equipment; Improvements; related fixed improvements; other tangible items necessary to the Project’s operation and administration; and all other tangible personal property permitted by Chapter 312 of the Texas Tax Code and the Guidelines & Criteria. Tangible personal property located on the real property comprising the Site at any time before the period covered by this Agreement is not eligible for Abatement, nor is any

real property comprising the Site. Tangible personal property eligible for Abatement shall not include inventory or supplies.

“Force Majeure” has the meaning set forth in Article 8.1 of this Agreement.

“Governmental Authority” means any federal, state, territorial or local government body (including the State of Texas and Haskell County); any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

“Guidelines & Criteria” has the meaning set forth in Article 2.1 of this Agreement. Such Guidelines and Criteria have been previously approved and duly adopted by the Commissioners Court.

“Improvements” means Eligible Property meeting the definition for Improvements provided by Chapter 1 of the Texas Tax Code and includes (but is not limited to) any building, structure, or fixture erected on or affixed to the land. A list of the proposed Improvements is set forth on Exhibit D hereto.

“Local” means an individual or entity whose principal residence or business address is located within the jurisdictional limits of Haskell County, Texas.

“Nameplate Capacity” means the generating capacity of an individual solar panel as designated by the manufacturer(s) of the panels to be constructed / installed as Improvements hereunder. As used herein, the term “Nameplate Capacity” refers to the aggregate of the capacities of the Project’s constituent panels that are to be constructed / installed at the Site.

“Reinvestment Zone” means the reinvestment zone, as that term is defined in Chapter 312 of the Texas Tax Code, created by Haskell County by the resolution dated August 26, 2014, duly passed by the Commissioners Court and included as Exhibit E hereto.

“Related Entity” means any parent, subsidiary, or affiliate of OCI (or any entity resulting from any merger, acquisition, or other corporate restructure or reorganization of OCI), or any component thereof, or any tax equity participant in the Project.

“Site” means that specific real property located within the Reinvestment Zone on which OCI intends to make the Improvements for which the Abatement is granted hereunder; the Site is more particularly described on Exhibit B attached hereto; the term “Site” also includes any other land actually leased or owned by OCI within the Reinvestment Zone as of the Effective Date.

“Term Of Abatement” has the meaning set forth in Article 6.2 of this Agreement.

“Term Of Agreement” means the time period commencing on the Effective Date and continuing until the date this Agreement is terminated or the date the Term Of Abatement ends.

**ARTICLE 2
AUTHORITY TO ENTER AGREEMENT**

- 2.1 **AUTHORIZATION.** This Agreement is authorized by Chapter 312 of the Texas Tax Code, as amended, and by the "Haskell County Guidelines and Criteria for Tax Abatement," previously approved by the Commissioners Court which are attached hereto as Exhibit C).
- 2.2 **FINDINGS.** County, by its approval of this Agreement, hereby finds that the terms of this Agreement are within its Guidelines & Criteria, subject to any exceptions approved by the Commissioners Court, and that the approval of this Agreement will not have any substantial, long-term, adverse effect upon the provision of County's services or its tax base. The Commissioners Court also finds that County is eligible to participate in tax abatement (pursuant to Texas Tax Code §312.002(a)) and that OCI's planned use of the Site inside the Reinvestment Zone does not constitute a hazard to public safety, health, or morals.

**ARTICLE 3
THE SITE, PROJECT, AND IMPROVEMENTS**

- 3.1 **THE SITE.** OCI is fee simple owner or lessee (or has an option for such an interest) in control of real property as legally described in Exhibit B (attached hereto and incorporated herein), which property is referred to herein as the "Site." The Site location qualifies as a Reinvestment Zone for the purposes of the Texas Property Redevelopment and Tax Abatement Act of 1987, V.A.T.S. Tax Code, Chapter 312.
- 3.2 **BUSINESS ACTIVITIES.** OCI shall install the Project upon the Site for the sale of generated solar energy (the "Business Activities"). OCI (or its affiliates, agents, successors, or its assigns) shall conduct the Business Activities on the Site for the Term Of Abatement.
- 3.3 **INVESTMENT.** OCI Solar is investing an amount up to approximately two hundred eighty three million and zero one hundredths dollars (\$283,000,000.00) in the Improvements and control (acquisition or lease) of the Site for the Business Activities, albeit the actual amount of the investment may be much larger or smaller depending on the size of the Project ultimately built and/or market changes in the cost of equipment and materials at time of construction. OCI Solar shall not place (or cause to be placed) the Improvements on the Site before the Effective Date of this Agreement.
- 3.4 **PAYMENTS BY OCI.** Payments made by OCI pursuant to this Agreement shall be sent to the Haskell County Treasurer and assigned a line item by the Haskell County Auditor.

**ARTICLE 4
REPRESENTATIONS AND WARRANTIES**

4.1 REPRESENTATIONS BY OCI. OCI represents and warrants to County, as of the Effective Date, that the following statements are true and correct:

- A. That OCI has no knowledge that any interest in the Site is presently owned, held, or leased by any member of the Commissioners Court, the County Judge, or any other County officer or employee;
- B. That OCI will have a taxable interest with respect to Improvements to be placed on the Property;
- C. That construction / integration of the proposed Improvements will be performed by OCI and/or its contractors or subcontractors;
- D. That OCI's use of the property in the Reinvestment Zone is limited to that which is consistent with: 1) the County's general purpose of encouraging development or redevelopment of the area during the period of the Abatement; and 2) the terms of this Agreement;
- E. That all representations made in the Application for Abatement (as applicable) are true and correct to the best of OCI's knowledge;
- F. That no litigation is pending against OCI for any violations under the Occupation Safety and Health Act ("OSHA");
- G. That a solar generation facility similar in size and technology to that of the Project is expected to create an average of two (2) new permanent jobs; and
- H. That the productive life of the Project's facility is expected to be twenty-five (25) or more years and at least as long as the Term Of Agreement.

4.2 REPRESENTATIONS BY COUNTY. County represents and warrants to OCI, as of the Effective Date, that the following statements are true and correct:

- A. That the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Guidelines & Criteria as both exist on the Effective Date;
- B. That no member of the Commissioners Court, County Judge, or other officer or employee of County owns, possesses, or subleases any interest in the Site or in the Improvements;
- C. That the Site is wholly within the Reinvestment Zone and is wholly within the legal boundaries of Haskell County, Texas; and

- D. That County has made and will continue to make all necessary filings with the Office of the Comptroller of Public Accounts and any other requisite governmental entities concerning the Reinvestment Zone and this Agreement.

ARTICLE 5 COVENANTS BY OCI

- 5.1 **DEVELOPMENT OF THE PROJECT.** OCI Solar covenants and agrees to own, possess, hold an interest in, or otherwise control the Site and Improvements that are the subject matter of this Agreement. To that end, OCI Solar covenants and agrees to invest or cause to be invested up to approximately two hundred eighty three million and zero one hundredths dollars (\$283,000,000.00) in constructing the Improvements albeit the actual amount of the investment may be much larger or smaller depending on the size of the Project ultimately built and/or market changes in the cost of equipment and materials at time of construction. OCI Solar already has leased, has acquired, or has obtained options for control of the Site for the duration of the Term Of Agreement. Upon development of the Site for the Project, OCI Solar shall occupy and use the Site only for its Business Activities (and any other purpose that is reasonably related thereto).
- A. **LOCAL LABOR.** OCI covenants and agrees to make good faith and commercially reasonable efforts to hire Local contractors and subcontractors, if necessarily qualified and available, to fulfill its requirements under Article 5.2 and in maintaining the Site and the Improvements thereafter. OCI further agrees that it shall contractually require its general contractor and either contractually require or otherwise instruct all other Related Entities, contractors and their subcontractors, if any, to use good faith efforts to utilize Local labor. Notwithstanding, nothing herein shall cause to bind OCI to hire local contractors.
- B. **LOCAL SUPPLIES AND EQUIPMENT.** OCI covenants and agrees to make good faith efforts to purchase Local supplies and equipment in constructing, making improvements to, and maintaining the Site and the Improvements thereafter. OCI further agrees that it shall contractually require its general contractor and either contractually require or otherwise instruct all other Related Entities, contractors and their subcontractors, if any, to use good faith efforts to utilize Local supplies and equipment in constructing, making improvements to, and maintaining the Site and the Improvements. Notwithstanding, nothing herein shall bind OCI to procure equipment and supplies from local vendors and OCI may seek competitive bids from outside the County. OCI shall have no obligation to consider or respond to any proposal that, in OCI's sole but reasonable discretion, does not meet OCI's collective economic, commercial, practical, and other reasonably similar needs. This Agreement shall not be construed as creating any right of any party (other than a Party to this Agreement) to be a beneficiary of or under this Agreement, nor does this Agreement create any such third party beneficiary status; no party (other than a Party to this Agreement) shall have standing to sue under the terms of or in reliance upon this Agreement (including its terms and its existence).

OCI or its construction contractor, if any, shall designate a coordinator of local services who will act as a liaison between any individuals, businesses and contractors residing or doing business in Haskell County who are interested in obtaining information about providing goods or services related to the construction of the Project. Additionally, OCI or its construction contractor, if any, shall advertise in one or more local newspapers circulated in Haskell County for local contractors to perform portions of the work on the construction of the portions of the Project located in Haskell County. Company shall be allowed to rely on representations from local vendors or suppliers that their businesses are located in Haskell County.

- C. **COMPLIANCE WITH LABOR LAW.** OCI covenants and agrees that it shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.
- D. **COMPLIANCE WITH CONSTRUCTION LAW.** OCI covenants and agrees that OCI shall construct (or shall require its contractors and Subcontractors to construct) all improvements in compliance with all applicable federal, state, and local laws including (but not limited to) Texas Commission on Environmental Quality regulations, EPA regulations, County regulations, building codes and ordinances and flood, subdivision, building, electrical, plumbing, fire, and life safety codes and regulations, current and as amended.
- E. **MITIGATION OF DAMAGE TO ROAD.** OCI shall be responsible for any improvements to Haskell County roads reasonably required for the construction and maintenance of the Improvements. OCI shall further be responsible for the repair of any damages to Haskell County roads and bridges directly caused by such construction and maintenance. Improvements and repairs required by this Section 5.1(E) shall be performed by OCI per County requirements, at OCI's sole expense, unless OCI requests that County perform such improvements and in such event OCI shall reimburse County the actual reasonable costs thereof. However, no such road improvements or repairs shall be made by OCI without the prior approval and coordination of the County. The County shall designate a point of contact for this purpose.

Any County maintained road or bridges that must be replaced or repaired due to damage caused by heavy loads imposed upon such structures by the operations of the OCI will be replaced or repaired by the OCI.

The County will provide OCI written notice of necessary bridge or road repairs or replacements, and will cooperate with OCI in a fair determination of costs of repairs or replacement. With the approval of specifications for necessary repairs or replacement of roads or bridges by the County, OCI has the option to seek out additional bids that meet County specifications. OCI will carry out, have carried out on their behalf or donate to the County funds necessary to allow the County to

make such repairs or replacements. All repairs or replacements will be made to County standards and specifications (consistently applied). Any roads constructed upon private property by OCI will not, and shall not hereafter, become the responsibility of the County.

5.2 OPERATION OF THE FACILITY. Except as explicitly provided herein, OCI covenants and agrees that it shall use the Site only to conduct its Business Activities (as defined in Article 3.2) and in accordance with all applicable federal, state, and local laws. Without prior or additional consent by County, any Related Entity may occupy and use the Site for Business Activities. To be eligible for Abatement, such Related Entity must agree in writing fully to comply with all applicable terms of this Agreement. In the event any Related Entity placed Improvements on the Site outside the scope of this Agreement, said Improvements will be subject to normal taxation by the Haskell County Appraisal District. OCI covenants and agrees not to change the primary use of the Site absent the prior written approval of County.

- A. MAINTENANCE.** OCI covenants and agrees that it shall maintain the Site and any Improvements in good repair and condition during the Term (normal wear and tear and damage by fire or other casualty not caused as a result of OCI's negligence, intentional act, or misconduct excepted). Compliance with the maintenance obligations imposed herein shall be presumed if OCI follows its normal and customary maintenance procedures and schedules.
- B. IMPROPER DEALINGS WITH COUNTY PERSONNEL.** OCI covenants and agrees that it shall not knowingly sell, lease, or convey any ownership, possessory, beneficial, or other interest in the Project, the Site, or the Improvements to any member of the Commissioners Court, the County Judge, or any other County officer or employee so long as this Agreement remains in effect.
- C. SALE, TRANSFER, OR ASSIGNMENT.** OCI covenants and agrees to notify County at least thirty (30) days prior to any sale, transfer, or sublease of the Site or of the Improvements during the Term as may be required by Article 9.
- D. RELOCATING OR CEASING BUSINESS ACTIVITIES.** OCI covenants and agrees to notify County at least twenty (20) days prior to relocating or ceasing its Business Activities. In the event OCI elects to relocate outside the County or cease operations, OCI will have to elect to pay the County damages as set out in Article 6.1(B).

5.3 CREATION OF NEW JOBS. OCI covenants and agrees if it constructs the Project at the Site to create and maintain throughout the Term of this Agreement no fewer than two (2) new permanent jobs to work at and support the Project's facility no later than the date of completion of Phase 1, which job (i) shall be a new employment position, (ii) shall enjoy no fewer than one thousand eight hundred twenty (1,820) hours of work annually, (iii) shall

be paid no less than approximately fifty thousand dollars (\$50,000) per year, and (iv) shall be held by person(s) residing in County's jurisdictional limits.

- 5.4 **ANNUAL REPORTS.** OCI covenants and agrees that during the Term Of Abatement OCI shall provide to the County Judge within thirty (30) days preceding each April 15 an annual certification from an officer of OCI attesting to the compliance of the terms of this Agreement and providing such other information as outlined in Chapter 22, V.A.T.S. Tax Code, as amended, as may be necessary for tax abatement and appraisal purposes.
- 5.5 **PERMISSION TO MONITOR.** Upon forty-eight (48) hours prior notice to OCI by County (which such notice must actually be received by OCI to be deemed effective), OCI covenants and agrees that it shall allow County's designated representatives access to the Site provided they comply with all OCI safety requirements and agree to be escorted by OCI personnel at all times while on site during OCI's normal business hours for inspection to determine if the terms and conditions of this Agreement are being met. This inspection is independent of County's police powers to inspect for purposes of assuring compliance with applicable County codes and ordinances. In addition, upon such notice, County shall have the right to access information needed to verify that OCI is and has been conducting Business Activities. Any information specifically identified by OCI that is not otherwise required by law to be made public shall be kept strictly confidential by County. OCI representatives may accompany County representatives during any inspection, and all inspections shall be conducted in such a manner as (1) not to interfere unreasonably with the operation of the Project and (2) to comply with OCI's reasonable security requirements.

ARTICLE 6 ABATEMENT AND COVENANTS BY COUNTY

6.1 CONDITIONS TO ABATEMENT.

A. CONSTRUCTION.

- i. **COMPLETION.** OCI agrees to use commercially reasonable efforts to construct and to install Phase 1 the Project and provide the Certificate to County no later than December 31, 2016 (the "Completion Deadline"). The Project may be constructed in one or more phases, and each phase may have its own LLC or other form of special purpose project entity. Subject to the requirements under Article 5.2(C) and Article 9, OCI may assign rights and responsibilities set forth herein to each and any such project entity in relation to the number of megawatts to be installed by such project entity.
- ii. **DEFERRAL.** OCI shall have the right to defer commencement of the Term of Abatement by automatically deferring the Completion Deadline for one (1) year in the event that construction and installation of Phase 1 of the Project is not complete before Completion Deadline and such lack of completion is not the result of a lack of diligence on the part of OCI. If OCI defers the Term of Abatement, this Agreement shall terminate upon the first

(1st) anniversary of the original Completion Deadline in the event OCI fails to complete construction of Phase 1 of the Project described herein and provided the Certificate to County.

- B. IMPROVEMENTS TO REMAIN IN PLACE.** OCI agrees that the Improvements, once constructed and installed, shall remain in place until at least twenty (20) years after the date the Certificate for such Improvements is provided by OCI, provided that nothing herein prevents OCI from replacing any equipment or fixture comprising the Improvements prior to that date, so long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements to less than seventy-five percent (75%) of such original Certified Appraised Value. IN THE EVENT OF A BREACH OF THIS ARTICLE 6.1(B) (UNLESS THE CIRCUMSTANCES GIVING RISE TO SUCH BREACH ARE THE RESULT OF FORCE MAJEURE, AS DEFINED IN SECTION 8.1 OF ARTICLE 8), COUNTY'S SOLE REMEDY (AND OCI'S SOLE LIABILITY) SHALL BE FOR OCI TO PAY THE COUNTY THE GREATER OF (1) THE FULL AMOUNT OF ACTUAL TAXES ALREADY ABATED UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS (I.E. ON TAXES THAT OTHERWISE WOULD HAVE COME DUE BUT FOR THIS AGREEMENT) OR (2) THE FULL AMOUNT OF ACTUAL TAXES THAT WOULD BE ABATED UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS BETWEEN THE DATE OF ELECTION AND THE END OF THE TERM OF ABATEMENT (I.E. ON TAXES THAT WOULD BECOME DUE BUT FOR THIS AGREEMENT). The terms of this section 6.1 shall not be construed to allow tax abatement or partial tax abatement to OCI in the event it fails to originally construct the Improvements described in Exhibit D appended hereto, but shall be applicable only after such Improvements are completed.
- 6.2 ABATEMENT.** Beginning on the first day of January 2016 (as may be extended pursuant to Article 6.1(A)(ii) and ending upon the conclusion of ten (10) full Calendar Years thereafter (the "Term Of Abatement"), County agrees to abate and shall abate one-hundred (100%) of all County Ad Valorem Taxes on the Certified Appraised Value of all Improvements in the Certificate and of any and all otherwise taxable personal Eligible Property owned by OCI (and actually placed in the Reinvestment Zone) (the "Abatement"). As of the Effective Date, the Parties specifically represent and agree that there are no Improvements on the Site. The Parties anticipate that OCI will make the Investment set forth in Section 3.3 during Phase 1.
- 6.3 EXCEPTIONS TO ABATEMENT.** Any real property comprising the Site is not eligible for Abatement and shall be taxable by County. Any Improvements and any other personal property installed, put in place, or otherwise set upon the Site prior to the Effective Date of this Agreement are not eligible for Abatement. The following other types of property shall be fully taxable and ineligible for Abatement: any animals, tools, supplies, inventories, furnishings, and other forms of movable personal property; vehicles; vessels; aircraft; housing and residential property; hotels / motels; fauna; flora; retail facilities (except when housed in an historic structure); any improvements including those involved

in the production, storage, or distribution of natural gas or fluids that are not integral to the operation of the facility; and property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated, or directed by a political subdivision of the State of Texas. Equipment related to the installation and maintenance of solar energy production by OCI and related Improvements located in the Reinvestment Zone shall remain eligible for Abatement provided the relevant Improvement is awaiting installation to become a permanent part of a fixture located or to be constructed in the Reinvestment Zone that is or will be eligible for Abatement, including any replacement parts. The base year value of such excepted properties under this Article 6.3 (as determined each year) shall be taxable. The Abatement does not apply to the development of any and all hydrocarbon, oil, gas and associated products that may be produced from said Site which are outside the scope of this Agreement and not subject to any Abatement.

- 6.4 **TAXATION BETWEEN EFFECTIVE DATE AND COMPLETION DEADLINE.** County and OCI agree that one hundred percent (100%) of the Certified Appraised Value of all Improvements and other personal property installed, put in place, or otherwise set upon the Site upon or after the Effective Date but before the Completion Deadline (as such Completion Deadline may be extended pursuant to Article 6.1) shall be taxed without any abatement for the period prior to commencement of the Abatement as set forth in Article 6.2. Taxation pursuant to this Article 6.4 shall have no further impact on the eligibility for Abatement and on such actual Abatement upon and after the Completion Deadline (as may be extended pursuant to Article 6.1) of all Improvements and other personal property installed, put in place, or otherwise set upon the Site upon or after the Effective Date. To the extent there is any conflict between Article 6.2 and 6.4, Article 6.2 shall control.
- 6.5 **POST-ABATEMENT.** Upon the expiration of the tenth (10th) Calendar Year of the Term Of Abatement as set forth in Article 6.2, County and OCI agree that one hundred percent (100%) of the Certified Appraised Value of property subject to this Agreement that exists in the Reinvestment Zone shall be fully taxable thereafter as otherwise provided by the laws of the State of Texas.
- 6.6 **CHANGE IN LAW.** The Parties specifically acknowledge that a portion of the Eligible Property may be eligible for complete or partial exemption from Ad Valorem Taxes as a result of existing law or future legislation. This Agreement shall not be construed as evidence that such exemptions do not apply to the Improvements so long as set Improvements are directly related to the maintenance and improvements of OCI's solar facility. To the extent that existing or future law exempts any of the Eligible Property, this Agreement automatically shall be modified (prospectively for the remaining portion of the Term Of Abatement) to incorporate such complete or partial exemption, which calculation shall be made prior to the calculation of Abatement.
- 6.7 **RIGHT TO CHALLENGE APPRAISALS.** Notwithstanding any of the foregoing, OCI at all times shall have the right to protest appraisals of the Site, Improvements, and Eligible Property, including any portion thereof.

- 6.8 **ANNUAL PAYMENTS.** As consideration for the Abatement, OCI agrees to make a minimum annual payment of One Hundred Seventy Five Thousand Dollars (\$175,000.00). OCI agrees to make an additional annual payment of One Thousand Seven Hundred Fifty and 00/100 Dollars per megawatt (\$1,750.00 /MW) in excess of 100 megawatts of Nameplate Capacity. The annual payments shall begin during the first year under the Term of the Abatement as provided for in Section 6.2.

ARTICLE 7 DEFAULT / TERMINATION / RECAPTURE

- 7.1 **DEFAULT BY OCI.** The occurrence of any of the following events during the Term Of Agreement shall be deemed a default, which automatically shall trigger a right to terminate this Agreement pursuant to Article 7.2 (subject to the limitations set forth therein):

- (1) **FAILURE TO COMPLY WITH AGREEMENT.** OCI fails to adhere to any of the terms of this Agreement for a period of ninety (90) consecutive calendar days;
- (2) **FAILURE TO INSTALL PROJECT.** OCI fails to construct and install the Project and provide the Certificate to the County on or before the Completion Date;
- (3) **FAILURE TO PAY AD VALOREM TAXES.** OCI allows its Ad Valorem Taxes due on the Site, Improvements, or any other personal property installed, put in place, or otherwise set upon the Site (including inventory and supplies) to become delinquent (after taking into account any reallocation allowed under this Agreement and any extensions of deadlines to pay and any payment plans, which County shall extend to OCI at least to the same extent as County normally offers such payment plans to other taxpayers in similar situations) for a period of thirty (30) days and fails timely and properly to follow any legal procedures or remedies for protest of such taxes; or
- (4) **CESSATION OF OPERATIONS.** OCI completes construction of the Project and commences generation of electricity but, for any reason other than an event of Force Majeure, discontinues generation of electricity for a period greater than one (1) year during the Term of Abatement.

The Parties shall not deem any default to have occurred in situations involving minor or immaterial changes to the description of the Site, minor or immaterial changes to the description of the Improvements and/or Eligible Property, or any changes in ownership or in management of OCI or of the Project (so long as OCI or any Related Entity provides notice under Article 5.2(C) of such changes, to the extent such notice otherwise is required under this Agreement).

- 7.2 **TERMINATION.** In the event of any default under Article 7.1, County either (1) may modify this Agreement with the mutual consent of OCI or (2) may terminate this Agreement after providing notice of default (as set forth hereafter) and providing an

opportunity to cure. In addition County may assess its reasonable cost and legal expenses against OCI for any such modification or termination under this Article 7.2.

- A. **NOTICE OF DEFAULT.** County shall notify OCI of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default and prominently shall state the following language at the top of such notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH HASKELL COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN NINETY (90) DAYS OF YOUR RECEIPT OF THIS NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND, IF THE DEFAULT INVOLVED FAILURE TO MAKE IMPROVEMENTS UNDER THE AGREEMENT, RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

- B. **CURE PERIOD.** OCI shall have ninety (90) days from the date of OCI's actual receipt of such notice to cure any default (unless fulfillment of any obligations requires activity over a period of time, in which case performance shall be commenced within ninety (90) days after the actual receipt of notice and such performance shall be diligently continued until the default is cured). The decision whether to cure any such default solely and absolutely belongs to OCI, and no party may compel OCI to cure.
- C. **CONTESTING TERMINATION.** If OCI believes such termination is improper, OCI may file suit in any court of competent jurisdiction in Haskell County, Texas and challenge such termination. During the pendency of such suit (including any appeals thereto), Abatement shall remain in effect as though no event of default had occurred. Should the County prevail in said litigation, in addition to recapture, OCI will pay all attorneys fees incurred by Haskell County in the defense of the litigation.
- D. **LIMITATION OF REMEDIES.** Modification or termination of the Agreement (plus recapture of property taxes subject to the limits of Article 7.3 and Article 7.4), as appropriate, along with any reasonable incurred costs and fees, shall be County's sole remedies in the event OCI defaults. County shall not be entitled to any exemplary, punitive, compensatory, or other damages or remedies beyond those explicitly set forth in this Agreement, other than its reasonable attorneys' fees should it prevail in a court challenge brought by OCI contesting termination.

- 7.3 **RECAPTURE.** County shall be entitled to recapture property tax revenue lost as a result of this Agreement so long as each of the following conditions have occurred: first, OCI has

defaulted pursuant to Article 7.1(1) or Article 7.1(2); second, County properly has provided notice of default under Article 7.2(A); third, OCI has failed to cure such default under Article 7.2(B); and fourth, County terminates this Agreement following such proper notice and such failure to cure. The amount of property tax revenue that may be recaptured is set forth in Article 7.3(A) of this Agreement.

- A. **AMOUNT OF RECAPTURE.** If entitled under Article 7.3 to recapture property tax revenue lost as a result of this Agreement, County shall have the right to recapture one hundred percent (100%) of taxes already actually abated under this Agreement (i.e. recapture for prior tax years only—no anticipatory / prospective recapture of future taxes).
- B. **RECAPTURE PAYMENT SCHEDULE.** If termination occurs during the Term Of Abatement, then OCI shall have sixty (60) calendar days from its actual receipt of demand from County for recapture under Article 7.3 to pay all recaptured property tax revenues.
- C. **CREDITS TO OCI.** Any recapture under this Article 7.3 shall be subject to any and all lawful offsets, settlements, deductions, and credits to which OCI may be entitled.

- 7.4 **BREACH BY COUNTY.** In the event that County fails to abate pursuant to Article 6 of this Agreement, so long as OCI is not in default under Article 7.1 (and so long as County has not terminated pursuant to Article 7.2) at the time OCI gives written notice to County of County's failure to abate, County shall be deemed to be in breach of its obligations under this Agreement. If County breaches this Agreement, it will have a cure period of ninety (90) days in which to remedy its breach, during which time OCI only will be responsible for paying that portion of its property taxes to County as though County had not breached. If after ninety (90) days of receiving written notice County has failed to remedy its breach, then OCI shall be entitled to bring suit in any court of competent jurisdiction in Haskell County, Texas for specific enforcement of this Agreement.

ARTICLE 8 FORCE MAJEURE

- 8.1 **DEFINITION OF FORCE MAJEURE.** "Force Majeure" means an event or circumstance that prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Effective Date, which is not within the reasonable control of (or the result of the negligence of) the claiming Party, and which (by the exercise of due diligence) the claiming Party is unable to overcome or avoid or cause to be avoided. So long as the requirements of the preceding sentence are met, a "Force Majeure" event may include, but shall not be limited to, flood, monsoon, drought, environmental catastrophes, government regulation for environmental assets and species protection, military ordinances or archaeological discoveries at the Site, change in applicable law or interpretation or application thereof, failure of any transmission line between the Site and the substation nearest the Site (so long as such transmission

continues for a period of thirty (30) calendar days or more), failure or disruption of the substation nearest the Site (so long as such substation is inoperable, in whole or in part, for a period of thirty (30) calendar days or more), failure or delay by any Governmental Authority in issuing any required permit, earthquake, storm, fire, lightning, volcanic ash, mudslides, tsunamis, typhoons, epidemic, high winds, war, worldwide economic collapse, economic collapse of the United States of America, economic collapse of the State of Texas, terrorism, riot, strike, or other labor dispute. Notwithstanding the foregoing, Force Majeure shall not be based on (i) the loss of OCI's markets; (ii) OCI's inability economically to use or sell the electricity generated by the Project; (iii) the loss or failure of OCI's Improvements, including materials or equipment, unless such loss or failure is caused by a Force Majeure event; (iv) the delay in or inability of OCI to obtain financing or economic hardship of any kind; or (vi) strike or other labor dispute specific to OCI.

- 8.2 **EFFECT OF FORCE MAJEURE.** County shall not declare a default, and no default shall be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure; in such event, County shall not be allowed to exercise its rights under Article 7.2. The burden of proof for whether an event of Force Majeure exists shall rest upon the Party claiming its existence. To obtain relief based upon this Article 8.2, OCI must send written notice of the existence of an event of Force Majeure to the Commissioners Court.

ARTICLE 9 ASSIGNMENT

- 9.1 **ASSIGNMENT OF ASSETS.** This Agreement shall not be transferred by OCI without prior written notice to the County. Any assignment shall require that all conditions and obligations in this Agreement applying to the interest acquired by the assignee shall be assumed by the assignee, and upon such assumption, OCI (or any affiliate, subsidiary, or prior assignee) shall have no further rights, duties or obligations under this Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee.

Notwithstanding the above and to the extent allowed by applicable law, in the event OCI sells, assigns or otherwise conveys (other than pursuant to eminent domain, condemnation, or a similar proceeding) all or a portion of the Project to an entity not subject to the payment of property taxes ("Tax Exempt Assignee"), without the County's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, the following taxes previously abated by virtue of this Agreement will be recaptured and paid to County within sixty (60) days of the effective date of such assignment or conveyance. If the assignment or conveyance to the Tax Exempt Assignee occurs within five (5) years after the Term of this Agreement, the taxes previously abated by virtue of this Agreement for the last two (2) tax years of this Agreement will be recaptured and paid to County. If the assignment or conveyance to the Tax Exempt Assignee occurs more than five (5) years after the Term of this Agreement, the full amount of actual taxes that would be abated under this Agreement between the date of assignment and the end of the Term of Abatement.

- 9.2 **COLLATERAL ASSIGNMENT.** OCI may, without the consent of County, assign this Agreement to a financing party for collateral security purposes in connection with any financing or refinancing of the Improvements. In connection therewith, County agrees to execute a written consent to such collateral assignment in a form acceptable to County should the financing party reasonably request such an assignment.

ARTICLE 10 MISCELLANEOUS

- 10.1 **CONDITION PRECEDENT.** This Agreement is subject entirely to the condition precedent that the Commissioners Court accept and approve OCI's Application for Tax Abatement and Designation of Reinvestment Zone, dated February 11, 2015.
- 10.2 **NO COUNTY BOND FINANCING.** This Agreement is entered into subject to the rights of the holders of any outstanding County bonds related to this project. No bonds for which County is liable have been used to finance this project.
- 10.3 **COMPLIANCE WITH TAX CODE.** In the event that (A) the term of the Abatement with respect to any property is longer than allowed by law or (B) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overbroad, and for the portion of the Term Of Abatement not deemed excessive. Any provision required by the Texas Tax Code Chapter 312 to be contained herein that does not appear herein is incorporated herein by reference.
- 10.4 **VIOLATIONS OF GOVERNMENT CODE, CHAPTER 2264.** OCI understands and agrees that if OCI is a "business" and if County's contribution under this Agreement is a "public subsidy" as that term is defined in Texas Government Code Chapter 2264, then OCI is required to refund money that OCI has received from County through this Agreement, in the event of a conviction of knowingly employing an undocumented worker, with repayment required within six (6) months of final conviction. Interest shall accrue at the rate of zero and one-half percent (0.5%) per month until the time of such repayment from the date of final conviction.
- 10.5 **OCI AS NECESSARY PARTY TO LITIGATION.** OCI, as a Party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or Commissioners Court actions authorizing same, and OCI shall be entitled to intervene in said litigation.
- 10.6 **ESTOPPEL CERTIFICATES.** Any Party hereto may request an estoppel certificate related to the Project (hereinafter referred to as an "Estoppel Certificate") from the other Party hereto so long as the Estoppel Certificate is requested in connection with a bona fide business purpose. The Estoppel Certificate, which if requested shall be addressed to a subsequent purchaser or assignee of OCI or other party designated by OCI, shall include,

but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining Term Of Agreement, the level Abatement in effect, and such other matters reasonably requested by the party or parties to receive the Estoppel Certificate.

- 10.7 **NOTICES.** Any notices, requests, statements, payments, or demands ("Notices") shall be made as specified hereafter. Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, or facsimile. Notice by facsimile or hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. A Party may designate another address for all purposes under this Agreement by giving the other Party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.
- | | |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| <p>TO OCI:</p> <p>OCI Alamo 7 LLC
Attn: John Huffaker
300 Convent Stree, Suite 1900
San Antonio, Texas 78205</p> | <p>TO COUNTY:</p> <p>HASKELL COUNTY JUDGE
1 Avenue D
Haskell, Texas 79521</p> |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
- 10.8 **GOVERNING LAW.** This Agreement shall be construed under the laws of the State of Texas and is performable in Haskell County, Texas, the location of the Reinvestment Zone, without regard to principles of conflicts of law. Nothing in this Agreement shall be construed to alter or affect the obligations of OCI to comply with any order, rule, statute or regulation of County or the State of Texas.
- 10.9 **MONETARY UNITS.** All monetary units set forth in this Agreement shall be in the dollar of the United States of America (USD).
- 10.10 **SEVERABILITY.** In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provision(s) a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal, and enforceable.
- 10.11 **INCORPORATION OF EXHIBITS.** Attached to this Agreement are the following exhibits (including all continuation pages thereto), which hereby expressly and wholly are incorporated by reference into this Agreement: Exhibit A – Project Description, Exhibit B – Site Description, Exhibit C – Guidelines & Criteria, Exhibit D – Improvements, Exhibit E – Designation of Reinvestment Zone, Exhibit F – Estimated Amounts of Abatement.

- 10.12 **ENTIRE AGREEMENT.** This Agreement, together with any appendices, exhibits, schedules, and any written supplements hereto constitutes the entire agreement between the Parties relating to the subject matter hereof.
- 10.13 **FUTURE PROJECTS.** The Parties anticipate that OCI (or a Related Entity to OCI, whether in existence as of the Effective Date or whether an entity or party created after the Effective Date) will develop additional solar projects (similar to the Project) within the limits of Haskell County over the next several years. For a period of three (3) years immediately following the Effective Date, and subject to all applicable and future law, as may be modified or amended, from time to time, the Parties agree that they shall negotiate in good faith tax abatements for those subsequent projects using this Agreement as a template.
- 10.14 **NO CONSTRUCTION AGAINST DRAFTER.** This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.
- 10.15 **AMENDMENT; MODIFICATION.** Except to the extent herein provided for, no amendment or modification to this Agreement shall be enforceable unless reduced to writing and executed by both Parties. OCI acknowledges that Commissioners Court approval is required for any such amendment or modification (except as otherwise noted in this Agreement).

[Signature page follows]

IN WITNESS THEREOF, the Parties hereto made and executed this Agreement, signed by their duly authorized officers or individuals, as of the dates listed below.

HASKELL COUNTY, TEXAS
"County"

OCI ALAMO 7 LLC
"OCI"

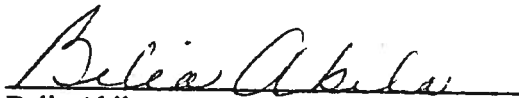
By: 

Name: David A. Davis

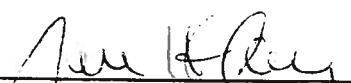
Title: Haskell County Judge

Date: July 14, 2015

Attest:



Belia Abila,
HASKELL COUNTY CLERK

By: 

Name: JOHN HUFFAKER

Title: VP COMMERCIAL OPERATIONS

Date: 7-14-2015

By: N/A

Name: _____

Title: _____

Date: _____

EXHIBIT A PROJECT DESCRIPTION

OCI Alamo 7 LLC ("OCI Solar") proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant within Haskell County

The project when fully built out at 100 MW will be located on approximately 1,000 acres of land, which is part of a long-term lease agreement with a local landowner. The project will be located entirely within the Reinvestment Zone, in Haskell County and lies within the Paint Creek Consolidated Independent School District. The proposed overall project will include, but is not limited to, the following:

1. Planned for up to 100 MW-AC in size;
2. Approximately 400,000 Solar Panels and 100 DC-to-AC Inverters;
3. Dual-axis tracker system infrastructure for a 100 MW project;
4. Medium and high-voltage electric cabling;
5. Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, and building, among other things;
6. High-voltage transmission line connecting the project to the grid (gen tie);
7. Operations and maintenance building;
8. Meteorological equipment to measure solar irradiance and other weather conditions; and
9. Associated equipment to safely operate, maintain and deliver electricity to the ERCOT grid.

OCI Solar is a global solar power developer, owner and operator headquartered in San Antonio, TX. In 2012, OCI executed a Power Purchase Agreement (PPA) with CPS Energy, the San Antonio municipal utility, to build 400 MW of solar generating capacity spread across seven power projects. OCI will sell the electricity generated from these projects under long-term contract to CPS. The first three phases, totaling 83.5 MW, have been constructed and are in operation. OCI also has two 3 MW operating projects in New Jersey and a 1 MW operating project in Georgia, for a total of 90 MW of operating solar projects.

The ability to enter into a tax abatement agreement with the County is a motivating factor for constructing the project in Haskell County, Texas, as opposed to building and investing in another state or county where OCI Solar could develop a project.

Please find the following two Continuation Pages for a layout of the project (including a vicinity map).

EXHIBIT B SITE DESCRIPTION

LEGAL DESCRIPTION: Being 633.567 acres of land out of the M. Traviesso Survey No. 38, Abstract No. 387 in Haskell County, Texas and also being a portion of that certain 645.75 acre tract described in Volume 336, Page 584 of the Deed Records of Haskell County, Texas; Said 633.567 acre tract being more particularly described as follows and as surveyed under the supervision of John F. Watson & Company in October, 2014:

BEGINNING at a calculated point in the east line of Farm to Market Highway No. 600, the centerline of Loop Road, the north line of that certain 581 acre tract described in Volume 161, Page 425 south line of said 645.75 for the southeast corner of that certain 15.145 acre tract described as Tract 2 in Volume 291, Page 238 of said Deed Records and the southwest corner hereof and from which a 1/2 inch iron rod found bears North 88°53'01" West a distance of 49.97 feet and a 60d nail found bears South 88°59'10" West a distance of 99.94 feet;

THENCE along the east line of said Highway No. 600 and the east line of said 15.145 acre tract, the following 3 courses:

1. North 02°55'35" West a distance of 25.00 feet crossing said 645.75 acre tract to a calculated point;
2. North 46°31'29" West a distance of 73.17 feet crossing said 645.75 acre tract to a calculated point in the west line of said 645.75 acre tract for a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 04°22'29" East a distance of 43.53 feet;
3. North 02°57'19" West a distance of 2101.91 feet along the west line of said 645.75 acre tract to a calculated point for the southwest corner of that certain 3.00 acre tract described in Volume 507, Page 505 of the Official Public Records of Haskell County, Texas and a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 79°20'31" East a distance of 7.17 feet;

THENCE crossing said 645.75 acre tract along the south and east lines of said 3.00 acre tract, the following 5 courses:

1. North 87°06'27" East a distance of 417.16 feet to a calculated point for the southeast corner of said 3.00 acre tract and a corner hereof and from which a 2.5 inch pipe fence corner post found bears North 79°31'13" East a distance of 1.38 feet;
2. North 02°57'19" West a distance of 417.42 feet to a 3/8 inch iron rod found for the southeast corner of that certain 9.38 acre tract described in Volume 626, Page 256 of said Official Public records, the northeast corner of said 3.00 acre tract and a corner hereof;

THENCE crossing said 645.75 acre tract along the east line of said 9.38 acre tract, the following 3 courses:

1. North 03°01'16" West a distance of 483.19 feet to a 2.5 inch pipe fence corner post found;
2. North 76°04'31" East a distance of 68.78 feet to a 2.5 inch pipe fence corner post found;
3. North 13°24'20" West a distance of 747.94 feet to a calculated point in a curve of the east line of Farm to Market Highway No. 2976, the east line of that certain 23.116 acre tract described in Volume 331, Page 560 of said Deed Records and the west line of said 645.75 acre tract for a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 13°24'20" East a distance of 16.99 feet and a concrete highway monument found bears South 17°39'12" West a distance of 959.80 feet;

THENCE along the east line of said Highway No. 2976, the east line of said 23.116 acre tract and the west line of said 645.75 acre tract, the following 2 courses:

1. Along a curve turning to the right with an arc length of 130.54 feet, with a radius of 1432.39 feet, with a chord bearing of North 39°50'20" East, with a chord length of 130.50 feet to a concrete highway monument found;
2. North 43°26'26" East a distance of 371.70 feet to a 1/2 inch iron rod found for the northwest corner hereof;

THENCE South 88°52'21" East a distance of 6218.48 feet along the north line of said 645.75 acre tract to a 6 inch pipe fence corner post found in the record common line of the W. M. Taylor Survey No. 27, Abstract No. 392 and said Survey No. 38, the east line of County Road No. 393 and the west line of that certain 320 acre tract described in Volume 545, Page 933 of said official Public Records for the northeast corner of said 645.75 acre tract and the northeast corner hereof;

THENCE along the record common line of said Survey No. 27 and said Survey No. 38, the east line of said 645.75 acre tract and the east line of said County Road No. 393, the following 2 courses:

1. South 01°23'53" West a distance of 318.00 feet along the west line of said Volume 545, Page 933 to a 2.5 inch pipe fence corner post found for the northwest corner of that certain 320 acre tract described as Tract One in Volume 556, Page 229 of said Official Public Records, the southwest corner of said Volume 545, Page 933 and a corner hereof;
2. South 01°40'55" West a distance of 3897.81 feet along the west line of said Tract One, the west line of that certain 688.6 acre tract described as Tract Two in said Volume 556, Page 229 and the west line of that certain 384.56 acre tract surveyed this same day under the supervision of John F. Watson and Company to a calculated point for a record corner of the R. Williamson Survey No. 39, Abstract No. 422, the record southeast corner of said Survey No. 38, a corner of that certain 602.555 acre tract described in Volume 590, Page 179 of said Official Public Records, the northeast corner of that certain 100.000 acre tract also described in said Volume 590, Page 179, the southeast corner of said 645.75 acre tract and the southeast corner hereof and from which a 1/2 inch iron rod found for the southwest corner of said tract Two and the southwest corner of said 384.56 acre tract bears South 01°40'55" West a distance of 33.39 feet and another 1/2 inch iron rod found bears South 48°01'11" East a distance of 57.33 feet;

THENCE North 88°53'01" West a distance of 6535.78 feet along the common line of said Survey No. 39 and said Survey No. 38, the north line of said 100.000 acre tract, the north line of said 602.555 acre tract, the north line of said 581 acre tract, the south line of said 645.75 acre tract and the centerline of said Loop Road to the POINT OF BEGINNING containing 633.567 acres more or less, and as shown hereon.

And:

LEGAL DESCRIPTION: Being 632.944 acres of land out of the W. M. Taylor Survey No. 27, Abstract No. 392 in Haskell County, Texas and also being a portion of that certain 320 acre tract described as Tract One and that certain 688.6 acre tract described as Tract Two in Volume 556, Page 229 of the Official Public Records of Haskell County, Texas; Said 632.944 acre tract being more particularly described as follows and as surveyed under the supervision of John F. Watson & Company in October, 2014:

BEGINNING at a 1/2 inch iron rod found in the north line of Loop Road and the east line of County Road No. 393 for a record corner of the R. Williamson Survey No. 39, Abstract No. 422, the record southwest corner of said Survey No. 27, a corner of that certain 602.555 acre tract described in Volume 590, Page 179 of said Official Records, a corner of that certain 100.000 acre tract also described in said Volume 590, Page 179, the southwest corner of said 688.6 acre tract and the southwest corner hereof;

THENCE North 01°40'55" East a distance of 33.39 feet along a record common line of said Survey No. 39 and said Survey No. 27, the east line of said County Road No. 393, the east line of said 100.00 acre tract and the west line of said 688.6 acre tract to a calculated point for the record southeast corner of the M. Travieso Survey No. 38, Abstract No. 387, the southeast corner of that certain 645.75 acre tract described in Volume 336, Page 584 of the Deed Records of Haskell County, Texas, the southeast corner of that certain 633.57 acre tract surveyed this same day under the supervision of John F. Watson and Company and a corner hereof and from which a 1/2 inch iron rod found bears South 48°01'11" East a distance of 57.33 feet;

THENCE North 01°40'55" East along the record common line of said Survey No. 27 and said Survey No. 38, the east line of said County Road No. 393, the east line of said 645.75 acre tract, and the east line of said 633.57 acre tract, passing at a distance of 2697.17 feet a 1/2 inch capped iron rod set for the southwest corner of said 320 acre tract and the northwest corner of said 688.6 acre tract, continuing in all a distance of 3931.20 feet to a 2.5 inch pipe fence corner post found for the southwest corner of that certain 320 acre tract described in Volume 545, Page 933 of said official public records and the northwest corner of said 320 acre tract and hereof;

THENCE South 89°18'56" East a distance of 8783.44 feet along the common line of said 320 acre tracts to a 1/2 inch capped iron rod set in the approximate west line of Zone A, 100 year flood plain of California Creek as shown on FEMA FIRM Map Panel No. 480851 0300 B with an effective date of October 15, 1985, for the northeast corner hereof;

THENCE crossing said 320 acre tract and said 688.6 acre tract along the approximate west line of said Zone A, the following 34 courses:

1. South 25°39'05" West a distance of 863.80 feet to a calculated point;
2. South 20°41'32" West a distance of 139.68 feet to a calculated point;
3. South 09°36'10" West a distance of 430.55 feet to a 1/2 inch capped iron rod set in the common line of said 320 acre tract and said 688.6 acre tract;
4. South 16°07'42" West a distance of 283.38 feet;
5. South 01°08'23" West a distance of 78.46 feet;
6. South 45°13'30" West a distance of 634.44 feet;
7. South 61°56'46" West a distance of 195.55 feet;
8. South 48°27'09" West a distance of 192.16 feet;
9. South 84°52'39" West a distance of 85.10 feet;
10. South 69°11'40" West a distance of 631.35 feet;
11. South 30°29'07" West a distance of 48.07 feet;
12. WEST a distance of 285.36 feet;
13. South 43°09'24" West a distance of 53.46 feet;
14. South 89°29'03" West a distance of 267.81 feet;
15. North 51°21'31" West a distance of 68.16 feet;
16. North 89°32'32" West a distance of 190.14 feet;

17. South 33°43'29" West a distance of 43.87 feet;
18. South 89°07'10" West a distance of 197.78 feet;
19. South 73°28'53" West a distance of 144.42 feet;
20. South 69°53'29" West a distance of 306.75 feet;
21. South 82°08'55" West a distance of 133.13 feet;
22. South 56°13'29" West a distance of 242.59 feet;
23. South 84°12'52" West a distance of 193.51 feet;
24. South 77°57'24" West a distance of 137.66 feet;
25. South 49°24'24" West a distance of 55.77 feet;
26. WEST a distance of 537.00 feet;
27. North 44°56'29" West a distance of 262.28 feet;
28. South 69°09'07" West a distance of 162.53 feet;
29. South 45°00'21" East a distance of 126.13 feet;
30. South 00°49'29" East a distance of 276.33 feet;
31. South 41°39'10" East a distance of 57.92 feet;
32. South 04°10'16" East a distance of 85.82 feet;
33. South 39°29'32" East a distance of 132.17 feet;
34. SOUTH a distance of 268.47 feet;
35. South 45°32'02" East a distance of 115.63 feet;
36. South 01°33'29" East a distance of 136.68 feet to a 1/2 inch capped iron rod set in the common line of said Survey No. 39 and said Survey No. 27, the north line of said 394.09 acre tract described in Volume 430, Page 866 of said Deed Records and the south line of said 688.6 acre tract for the southeast corner hereof and from which a 3/8 inch iron rod found for the northeast corner of said 394.09 acre tract bears South 87°41'52" East a distance of 3775.98 feet;

THENCE along the common line of said Survey 38 and said Survey No. 27 and the south line of said 688.6 acre tract, the following 2 courses:

1. North 87°41'51" West a distance of 902.09 feet to a 1/2 inch iron rod found for the northwest corner of said 394.09 acre tract, the northeast corner of said 602.555 acre tract and a corner hereof;
2. North 87°31'10" West a distance of 3207.65 feet along the north line of said 602.555 acre tract to the **POINT OF BEGINNING** containing 632.944 acres more or less, and as shown hereon.

Note: Bearings, distances, and acreage shown hereon are Grid, NAD83(2011), Texas North-Central Zone and are based on NGS CORS/OPUS solutions. Iron rods set are 1/2 inch by 24 inch steel rebar with blue plastic caps marked "WATSON-5498" and/or "CTLS".

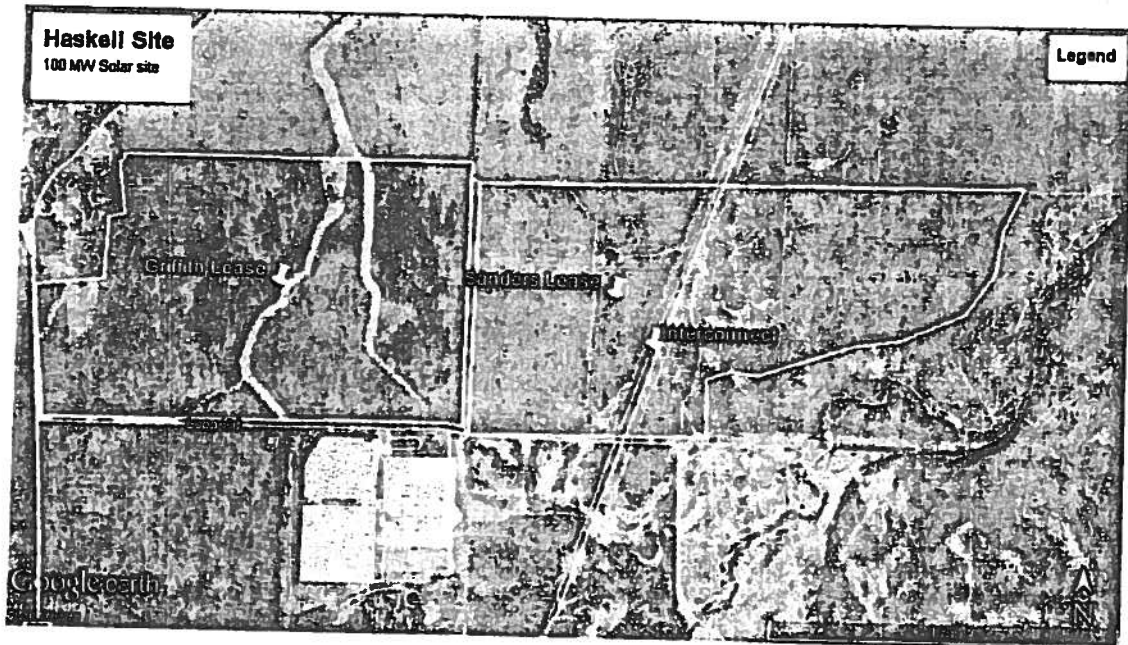


EXHIBIT C
GUIDELINES & CRITERIA

FILED FOR RECORD
AT 10:15 O'CLOCK A.M.

MAY 12 2015

CLERK OF COUNTY CLERK, HASKELL COUNTY, TEXAS
[Signature]

COMMISSIONERS COURT §
§
HASKELL COUNTY §

**RESOLUTION APPROVING THE HASKELL COUNTY
GUIDELINES & CRITERIA FOR CREATING
TAX ABATEMENT AND REINVESTMENT ZONES**

WHEREAS, the creation and retention of job opportunities that bring new wealth into HASKELL County is a high priority; and

WHEREAS, new jobs and investments will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and

WHEREAS, the communities within HASKELL County must compete with other localities across the nation currently offering tax inducements to attract jobs and investments; and

WHEREAS, any tax incentives offered in HASKELL County would be strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract primary jobs in industries which bring in revenue from outside a community instead of merely re-circulating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

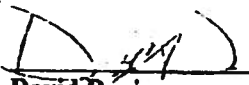
WHEREAS, effective September 1, 1987, Texas law, pursuant to Chapter 312 of the Texas Tax Code, requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two year period unless amended by a three-quarters vote of Commissioners' Court; and

WHEREAS, to assure a common, coordinated effort to promote our communities' economic development, any such guidelines and criteria should be adopted only through the cooperation of affected school districts, cities and HASKELL COUNTY; and

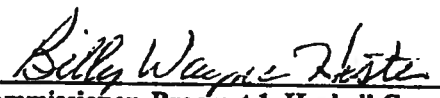
WHEREAS, HASKELL COUNTY'S previous guidelines were amended by three-quarters vote of this Court.

NOW, THEREFORE, BE IT RESOLVED, that HASKELL County Commissioners' Court does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in HASKELL County, Texas, and are hereby adopted effective May 12, 2015.

PASSED AND APPROVED on the 12th day of May, 2015, by Haskell County Commissioners Court.



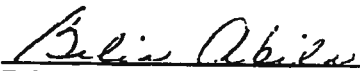
David Davis
County Judge



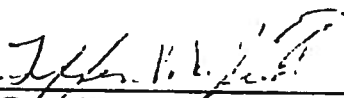
Commissioner, Precinct 1, Haskell County

Commissioner, Precinct 3, Haskell County

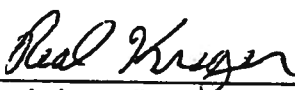
ATTEST:



Belia Abila,
County Clerk



Commissioner, Precinct 2, Haskell County



Commissioner, Precinct 4, Haskell County

HASKELL COUNTY

GUIDELINES AND CRITERIA

FOR GRANTING TAX ABATEMENT

AND REINVESTMENT ZONES

The Haskell County Guidelines and Criteria for Granting Tax Abatement and Reinvestment Zones ("Guidelines") were adopted by the Commissioners Court ("Court") of Haskell County, Texas ("County") to be effective 10/1/12, 2015, through 10/1/2, 2017.

Haskell County is committed to the promotion of high quality development in all parts of Haskell County, Texas, and to an ongoing improvement in the quality of life for the citizens. Insofar as these objectives are generally served by an enhancement and expansion of the local economy, Haskell County will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development. It is the policy of Haskell County that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Texas Tax Code. Nothing contained herein shall imply, suggest or be understood to mean that Haskell County is under any obligation to provide tax abatement to any application and attention is called to V.T.C.A., Tax Code §312.002(d). All applications for tax abatement will be considered on a case-by-case basis.

DEFINITIONS - Section I

- a. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain real and personal property in a reinvestment or enterprise zone designated by HASKELL County for economic development purposes.
- b. **"Affected jurisdiction"** means HASKELL County and any municipality or school district, the majority of which is located in HASKELL County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by HASKELL County.
- c. **"Agreement"** means a contractual agreement between an applicant (property owner and/or lessee) and HASKELL County for the purposes of tax abatement.
- d. **"Base year value"** means the assessed value of the applicant's eligible property located in a reinvestment zone on January 1 of the year of execution of the Agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- e. **"Economic Life"** means the number of years a property is expected to be in service in a facility.
- f. **"Expansion"** means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- g. **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- h. **"Hospital"** as defined in Texas Health & Safety Code Section 241.003.

- i. **"Manufacturing Facility"** means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change, including the generation of electrical energy.
- j. **"Modernization"** means a complete or partial demolition of facilities and/or the completion of partial construction, reconstruction, or installation of a facility or facilities of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.
- k. **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- l. **"Other Basic Industry"** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of HASKELL County, resulting in the creation of new permanent jobs bringing in new wealth.
- m. **"Personal Property"** means personal property, as designated by the HASKELL County Appraisal District, which includes but is not limited to any tangible thing (including gasses, steams, and other non-solid state things) that can be removed from real property without destroying or changing such real property. Personal Property also includes, for example, any machinery or equipment that may be bolted to the floor, but has a shorter life than the building and is used in the primary line of business.
- n. **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.
- o. **"Real Property"** means real property improvements, as designated by the HASKELL County Appraisal District, which includes but is not limited to any buildings, buildings built on skids, portable buildings, parking areas, and fences attached to land.
- p. **"Regional Entertainment/Tourism Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside outside any part of HASKELL County.
- q. **"Research Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- r. **"Regional Service Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside any part of HASKELL County.
- s. **"Spec Building"** means the new building construction to create an enclosed area of a commercial facility that would normally qualify for abatements built without an occupying tenant at the time the construction is complete.
- t. **"Urgent Care Facility"** a facility dedicated to the delivery of unscheduled, walk-in diagnosis and treatment of acute, but non-life threatening injuries and illnesses, outside of a hospital emergency department or doctor's office.

ABATEMENT AUTHORIZED - Section II

- a. **Authorized Facility.** An applicant's facility may be eligible for abatement if it is a Manufacturing Facility, Research Facility, Distribution Center, Regional Service Facility, Regional Entertainment Facility, Spec Building, Hospital, Urgent Care Facility or Other Basic Industry.
- b. **Creation of New Value.** Abatement may only be granted for the additional value of eligible real property improvements made subsequent to and specified in an abatement Agreement between HASKELL County and the applicant (property owner and/or lessee), subject to such limitations as HASKELL County Commissioners' Court may require.
- c. **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- 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 primary operation of the facility.
- e. **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; housing; hotels accommodations; retail facilities; deferred maintenance investments; property to be rented or leased, except as provided in Section II (f); any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has a productive life of less than 10 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.
- f. **Owned/Leased Facilities.** If a leased facility is granted abatement the Agreement shall be executed with the lessor and the lessee.
- g. **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement. The value of new eligible properties shall be abated according to the approved Agreement between applicant and HASKELL County. HASKELL County, in its sole discretion, shall determine the amount of any abatement. The term of any abatement may not exceed ten (10) years. The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.
- h. **Construction in Progress.** If a qualifying facility has not been placed in service within one year after execution of the abatement Agreement, the applicant may apply for a one year extension of the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one year anniversary of execution of the abatement Agreement.
- i. **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax abatement for planned improvements:
 1. For projects located within the jurisdiction of any incorporated city or town, the applicant must first be approved for tax abatement by the economic development organization

authorized by that respective city or town to act on its behalf before the County can provide assistance.

2. The applicant's facility must be expected to retain or create employment on a permanent basis in HASKELL County.

3. The applicant's facility must not be expected to solely or primarily have the effect of transferring employment from one part of HASKELL County to another.

4. The applicant's facility must be necessary because capacity cannot be provided efficiently by utilizing existing improved property when reasonable allowance is made for necessary improvements.

5. The applicant's facility must have no serious adverse effect on jurisdictions.

6. The applicant's facility must be in an area outside of the taxing jurisdiction of an incorporated city or town, unless the city or town has granted a tax abatement for the planned improvements, and ninety (90) days have not passed since the granting of such abatement.

7. The applicant's facility must have a significantly positive result from the economic impact analysis performed as part of the application process (*i.e.*, the local economic benefit must significantly exceed the amount of anticipated tax revenues foregone by the Agreement).

j. **Standards for Tax Abatement.** The following factors, among others, shall be considered by the County in determining whether to grant Tax Abatement:

1. The value of land and existing improvement, if any.

2. The type and value of the proposed improvements.

3. The expected economic life of the proposed improvements.

4. The number and quality of existing, permanent jobs to be retained by the proposed improvements.

5. The number of new permanent jobs to be created by the proposed improvements.

6. The amount of local payroll to be created or enhanced.

7. Whether the new jobs to be created will be filled by persons residing or projected to reside in the County.

8. The amount the property tax base will be increased during the term of Abatement and after Abatement.

9. The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements. The amount of ad valorem taxes to be paid to the County during the Abatement period - considering (a) existing values, (b) the percentage of new value abated, (c) the Abatement period, and (d) the value after expiration of the Abatement period.

10. The amount of local taxes to be generated directly as a result of the applicant's facility.

11. The population growth of the County that might occur as a direct result of new improvements.

12. The types and values of public improvements, if any, to be made by applicant seeking Abatement.

13. The impact on the business opportunities of existing businesses, including whether local labor, local subcontractors, and local vendors/suppliers will be used in the construction phase of the project.

14. The attraction of other new businesses to the area.

15. Whether the proposed improvements compete with existing businesses to the detriment of the local economy.

16. Whether the project is compatible with the community, particularly with respect to any environmental concerns and any zoning concerns.

17. The applicant's company profile, including business references, principal bank, audited financial statement and Business Plan.

18. The overall economic impact to HASKELL County.

Each application shall be reviewed on its merit, 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.

k. **Denial of Abatement.** No Abatement Agreement shall be authorized if:

1. There would be substantial adverse effect on the tax base or costs associated with the providing of government services.

2. The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.

3. The planned or potential use of the property would constitute a hazard to public safety, health or morals.

4. The area considered for abatement lies within the taxing jurisdiction of an incorporated city or town, unless the city or town has already granted abatement to the concerned entity and ninety (90) days have not passed since the granting of such abatement.

5. Granting abatement might lead to the violation of other codes or laws.

6. For any other reason deemed appropriate by Commissioners' Court.

1. **Taxability.** From the execution of the Agreement to the end of the Agreement, 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 taxable in the manner and for the period provided for in the abatement Agreement; and
4. The additional value of new eligible property shall be fully taxable at the end of the abatement period.

APPLICATION - Section III

a. Any present or potential owner of taxable property in HASKELL County may request the creation of a reinvestment zone and tax abatement by filing a written request, along with the application processing fee set forth herein, to the County Judge of HASKELL County (checks should be made payable to HASKELL County).

b. The application shall consist of a completed application form accompanied by:

1. A copy of the executive overview from the economic impact analysis.
2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
3. A descriptive list of the improvements which will be a part of the facility;
4. A site map and property description, including a complete legal description of the property;
5. A time schedule for undertaking and completing the planned 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 application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
6. Certification from the Haskell County Appraisal District verifying that no taxes are past due on applicant's property located in the proposed reinvestment zone
7. Disclosure of any environmental permits required or additional environmental impacts.
8. A \$1,000.00 non-refundable application fee.

c. Upon receipt of a completed application and prior to acting on the application, the County Judge shall notify in writing and provide a copy of the application to each presiding officer of the governing body of each taxing unit in which the property to be subject to the Agreement is located.

d. Upon receipt of a completed application for the creation of a reinvestment zone and application for abatement, the County shall determine whether the application qualifies for a tax abatement under the guidelines and criteria. If it is determined that an application qualifies for abatement, the Commissioners Court shall notify the applicant in writing that subject to a public hearing and approval of a contract by Commissioners Court, the project qualifies for abatement.

e. The Commissioners Court may not adopt a resolution designating a reinvestment zone for the purposes of considering approval of a tax abatement until it has held a public hearing. Notice of the hearing shall (1) be posted no later than the seventh day before the public hearing and (2) published in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon the application, HASKELL County shall through public hearing afford the applicant and the designated representative of any affected jurisdiction, and any other interested person, opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on Commissioners' Court agenda to be posted at least seven (7) days prior to the hearing.

f. HASKELL County, not more than 60 days after receipt of the application, shall by order either approve or disapprove the application for tax abatement at a regularly scheduled meeting by a majority vote. The county judge shall notify the applicant of approval or disapproval. If disapproved, a Commissioner may request a second review, in which case a new application and hearing shall be required.

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

h. **Variance.** Requests for variance from the provisions of Section II may be made in an application or other written form to the Commissioners' Court. Such request shall include all the items listed in Section III (b) and may include a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court. To the full extent permitted by applicable law, the Commissioners' Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines so long as the Commissioners' Court determines that such variances are in the best interests of Haskell County. Any terms or conditions contained in an abatement Agreement approved by the Commissioners' Court that vary from the terms and conditions in these Guidelines shall automatically be deemed to have been granted an approved variance by the Commissioners' Court, shall be binding and enforceable as agreed to in the abatement Agreement, and shall control in the event of any inconsistency or conflict with these Guidelines.

i. **Confidentiality Required.** Information that is provided to the County in connection with an application or request for Tax Abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which Tax Abatement is sought is **confidential and not subject to public disclosure until the Tax Abatement Agreement is executed.** That information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

PUBLIC HEARING - Section IV

a. Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of service, that showing shall be reason for the Commissioners' Court to deny any designation of the reinvestment zone, the granting of abatement, or both.

b. Neither a reinvestment zone nor abatement Agreement shall be authorized if it is determined that:

1. There would be a substantial adverse effect on the provision of government service or tax base;
2. The applicant has insufficient financial capacity;
3. Planned or potential use of the property would constitute a hazard to public safety, health or morals; or,
4. Planned or potential use of the property violates other codes or laws.
5. Use of the property as planned does not comply with the overall developmental goals of the county.

c. Following the public hearing, the Commissioners' Court must make affirmative findings in the minutes of the Court that:

1. Designation of the reinvestment zone would contribute to the retention or expansion of primary employment.
2. Designation of the zone would attract major investment in the zone that would benefit the property within the zone.
3. Designation of the zone would contribute to the economic development of the county.

AGREEMENT - Section V

a. **Notice to Jurisdictions.** Not later than the seventh day before the date on which HASKELL County enters into the Abatement Agreement, the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property is located a written notice that the County intends to enter into the Agreement, along with a copy of the proposed agreement.

b. After approval, HASKELL County shall formally pass an order and execute an Agreement with the owner of the facility and lessee as required which shall include:

1. Estimated value to be abated and the base year value;
2. Percent of value to be abated each year as provided in Section II;
3. The commencement date and the termination date of abatement;

4. The proposed use of the facility; nature of construction, time schedule, survey, property description and improvements list as provided in the abatement application.
 5. Provision for access to and authorization for inspection of the property by HASKELL County to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement.
 6. Limitations on the uses of the property, consistent with the application and the general purpose of encouraging development or redevelopment of the zone during the abatement period.
 7. Contractual obligations in the event of default, violations of terms or conditions, delinquent taxes, recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by State law and;
 8. Amount of investment, increase in assessed value and number of jobs involved for the period of Abatement.
 9. A requirement that the applicant annually submit to the Haskell County Judge certifications required by the Abatement Agreement, such report to be submitted not later than January 31st of each year. .
- c. Such agreement shall be executed within sixty (60) days after the applicant has forwarded all necessary information and documentation to HASKELL County.
 - d. **Mandatory contract provisions.** Any tax abatement entered into by the County must:
 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 ensure compliance with the agreement.
 3. Limit the use of the property consistent with the taxing unit's development goals and the application.
 4. Provide for recapturing property tax revenues that are lost if the applicant fails to make the improvements or create the jobs as provided by the application/agreement.
 5. Include each term that was agreed upon with the applicant and require the applicant to annually certify compliance with the terms of the agreement to each taxing unit.
 6. Allow the taxing unit to cancel or modify the agreement at any time if the applicant fails to comply with the terms of the agreement.

RECAPTURE - Section VI

- a. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the agreement shall terminate and so shall the abatement of the taxes for the calendar

year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

b. Should the County determine that the applicant 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 default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated and all taxes previously abated by virtue of the agreement may be recaptured, together with interest at 6% per annum calculated from the effective date of the agreement and paid within sixty (60) days of the termination. If the County does not receive full payment within the said sixty (60) days, a penalty may be added, equal to 15% of the total amount abated.

c. In the event that the applicant: (1) allows its ad valorem taxes owed the County or affected jurisdiction to become delinquent (taxes that are not covered by the abatement agreement) 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, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

ADMINISTRATION - Section VII

a. The Chief Appraiser of HASKELL County shall annually determine an assessment of the real and personal property within the reinvestment zone. Each year, the applicant receiving abatement shall furnish the Appraiser with such information as may be necessary to determine compliance with the Agreement, including but not limited to the number of new or retained employees associated with the applicant's facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

b. The Agreement shall stipulate that employees and/or designated representatives of HASKELL County will have access to the applicant's facilities within 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 reasonable notice and will only be conducted in 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, and in accordance with its safety standards.

c. Upon completion of construction, HASKELL County shall annually evaluate each facility receiving abatement to insure compliance with the Agreement and report possible violations of the Agreement to the Commissioner's Court.

d. **Timely Filing.** The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

ASSIGNMENT - Section VIII

a. Abatement may be transferred and assigned to a new owner or lessee of the applicant's facility only upon compliance with the terms and conditions contained in the abatement Agreement and upon approval by the Haskell County Commissioners Court.

b. The Agreement with the new owner or lessee shall not exceed the termination date of the abatement Agreement with the original applicant.

c. No assignment or transfer shall be approved if the parties to an existing Agreement, the new owner, or the new lessee is liable to HASKELL County or any affected jurisdiction for outstanding taxes or other obligations.

d. Approval shall not be unreasonably withheld.

SUNSET PROVISION - Section IX

a. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners' Court of HASKELL County as so provided for in the Tax Code, at which time all Reinvestment Zones and Tax Abatement Agreements, created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated.

b. This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the affected jurisdictions.

c. This policy is effective this 17th Day of July, 2015, and supersedes any previous policy on Tax Abatement. It will remain in effect until changed by court order.

EXHIBIT D IMPROVEMENTS

OCI Alamo 7 LLC anticipates constructing a solar photovoltaic (PV) electric generating facility with an operating capacity of approximately 100MW. The exact capacity and the specific technology components will be determined during the development and design process.

A 100MW solar PV generating facility may include a qualified investment consisting of the following improvements:

1. Planned for up to 100 MW-AC in size;
2. Approximately 400,000 Solar Panels and 100 DC-to-AC Inverters;
3. Dual-axis tracker system infrastructure for a 100 MW project;
4. Medium and high-voltage electric cabling;
5. Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, and building, among other things;
6. High-voltage transmission line connecting the project to the grid (gen tie);
7. Operations and maintenance building;
8. Meteorological equipment to measure solar irradiance and other weather conditions; and Associated equipment to safely operate, maintain and deliver electricity to the ERCOT grid.

EXHIBIT E
DESIGNATION OF REINVESTMENT ZONE

TO BE INSERTED

FILED FOR RECORD
T. 10:20 O'CLOCK A. M.

VOL. 20 PAGE 773

MAY 26 2015

DEPUTY CLERK
Clerk County Court Haskell County, Texas
Deputy

IN THE COMMISSIONERS COURT
OF
HASKELL COUNTY, TEXAS

**ORDER CREATING HASKELL COUNTY TAX ABATEMENT
REINVESTMENT ZONE, ALAMO 7 SOLAR ENERGY PROJECT**

WHEREAS, on the 26th day of May, 2014, came on for consideration the Designation of a Reinvestment Zone pursuant to Chapter 312 of the Texas Tax Code, and

WHEREAS, prior to the creation of the Haskell County Tax Abatement Reinvestment Zone, Alamo 7 Solar Energy Project, the Commissioners court made a determination that the application filed by OCI Solar Power, LLC, meets the applicable guidelines and criteria adopted by the Commissioners Court, and that a tax abatement agreement between the County and OCI Solar Power, LLC, would be in compliance with the established guidelines and criteria for tax abatement, and

WHEREAS, the Commissioners Court did conduct a public hearing, after due notice, as required by law, prior to the creation of a reinvestment zone, as required by Chapter 312 of the Texas Tax Code. After receiving public comment, the Commissioners Court hereby determines that the designation of an area as a reinvestment zone would contribute to the retention or expansion of primary employment in Haskell County, Texas, and would contribute to the economic development of the County,

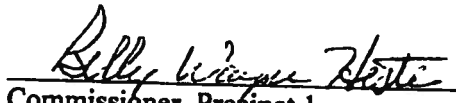
THEREFORE, PREMISES CONSIDERED, the Commissioners Court of Haskell County, Texas does hereby create the Haskell County Tax Abatement Reinvestment Zone, Alamo 7 Solar Energy Project as described more fully in the attachments to this Order, which are incorporated herein by reference and are to be filed in the minutes of the Commissioners Court with this Order.

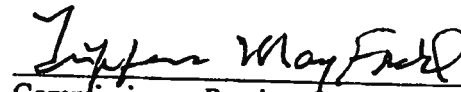
vi. 20-1774

It is further ORDERED by the Commissioners Court that the County Judge is hereby authorized to execute, on behalf of Haskell County, Texas, such documents as may be necessary to facilitate and implement this Order.

Dated: Adopted on May 26, 2015, Executed on this the 26th day of May, 2015.


County Judge, Haskell County, Texas

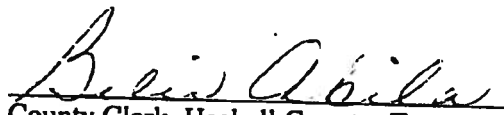

Commissioner, Precinct 1


Commissioner, Precinct 2


Commissioner, Precinct 3


Commissioner, Precinct 4

Attest:


County Clerk, Haskell County, Texas

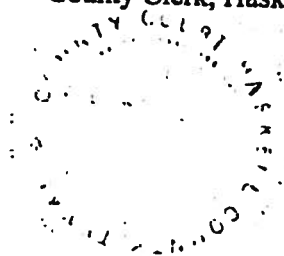


EXHIBIT A

Map of wind project included in the Requested Reinvestment Zone attached.

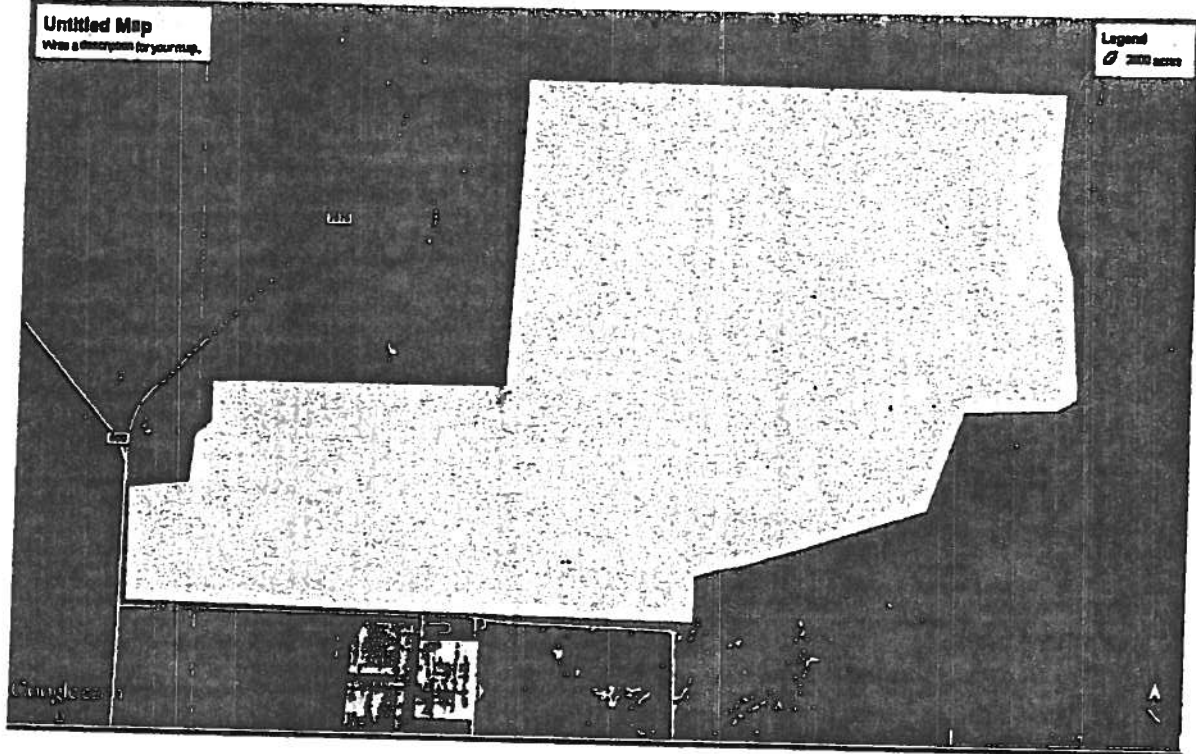


EXHIBIT B

Legal description of real property to be included in the requested Reinvestment Zone attached.

VO:

20 PAGE 778

John F. Watson & Company

PROFESSIONAL LAND SURVEYORS

TX LS FIRM 10117300

200 N. Loraine, Suite 220, Midland, Texas 79701, (432) 520-2400, Fax (432) 520-2404

www.windearthwater.com

OCI SOLAR POWER – ALAMO 7 SOLAR ENERGY PROJECT – RE-INVESTMENT ZONE – HASKELL COUNTY, TEXAS

APPROXIMATELY 2,848 ACRES OF LAND

LEGAL DESCRIPTION: BEING APPROXIMATELY 2,848 ACRES OF LAND LYING IN AND BEING SITUATED OUT THE M. TRAVIESO SURVEY NO. 38, ABSTRACT NO. 387, THE W.M. TAYLOR SURVEY NO. 27, ABSTRACT NO. 392, AND THE OLIVER SMITH SURVEY NO. 26, ABSTRACT NO. 381, ALL LYING IN AND BEING SITUATED OUT OF HASKELL COUNTY, TEXAS; SAID TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a 1/2 inch iron rod found, having an approximate Latitude and Longitude of N 33.00432° and W 99.60313, in the north line of Loop Road and the east line of County Road No. 393 for an interior corner of the R. Williamson Survey No. 39, Abstract No. 422, the occupied southwest corner of said Survey No. 27, and an ell corner hereof;

THENCE North 01°40'55" East a distance of 33.39 feet along a occupied common line of said Survey No. 39 and said Survey No. 27 and the east line of said County Road No. 393 to a calculated point for a ell corner of said Survey No. 39, the southeast corner of said Survey No. 38, and an interior corner hereof and from which a 1/2 inch iron rod found bears South 48°01'11" East a distance of 57.33 feet;

THENCE North 88°53'01" West a distance of 6535.78 feet along the occupied common line of said Survey No. 39 and said Survey No. 38, to a calculated point, having an approximate Latitude and Longitude of N 33.00457° and W 99.62444, in the east line of Farm to Market Highway No. 600 and the centerline of Loop Road for the southwest corner hereof and from which a 1/2 inch iron rod found bears North 88°53'01" West a distance of 49.97 feet and a 60d nail found bears South 88°59'10" West a distance of 99.94 feet;

THENCE along the east line of said Highway No. 600 the following 3 courses:

1. North 02°55'35" West a distance of 25.00 feet crossing said 645.75 acre tract to a calculated point;
2. North 46°31'29" West a distance of 73.17 feet to a calculated point for a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 04°22'29" East a distance of 43.53 feet;

3. North 02°57'19" West a distance of 2101.91 feet to a calculated point for a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 79°20'31" East a distance of 7.17 feet;

THENCE North 87°06'27" East a distance of 417.16 feet to a calculated point for a corner hereof and from which a 2.5 inch pipe fence corner post found bears North 79°31'13" East a distance of 1.38 feet;

THENCE North 02°57'19" West a distance of 417.42 feet to a 3/8 inch iron rod found for a corner hereof;

THENCE North 03°01'16" West a distance of 483.19 feet to a 2.5 inch pipe fence corner post found;

THENCE North 76°04'31" East a distance of 68.78 feet to a 2.5 inch pipe fence corner post found;

THENCE North 13°24'20" West a distance of 747.94 feet to a calculated point in a curve of the east line of Farm to Market Highway No. 2976 for a corner hereof and from which a 2.5 inch pipe fence corner post found bears South 13°24'20" East a distance of 16.99 feet and a concrete highway monument found bears South 17°39'12" West a distance of 959.80 feet;

THENCE along the east line of said Highway No. 2976 the following 2 courses:

1. Along a curve turning to the right with an arc length of 130.54 feet, with a radius of 1432.39 feet, with a chord bearing of North 39°50'20" East, with a chord length of 130.50 feet to a concrete highway monument found;

2. North 43°26'26" East a distance of 371.70 feet to a 1/2 inch iron rod found for the westerly northwest corner hereof;

THENCE South 88°52'21" East a distance of 6218.48 feet to a 6 inch pipe fence corner post found in the occupied common line of said Survey No. 27 and said Survey No. 38 and the east line of County Road No. 393 for an interior corner hereof;

THENCE North 01°39'44" East a distance of 6230.71 feet along the record common line of said Survey No. 27 and said Survey No. 38 and the record common line of said Survey No. 38 and Survey No. 26 to a point, having an approximate Latitude and Longitude of N 33.03312° and W 99.60249, for the approximate northwest corner of said Survey No. 26 and the northerly northwest corner hereof;

THENCE South 88°21'27" East a distance of 10555.56 feet along the record north line of said Survey No. 26 to a point, having an approximate Latitude and Longitude of N 33.03259° and W 99.56806, for the northeast corner of said Survey No. 26 and hereof;

THENCE South 01°38'33" West a distance of 2638.89 feet along the east line of said Survey No. 26 to a point in the north line of said Survey No. 27 for the record southeast corner of said Survey No. 26 and an interior corner hereof;

THENCE South 88°21'27" East a distance of 188.89 feet along the north line of said Survey No. 27 to a point for the record northeast corner of said Survey No. 27 and an ell corner hereof;

THENCE South 01°42'55" West a distance of 3726.20 feet along the east line of said Survey No. 27 to a point for the easterly southeast corner hereof;

THENCE North 89°25'58" West a distance of 1958.65 feet to a ½ inch iron rod with cap set in the approximate west line of Zone A, 100 year flood plain of California Creek, as shown on FEMA FIRM Map Panel No. 480851 0300 B with an effective date of October 15, 1985, for an interior corner hereof;

THENCE along the approximate west line of said Zone A, the following 34 courses:

1. South 25°39'05" West a distance of 863.80 feet to a calculated point;
2. South 20°41'32" West a distance of 139.68 feet to a calculated point;
3. South 09°36'10" West a distance of 430.55 feet to a 1/2 inch capped iron rod set in the common line of said 320 acre tract and said 688.6 acre tract;
4. South 16°07'42" West a distance of 283.38 feet;
5. South 01°08'23" West a distance of 78.46 feet;
6. South 45°13'30" West a distance of 634.44 feet;
7. South 61°56'46" West a distance of 195.55 feet;
8. South 48°27'09" West a distance of 192.16 feet;
9. South 84°52'39" West a distance of 85.10 feet;
10. South 69°11'40" West a distance of 631.35 feet;
11. South 30°29'07" West a distance of 48.07 feet;
12. WEST a distance of 285.36 feet;
13. South 43°09'24" West a distance of 53.46 feet;
14. South 89°29'03" West a distance of 267.81 feet;
15. North 51°21'31" West a distance of 68.16 feet;
16. North 89°32'32" West a distance of 190.14 feet;
17. South 33°43'29" West a distance of 43.87 feet;
18. South 89°07'10" West a distance of 197.78 feet;
19. South 73°28'53" West a distance of 144.42 feet;
20. South 69°53'29" West a distance of 306.75 feet;
21. South 82°08'55" West a distance of 133.13 feet;
22. South 56°13'29" West a distance of 242.59 feet;
23. South 84°12'52" West a distance of 193.51 feet;
24. South 77°57'24" West a distance of 137.66 feet;
25. South 49°24'24" West a distance of 55.77 feet;
26. WEST a distance of 537.00 feet;
27. North 44°56'29" West a distance of 262.28 feet;
28. South 69°09'07" West a distance of 162.53 feet;

29. South 45°00'21" East a distance of 126.13 feet;
30. South 00°49'29" East a distance of 276.33 feet;
31. South 41°39'10" East a distance of 57.92 feet;
32. South 04°10'16" East a distance of 85.82 feet;
33. South 39°29'32" East a distance of 132.17 feet;
34. SOUTH a distance of 268.47 feet;
35. South 45°32'02" East a distance of 115.63 feet;
36. South 01°33'29" East a distance of 136.68 feet to a 1/2 inch iron rod with cap set in the occupied common line of said Survey No. 39 and said Survey No. 27 for the southerly southeast corner hereof and from which a 3/8 inch iron rod found bears South 87°41'52" East a distance of 3775.98 feet;

THENCE along the occupied common line of said Survey 38 and said Survey No. 27 the following 2 courses:

1. North 87°41'51" West a distance of 902.09 feet to a 1/2 inch iron rod found a corner hereof;
2. North 87°31'10" West a distance of 3207.65 feet to the **POINT OF BEGINNING** containing approximately 2,848 acres more or less.

Note: Bearings and distances shown hereon are NAD83(2011), Texas North-Central Zone, and coordinates shown hereon are WGS84 and all are approximate based on GIS mapping. This description does not constitute a boundary survey and is provided for reference purposes only.

Note: THIS DIGITAL COPY IS PROVIDED FOR THE INSERTION INTO LEGAL DOCUMENTS.

EXHIBIT F
ESTIMATED AMOUNTS OF ABATEMENT & ANNUAL PAYMENTS

A. TERM OF ABATEMENT (YEARS 1-10)

	PILOT (\$1750/MW)
Year 1	\$175,000
Year 2	\$175,000
Year 3	\$175,000
Year 4	\$175,000
Year 5	\$175,000
Year 6	\$175,000
Year 7	\$175,000
Year 8	\$175,000
Year 9	\$175,000
Year 10	\$175,000
	\$1,750,000

B. POST-ABATEMENT PERIOD (YEARS 11-25)

	Value	Tax Amount
Year 11	\$57,000,000	\$210,957
Year 12	\$57,000,000	\$210,957
Year 13	\$57,000,000	\$210,957
Year 14	\$57,000,000	\$210,957
Year 15	\$57,000,000	\$210,957
Year 16	\$57,000,000	\$210,957
Year 17	\$57,000,000	\$210,957
Year 18	\$57,000,000	\$210,957
Year 19	\$57,000,000	\$210,957
Year 20	\$57,000,000	\$210,957
Year 21	\$57,000,000	\$210,957
Year 22	\$57,000,000	\$210,957
Year 23	\$57,000,000	\$210,957
Year 24	\$57,000,000	\$210,957
Year 25	\$57,000,000	\$210,957
		\$3,164,355

C. TOTAL ESTIMATED TAXES PAID TO COUNTY UNDER 80% ABATEMENT

\$4,914,355