FILED
AT 11:30 O'CLOCK A M
JAN 27 2016
COUNTY CLERK
HIDALGO COUNTY, TEXAS

ORDER APPROVING
TAX ABATEMENT AGREEMENT
BETWEEN HIDALGO COUNTY AND HIDALGO WIND FARM LLC
(PHASE II)

WHEREAS, the Commissioners Court of Hidalgo County, Texas, adopted Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, effective December 22, 2014 (as amended on the date hereof, the "***Guidelines and Criteria***"), to allow Hidalgo County, on a case-by-case basis, to give consideration to providing tax abatement as a stimulation for economic development in Hidalgo County pursuant to Chapter 312 of the Texas Tax Code;

WHEREAS, the Commissioners Court deemed it to be in the best interest of Hidalgo County, Texas (the "***County***") to enter into that certain Tax Abatement Agreement between Hidalgo County, and Hidalgo Wind Farm LLC effective December 22, 2014 (as amended through the date hereof, the "***Phase I Wind Farm Agreement***"), in accordance with the then effective Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, and the County entered into the Phase I Wind Farm Agreement concerning the wind farm project;

WHEREAS, Hidalgo Wind Farm LLC (the "***Company***") has applied for tax abatement with respect to a Supplemental Project (as defined in the Guidelines and Criteria) as Phase II of the wind farm project, which would approximately double the number of wind turbines in the wind farm project in the County; and

WHEREAS, the Commissioners Court of Hidalgo County finds that the proposed tax abatement for Phase II of the wind farm project meets the Guidelines and Criteria, and has determined to grant tax abatement on the terms and conditions set forth in the proposed *Tax Abatement Agreement between Hidalgo County, Texas and Hidalgo Wind Farm LLC (Phase II)* (the "***2016 Phase II Tax Abatement Agreement***"), including without limitation that the economic life of the proposed facility exceeds the duration of the proposed tax abatement, that the Company will not be required to provide tax certificates with respect to real property owned by other parties, that the maximum tax abatement percentage will be seventy percent and that the 2016 Phase II Tax Abatement Agreement will be effective January 15, 2016.

NOW THEREFORE:

BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY, TEXAS:

SECTION 1. APPROVAL OF 2016 PHASE II TAX ABATEMENT AGREEMENT. The 2016 Phase II Tax Abatement Agreement is hereby approved in substantially the form attached hereto as Exhibit "I", with such changes thereto as are approved by the County Judge of the County, with advice of the County's attorneys, and the County Judge is authorized to execute on or after the effective date of the Phase II Tax Abatement Agreement, and the County Clerk is authorized to attest, the 2016 Phase II Tax Abatement Agreement on behalf of the County and deliver same, and when executed and delivered, the 2016 Phase II Tax Abatement Agreement shall become a valid and binding obligation of the County in accordance with its terms.

SECTION 2. EFFECTIVE DATE. This Order shall become effective immediately upon on the passage hereof.

PASSED, APPROVED, ADOPTED AND ORDERED this the 5th day of January, 2016, by the Commissioners Court of Hidalgo County, Texas.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE HIDALGO COUNTY COMMISSIONERS COURT

RAMON GARCIA
County Judge

A.C. CUELLAR, JR.
County Commissioner, Pct. 1

EDUARDO "EDDIE" CANTU
County Commissioner, Pct. 2

JOE M. FLORES
County Commissioner, Pct.3

JOSEPH PALACIOS
County Commissioner, Pct. 4

Attested to:

ARTURO GUAJARDO, JR.
County Clerk

COMMISSIONERS COURT
HIDALGO COUNTY, TEXAS

APPROVED AS TO FORM:
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

APPROVED BY
COMMISSIONERS' COURT
ON: 1/5/16

EXHIBIT A

TAX ABATEMENT AGREEMENT BETWEEN HIDALGO COUNTY, TEXAS

AND

HIDALGO WIND FARM LLC

(Phase II)

TAX ABATEMENT AGREEMENT BETWEEN HIDALGO COUNTY, TEXAS

AND

HIDALGO WIND FARM LLC

(Phase II)

AT 11:30 O'CLOCK A M
JAN 27 2016
ARTURO GUAJARDO, JR., COUNTY CLERK
HIDALGO COUNTY, TEXAS
BY

This Tax Abatement Agreement ("**Agreement**") is entered into effective as of January 15, 2016, by and between Hidalgo County, a political subdivision of the State of Texas ("**County**") duly acting herein by and through its duly authorized representatives, pursuant to an order dated January 5, 2016, by the Hidalgo County Commissioners Court ("**Commissioners Court**"), and Hidalgo Wind Farm LLC, a Delaware limited liability company ("**Company**").

WITNESSETH:

WHEREAS, on the 16th day of December, 2014, County adopted Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, which were amended by the Commissioners Court on January 5, 2016, and, as so amended, are attached hereto as **Exhibit "A"** and incorporated herein for all purposes (the "**Guidelines and Criteria**"); and

WHEREAS, the Land (as defined below) is within an area designated as an Enterprise Zone under the Texas Enterprise Zone Act, Subchapter C, V.A.T.C., Texas Government Code §2303 et seq., as amended, which area is therefore designated as a reinvestment zone ("**Zone**"), by the Property Redevelopment and Tax Abatement Act, Subchapter C, V.A.T.C., Texas Tax Code §312 et seq., as amended ("**Act**"); and

WHEREAS, the Guidelines and Criteria govern tax abatement agreements to be entered into by County under the Act; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic and employment base of County, it is in the best interest of County to enter into this Agreement in accordance with said Act; and

WHEREAS, Company intends to develop a wind power project in Hidalgo County, Texas (the "**Hidalgo Wind Farm**); and

WHEREAS, on December 22, 2014, Company and County entered into a tax abatement agreement covering approximately 100 megawatts of the Hidalgo Wind Farm, and amended that agreement effective December 22, 2015 (the agreement and amendment are attached as **Exhibit "E"**, and hereafter referred to as "**First Agreement**"), which at the time the First Agreement was executed, was the only portion of the Hidalgo Wind Farm Company planned to develop; and

WHEREAS, Company now intends to develop approximately 100 additional megawatts in Hidalgo County (the "**Project**") as part of the Hidalgo Wind Farm, on the property designated on the map attached as **Exhibit "C"**; and

WHEREAS, Commissioners Court finds that the contemplated use of the Land, the contemplated improvements Company will construct on the Land, which will require expenditures by Company in the minimum amount as set forth in this Agreement and projected expenditures by Company in the County in excess of seventy million dollars, and the other terms hereof are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Act; and

WHEREAS, Company has submitted evidence to the County that the economic life of the Facility and eligible property exceeds the duration of the proposed tax abatement, and based on such evidence and the representations contained herein Commissioners Court has determined, in accordance with the Guidelines and Criteria that the economic life of the Facility and eligible property exceeds the duration of the tax abatement granted herein; and

WHEREAS, Commissioners Court has determined based on information provided by Company that the Project is eligible for tax abatement as a Supplemental Project, as defined in the Guidelines and Procedures; and

WHEREAS, Commissioners Court has determined that it would be in the best interest of County to enter into an agreement with Company, pursuant to the Act, to abate a portion of the value of the improvements Company constructs on the Land, as well as a portion of the value of all personal property located on the Land and used in connection with operations on the Land that is eligible for abatement under the Guidelines and Criteria, excluding the Land itself (such improvements and personal property eligible for abatement hereunder are hereafter referred to as the "**Facility**," as described more specifically in **Exhibit "D"**).

NOW, THEREFORE, County for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged (which consideration includes the attraction of major investment in the Zone and the expansion of primary employment that contributes to the economic development of County and the enhancement of the tax base in County), and Company for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged (which consideration includes the tax abatement set forth herein, as authorized by the Act), do hereby contract, covenant and agree as follows:

ARTICLE I

GENERAL PROVISIONS

1.01 Terms defined in the Guidelines and Criteria and used herein shall have the meaning given such terms in the Guidelines and Criteria unless otherwise defined herein.

1.02 Company represents and warrants that (i) Company is the Owner (as such term is defined in the Guidelines and Criteria) of the Facility and (ii) Company has, or will have prior to commencement of the Abatement Period, long-term lease interests and easement rights in the land on which the Facility will be located ("**Land**"), which is legally described in **Exhibit "B"**, which is attached hereto and is made a part hereof for all purposes.

1.03 Notwithstanding anything to the contrary contained herein, the abatement granted in this Agreement only applies to the abatement of newly created value (as defined in the Guidelines

and Criteria) resulting from improvements after the date hereof that Company makes to the Land and eligible personal property Company purchases and installs or builds upon the Land in constructing the Facility in accordance with the terms hereof, and excludes the value of the Land. The Project, the Facility and the Land are located within the Zone and are within County's taxing jurisdiction. Company understands and agrees that the Project is not covered by the First Agreement, and that any property covered by the First Agreement is not considered part of the Project or the Facility for purposes of this Agreement.

1.04 The parties acknowledge that this Agreement and the First Agreement are intended to cover different turbines and that the Land is not intended to overlap with any of the land included in the First Agreement. In the event, however that any turbines could be part of both the Facility as defined under this Agreement and the Facility as defined under the First Agreement, because they are somehow located on parcels of land that are common to Land as defined in both agreements (**"Common Turbines"**), such Common Turbines shall be considered to be part of the Facility as defined under the First Agreement only until fifty-two (52) turbines, including Common Turbines, have been allocated to the Facility as defined by the First Agreement (the "**First Agreement Facility**"). Common Turbines shall only be considered part of the Facility as defined under this Agreement—and not part of the First Agreement Facility—after the First Agreement Facility includes fifty-two (52) turbines (the "**First Facility Turbines**").

1.05 Company understands that, in accordance with the Guidelines and Criteria, tax abatements are granted by County based on the Capital Cost of the improvements made or on Jobs created, and as this Project is not expected to qualify based on Jobs created, that the tax abatement hereunder shall be granted based on the Capital Cost of improvements made on or after the date of execution of this Agreement by Company with respect to this Project (and will not include any investment made with respect to the First Agreement), as may be reasonably determined by the Hidalgo County Appraisal District and County.

1.06 Company represents and warrants that the Land is not included in an improvement project financed either in whole or in part with tax increment bonds or notes.

1.07 This Agreement is entered into subject to the rights of holders of outstanding County bonds.

1.08 Company represents and warrants that no interest in the Land or the Facility is presently owned or leased by a member of Commissioners Court, and Company agrees that it shall not sell or lease an interest in the Land or the Facility to any County officer or employee, or any member of the governing body of any taxing unit joining in or adopting this Agreement, until the earlier of the expiration of the Abatement Period (as defined in Section 3.02) or the termination of this Agreement.

1.09 Company represents and warrants as follows:

(a) with respect to the Project, Company has not executed or received, as of the date of this Agreement, a tax abatement or other economic development incentive or agreement with or from any government body other than County;

(b) Company filed the application for tax abatement with County prior to commencement of construction as defined in Section IV.A.(1)(a)-(f) of the Guidelines and Criteria and that such commencement has not yet occurred;

(c) Company is duly qualified to conduct business in Texas, including, without limitation, building the improvements and operating the Facility;

(d) this Agreement constitutes the valid and enforceable obligation of Company in accordance with its terms; and

(e) Company has all necessary right, title, license and authority to enter into this Agreement and the execution and performance of this Agreement by Company have been duly authorized by all necessary laws, resolutions and corporate or other entity action.

1.10 Company has provided tax certificates verifying that no taxes are past due with respect to all real property owned by Company within the Hidalgo Wind Farm Property, all of which is land covered by the First Agreement and none of which is Land included within this Agreement. County is not requiring Company to produce tax certificates with respect to real property owned by other parties.

ARTICLE II

IMPROVEMENTS; JOBS

2.01 (a) Company agrees to construct or cause to be constructed an Eligible Facility (as defined in the Guidelines and Criteria) on the Land, and to acquire, construct, or cause to be constructed real property improvements, machinery, and equipment necessary to operate the Facility.

(b) The cost of the real and personal property improvements Company proposes to make on the Land and that are eligible for abatement under this Agreement in accordance with the Guidelines and Criteria (which real and personal property is described in the definition of the Facility in Exhibit D hereto), including architectural and related fees, shall be approximately Seventy Million Dollars ($70,000,000), at least Seventy Million Dollars ($70,000,000) of which is expected to be listed on Hidalgo County Appraisal District's tax rolls, and none of which is included in Company's investment pursuant to the First Agreement. For the avoidance of doubt, Company agrees that, at a minimum, Capital Costs (as that term is defined in the Guidelines and Criteria) of the Facility will exceed Twenty Five Million Dollars ($25,000,000) and therefore qualifies as an Extraordinary Impact project (as such term is defined in the Guidelines and Criteria). The approximate location of the Facility is reflected on a preliminary site plan attached hereto as Exhibit "C" and made a part hereof for all purposes. Company reserves the right to revise the attached preliminary site plan as Company deems necessary and appropriate.

2.02 Company shall submit, which may be through use of an agent, reports to County in accordance with Section IX.B. of the Guidelines and Criteria.

2.03 Company covenants and agrees that the Facility shall be a renewable energy facility. Attached hereto as **Exhibit "D"** is a schedule of improvements, equipment, machinery, and

eligible personal property that Company will construct or purchase and install to develop the Facility, subject to improvements to facilitate power storage, and such non-substantive changes as Company may determine in its sole discretion are necessary during the course of construction of the Facility on the Land. Company agrees to continuously operate the Facility on the Land during the Abatement Period; provided, however, that failure to operate continuously due to a contingency, cause, action, or event described in Sections 5.02 (1), (4), (5), or 5.06 shall not constitute a breach of this Agreement except as may be provided in those provisions.

2.04 Company covenants and agrees to begin constructing the Facility in the Zone on or before December 31, 2016.

2.05 Company represents that the economic life of the Facility and eligible property will exceed ten years. Based on such representation and evidence submitted by Company to the County, the County determines in accordance with the Guidelines and Criteria that the economic life of the Facility and eligible property exceeds ten years.

2.06 Company acknowledges that, as it may be difficult to allocate Jobs created or maintained at the Hidalgo Wind Farm between this Agreement and the First Agreement, no such Jobs will be allocated to this Agreement unless such Job has no connection to the First Agreement's facility.

ARTICLE III

PROPERTY SUBJECT TO TAX ABATEMENT

RATE OF TAX ABATEMENT

TERM OF TAX ABATEMENT AND RELATED PROVISIONS

3.01 Subject to the terms of this Agreement, County shall abate Company's County ad valorem taxes in each year of the Abatement Period in an amount equal to the Tax Abatement Percentage (as defined below) multiplied by the Facility's newly created value determined in accordance with the Guidelines and Criteria, but only to the extent that such newly created value is reflected on County's tax rolls in each such year.

3.02 In accordance with the Guidelines and Criteria, the applicable Tax Abatement Percentage under this Agreement shall be determined pursuant to Section 3.04 below based on the Capital Cost, and shall be fixed by the parties through an addendum to this Agreement after evidence of the Capital Cost of the improvements constructed or installed by the Company at the Facility (excluding any investment pursuant to the First Agreement) is certified by the Company and approved by County. In the event the initial Capital Cost qualifies the Facility for less than the maximum Tax Abatement Percentage (seventy percent (70%)), additional investments constituting Capital Costs that are made in accordance with this Agreement may be added to the initial Capital Cost, and such revised Capital Cost shall be used to determine the applicable Tax Abatement Percentage for the remainder of the Abatement Period commencing with the first ad valorem tax year commencing after such revised Capital Cost is certified by Company and approved by County. Any such increase in the Tax Abatement Percentage (up to a maximum of 70%) shall be fixed by the parties through an additional addendum to this Agreement after

evidence of the additional Capital Cost of the additional improvements constructed or installed by Company for the Facility is certified by Company and approved by County.

3.03 The abatement of ad valorem taxes shall be for a period (the "**Abatement Period**") that shall

(a) commence on the commencement of the first ad valorem tax year after each of the following events have occurred:

(i) construction of the Facility has been completed,

(ii) Company has provided documentation confirming the Capital Cost of the Project and, in the event there are any Jobs that are clearly allocated only to this Project and not to the First Agreement, the number of Jobs created;

(iii) the Capital Cost or Jobs created meets or exceeds the minimum amount required by the Guidelines and Criteria for granting tax abatements; and

(iv) the newly created value may be ascertained from the tax rolls of the Hidalgo County Appraisal District, and

(b) end on the earlier of:

(i) ten (10) years following such commencement,

(ii) December 31, 2030,

(iii) the occurrence of any event which would terminate this Agreement by operation of law,

(iv) Company's breach of any provision of this Agreement, which breach is not cured within the Cure Period, (as defined below), or

(v) Company's failure to comply with any provision of the Guidelines and Criteria as discussed in Article V of this Agreement.

3.04 The percent of increase in newly created value (as reflected in the tax rolls of the Hidalgo County Appraisal District) to be abated (the "**Tax Abatement Percentage**") is the greater of the abatement percentage determined by the Capital Cost involved in the Project, or the abatement percentage determined by the number of full-time jobs created, as set forth in the following table:

Percent of Increase in Newly Created Value To be Abated	Capital Cost of the Project	Number of Jobs Created
0%	Less than $1,500,001	0-25
25%	$1,500,001 up to and including $5,000,000	26-50

50%	Over $5,000,000 up to and including $10,000,000	51-100
70%	Over $10,000,000	101 or more

The estimated value of the abatement (as such term is defined below), based on the Company's good faith estimate of how the Hidalgo County Appraisal District will value the eligible improvements, is Three Million Fifty Four Thousand One Hundred Thirty Nine Dollars and Eighty-Eight Cents ($3,054,139.88.00). "**Estimated value of the abatement**" means the additional property taxes that would be due to the County from the Company but for the tax abatement granted in this Agreement.

3.05 This Agreement does not change any right of Company to protest or contest, in accordance with applicable law, any and all appraisals of, or assessments of taxes on, the Facility, and the tax abatement provided for herein for such Facility shall be applied to the amount of taxes finally determined as a result of such protest or contest, to be due for such property.

3.06 Company acknowledges and agrees that the tax abatement under this Agreement and the First Agreement shall be calculated independently of each other and that different Tax Abatement Percentages may apply in accordance with their respective terms. Without limiting the generality of the foregoing, none of the investment pursuant to the First Agreement shall be included in calculating Capital Cost for purposes of this Agreement. With respect to the allocation of Capital Cost pursuant to Section III.G.(1)(c) of the Guidelines and Criteria, the parties acknowledge that Capital Cost for the turbines that are part of the Facility are intended to be allocated to this Agreement, but Capital Cost under this Agreement shall not include the cost of the First Facility Turbines.

ARTICLE IV

FILING OF PLANS, CERTIFICATION OF COSTS, COUNTY ACCESS TO PREMISES AND USE OF PREMISES AND IMPROVEMENTS

4.01 Company shall file construction plans for the Facility with County by June 1, 2016. The construction plans as filed shall be deemed to be incorporated herein by reference and made a part hereof for all purposes, and the Facility shall be completed in substantial conformity to said plans. Company may elect to amend or modify the construction plans, provided the amendments or modifications comply with all applicable codes, rules and ordinances, and are not otherwise contrary to this Agreement.

4.02 Upon completion of the Facility, Company shall file (i) "as built" construction plans with County, which plans shall detail improvements (which shall be certified by the architect if Company uses an architect) on the Land, including purchases of personal property and related expenditures made to construct the Facility, (ii) the manufacturer's certificate of completion with respect to the manufacture of the wind turbines installed at the Facility and (iii) the general contractor's certification as to the completion of construction of the Facility (including the detail

specified above). At the time of filing the as built construction plans, Company shall also provide County with reports as required by Section IX.B. of the Guidelines and Criteria. On or before January 31, of each year of the Abatement Period (and the year immediately following the end thereof), Company shall provide County with reports supporting job creation as of December 31 of each year of the Abatement Period, as required by Section IX.B. of the Guidelines and Criteria. On an annual basis, Company shall also provide County a detailed list of Company's eligible personal property at the Facility and the estimated value of each item.

4.04 Company agrees to supply audited reports to the County and the Hidalgo County Appraisal District to establish the construction cost of improvements constructed pursuant to this Agreement and/or the jobs created.

4.05 Company represents that it anticipates that appropriate personnel to escort County personnel will not always be available onsite to allow safe access to the Facility for inspections. In order to facilitate inspections, Company agrees to provide County employees and/or designated representatives of the County escorted access to the Facility during the term of this Agreement, including the Abatement Period, with at least two (2) business days' advanced notice, to inspect the Facility and the Land to determine if Company is in compliance with the terms and conditions of the Agreement. Upon completion of construction, County has the right to annually evaluate the Facility to ensure compliance with the Agreement. Company shall provide County with an escort for all such inspections.

ARTICLE V

BREACH

5.01 In the event Company fails to commence constructing the Facility in the Zone on or before December 31, 2016, this Agreement shall terminate effective as of the original date of this Agreement and County shall be entitled to recapture and collect payment of all ad valorem taxes abated under this Agreement by any and all means allowed by law, and as provided herein.

5.02 In the event the Facility is completed and begins operation, and Company:

1. voluntarily ceases to operate the Facility for a continuous period of eighteen (18) months;

2. allows ad valorem taxes owed to County to become delinquent;

3. relocates the Facility or the job creating activity outside the Zone;

4. breaches or fails to comply with any material term, condition, or representation contained in this Agreement; or

5. uses or allows the use of the Facility for any purpose not related to the generation, storage and/or transmission of renewable energy for a period greater than 180 days in any calendar year of the Abatement Period,

County may elect to terminate this Agreement and recapture abated taxes in accordance with Section 5.05 of this Agreement and the Guidelines and Criteria, unless such breach is cured within the Cure Period, as defined in Section 5.03. Company shall pay recaptured taxes to County within sixty (60) days from the date the Agreement terminates.

5.03 Should County determine that Company has breached this Agreement or the Guidelines and Criteria, County shall notify Company in writing via certified or registered mail to the following address:

Leslie Frieman
General Counsel
Hidalgo Wind Farm, LLC
808 Travis Street, Suite 700
Houston, Texas 77002
Email: legalnotices@edpr.com

with a courtesy copy to:

Renn Neilson
Baker Botts L.L.P.
910 Louisiana Street
Houston, Texas 77002

or to such other address, or to the attention of such person, as Company may, from time to time, designate in writing. If such breach is not cured within sixty (60) days from the date of such notice (the "**Cure Period**"), then this Agreement may be terminated by order of the Commissioners Court.

5.04 If Company and County disagree as to whether a breach has occurred or been timely cured, venue for an action to determine Company's and County's rights will lie in Hidalgo County, Texas. The period for Company to cure any breach of this Agreement shall be tolled from the filing of any official action to resolve questions arising from an attempt at cure to the final resolution of any such action.

5.05 If County terminates this Agreement, County shall have the right to recapture a percentage of the total taxes previously abated in accordance with the recapture schedule in Section VIII of the Guidelines and Criteria.

5.06 Notwithstanding any other provision of this Agreement, County may not terminate this Agreement if Company's breach is caused by force majeure and Company cures such breach within ninety (90) days following the end of the force majeure event. Force majeure means any contingency or cause beyond Company's control, including, without limitation, acts of God or public enemy, war, sabotage, vandalism, riot, civil commotion, insurrection, governmental acts, fires, storms, explosions, floods, tornadoes, strikes, and broad-based extraordinary economic events.

ARTICLE VI

SALE, ASSIGNMENT OR LEASE OF PROPERTY

6.01 It is contemplated by the parties hereto that the Company's purpose for making the improvements set forth in Article II is for the creation and operation of a renewable energy generation project.

6.02 In accordance with Section IX.C. of the Guidelines and Criteria, Company shall not have the right, without the written consent of County, to assign all or part of its interest in the Land, the Project, or this Agreement and maintain the tax abatement hereunder. Such consent shall not be unreasonably withheld. It shall be deemed reasonable for County to withhold consent with respect to any party that is delinquent in the payment of any taxes to County. Notwithstanding the foregoing, Company shall have the right without the consent of the County to collaterally assign its interest in the Land, Project, or this Agreement in connection with any financing of the Project; provided (i) such assignee is not delinquent in the payment of any taxes to the County, (ii) the County is given prompt notice of such assignment and (iii) Company remains liable under this Agreement.

ARTICLE VII

COMMISSIONERS COURT AUTHORIZATION

7.01 This Agreement was authorized by order of the Commissioners Court dated the 5th day of January, 2016, authorizing the County Judge to execute this Agreement on behalf of the County.

ARTICLE VIII

SEVERABILITY

8.01 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, and word. In such event there shall be substituted for such deleted provision as similar in terms and in effect to such deleted provision as may be valid, legal, and enforceable.

ARTICLE IX

APPLICABLE LAW

9.01 This Agreement shall be construed under the laws of the State of Texas and is performable in Hidalgo County, Texas. Venue for any action related to this Agreement shall be in Hidalgo County, Texas.

ARTICLE X

COUNTERPART EXECUTION

10.01 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement.

EXECUTED and made effective as of this the 15th day of January, 2016.

HIDALGO COUNTY, TEXAS

ATTEST:

By: Ramon Garcia
Name: Ramon Garcia
Title: Hidalgo County Judge

Arturo Guajardo, Jr.
County Clerk

COMMISSIONERS COURT
HIDALGO COUNTY, TEXAS

APPROVED AS TO FORM FOR COUNTY

Atlas, Hall & Rodriguez, L.L.P

Approved by Commissioners' Court
on 1/5/2016

By: _____
Stephen L. Crain

HIDALGO WIND FARM LLC

By: _____
Name: Steve Irvin
Title: Executive Vice President – Central Region

Exhibit A

2014 TAX ABATEMENT GUIDELINES AND CRITERIA

(as amended January 5, 2016)

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN HIDALGO COUNTY, TEXAS

Effective December 22, 2014
As Amended January 5, 2016

I. General Purpose and Objectives

The County is committed to the promotion of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Certain types of investment result in the creation of new jobs, new income and provide for positive economic growth which is beneficial to the County as a whole. The County will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. The County is not obligated to grant tax abatement to any applicant and nothing herein will imply or suggest that the County is under any obligation to provide tax abatement to any applicant or with respect to any project. All applicants will be considered on a case-by-case basis, and the decision to approve or deny tax abatement to any particular applicant will be at the discretion of the Commissioners Court of the County. As provided in section 312.002(d) of the Texas Tax Code, adoption of these guidelines and criteria does not (1) limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement, (2) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether the Commissioners Court should consider a particular application for tax abatement or (3) create any property, contract or other legal right in any person to have the County consider or grant a specific application or request for tax abatement. Tax abatement agreements are made with the owners or lessees of real property to exempt from taxation a portion of the value of the real property or of tangible personal property, or both. The duration of an agreement may be for a period of time determined appropriate by the Commissioners Court of the County, based on the productive life of the improvements and consistent with the provisions of these Guidelines and Criteria, but, in accordance with state law, in no case will the term of the tax abatement extend for more than ten (10) years. Special terms and conditions may be set in the agreement governing each specific tax abatement.

II. Definitions

A."Abatement" means the full or partial exemption from ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.

B."Agreement" means a contractual agreement for the purpose of Abatement during a Tax Abatement Period between (i) an Owner and/or a Lessee of eligible property and (ii) a taxing authority.

C."Applicant" means the Owner and/or Lessee who submits an Application to the County in accordance with these Guidelines and Criteria.

D."Application" means the written application and all related materials submitted to the County by the Applicant to request an Abatement hereunder.

E. "Base Year Value" means the taxable value of the Applicant's real and Personal Property of a type eligible for Abatement (which excludes inventory and supplies) located in a designated reinvestment zone on January 1 of the year of the execution of the Agreement.

F. "Capital Cost" means the amount expended by the Owner or Lessee, as the case may be, on or after the date of the applicable Agreement on eligible Improvements to Real Property or acquisition of eligible Personal Property needed to commence a Project or operations. Capital Cost expressly excludes amounts expended by the County or other governmental entities and any amounts expended with respect to ineligible property.

G."Commissioners Court" means the elected governing body of the County.

H. "County" means the County of Hidalgo, a political subdivision of the State of Texas.

I. "Economic Life" means the number of years a property qualifies for depreciation under the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System, which may be extended in the discretion of the County, upon evidence presented by the Applicant as to the expected Productive Life of the property.

J. "Eligible Education Facility" means new, expanded or modernized buildings and structures, including fixed machinery and equipment, which, when constructed or completed, will be leased to a public school district, community college district, or state-supported institution of higher education, for the entire term of the proposed Abatement, and which will contribute to the economic development of the County.

K."Eligible Facility" means a new, expanded or modernized building, structure or related buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting Abatement to contribute to the retention or expansion of Primary Employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include a Facility, other than a utility, which is intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, a restaurant or a retail sales establishment.

L."Existing Project" means any Project for which there is an Agreement in existence between the County and an Owner and/or a Lessee with respect to which the Tax Abatement Period has not expired

M."Expansion" means the addition of buildings, structures, fixed machinery, and/or equipment for the purpose of increasing production capacity or revenues.

N."Extraordinary Impact" means a Project where the Capital Cost is at least equal to $25,000,000.00 or which creates at least 500 Jobs.

O."Facility" means property Improvements, including eligible Personal Property, completed or in the process of construction which together comprise an integral whole.

P."Guidelines and Criteria" mean these guidelines and criteria for granting Abatement in the County.

Q."Improvement" means a building, structure, fixture, or fence erected on or affixed to land, or a transportable structure designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns or leases the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

R. "Initial Period" has the meaning set forth in Section III(G)(1)b below.

S."Job" means a permanent, full-time employment position, hired directly or contracted through another entity, that has provided or will result in employment of at least 1,820 hours in the position in a year. Any position providing less than the specified number of hours a year, regardless of the employer's designation of such position, does not qualify as a "Job" for purposes of these Guidelines and Criteria.

T. "Lessee" means the tenant who is occupying and operating or will occupy and operate an Eligible Facility under a legally binding lease agreement with a Lessor. A lessee of Real Property on which the Eligible Facility exists or is constructed may also own the Facility.

U."Lessor" means the owner of an Eligible Facility or of the Real Property on which an Eligible Facility is located that has a binding lease with a Lessee who will occupy and operate the Facility.

V."Modernization" means the replacement and upgrading of existing Facilities which increase the productive input or output, updates the technology, or substantially lowers the unit costs of operation, and extends the economic life of the Facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It will not be for the purpose of renovation, reconditioning, refurbishing, repairing, or completion of deferred maintenance, except in reinvestment zones established based on conditions of economic impairment.

W."New Facility" means a Facility on Real Property previously undeveloped, which is placed into service by means other than Expansion or Modernization.

X. "Newly Created Value" means the difference between the Taxable Property Value in the base year and the Taxable Property Value at the time the value is being newly calculated.

Y. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.

Z. "Personal Property" means property that is not Real Property, and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

AA. "Primary Employment" means retention or creation of new Jobs for residents of the County as a result of new, expanded or modernized building Projects.

BB."Prior Application" has the meaning set forth in Section IV(A)(12)(a)(i) below.

CC. "Productive Life" means the number of years a property Improvements is expected to be in service in a Facility.

DD. "Project" means the proposed planned undertaking consisting of New Facilities and/or Modernization of Existing Facilities for which Abatement is requested.

EE."Real Property" means land, Improvements, a mine or quarry, minerals in place, standing timber; or an estate, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated above.

FF."Reinvestment Zone" is (i) an area designated as such for the purpose of Abatement as authorized by the Property Redevelopment and Tax Abatement Act, Sections 312.401 or 312.201 of the Texas Tax Code or (ii) an area designated as an enterprise zone under

Chapter 2303 of the Texas Government Code as authorized by the Property Redevelopment and Tax Abatement Act, Section 312.4011 of the Texas Tax Code.

GG. "Supplemental Project" means any Project that is an expansion of an Existing Project onto additional Property. Supplemental Projects must qualify as a Project without taking into account the related Existing Project, but may have different terms as set forth in Section III.G.(1) below.

HH. "Tax Abatement Period" means the period not exceeding ten years commencing on the January 1st occurring after execution of the Agreement or such later January 1st in accordance with these Guidelines and Criteria as is specified in the Agreement.

II. "Taxable Property Value" means the value of the Property being valued as determined by deducting from the assessed value of such Property, as recorded by the Hidalgo County Appraisal District, the amount of any applicable exemption as defined by the Texas Property Tax Code.

III. Abatement Authorized

A. Eligible Facilities. Abatement may be granted for New Facilities and for Expansion or Modernization of Existing Facilities. The Economic Life of a Facility and/or eligible property must exceed the duration of the Abatement.

B. Eligible Property. Abatement may be applied to both Real and Personal Property used at an Eligible Facility for business purposes, excluding all ineligible property.

C. Ineligible Property. The following types of property will be fully taxable and ineligible for Abatement: (i) land, (ii) inventory, supplies, tools, furnishings and other forms of moveable Personal Property, (iii) housing, (iv) deferred maintenance, and (v) property to be rented or leased except as provided in subsection E. of this Section III. No reference to property (real or personal) herein shall be deemed to incorporate any ineligible property into any calculation of investment or Abatement.

D. New Value. Abatement may only be granted for the Newly Created Value of eligible property Improvements made subsequent to and specified in an agreement between the County and the Owner and/or Lessee, subject to such limitations as the County may impose.

E. Leased Facilities. If a leased Facility is granted Abatement, the agreement will be executed by the Lessee and, if required by the County, by the Lessor. If the County requires both Lessee and Lessor to be parties to the agreement, the agreement will not be in effect unless both Lessee and Lessor execute the agreement.

F. Eligibility Criteria. In order to be considered for Abatement, eligible Facilities must be located in a reinvestment zone and result in a minimum added value of $1,500,001 in real and business Personal Property or the creation of at least 26 full-time Jobs.

G. Criteria and Value of Abatement. Abatement may be granted for eligible Facilities on all or a portion of the Newly Created Value of eligible property according to the following:

(1) An Owner and/or Lessee, as the case may be, of Real Property where an Eligible Facility is located prior to the inception of the Project subject to an agreement or on which an Eligible Facility will be constructed as part of the Project, must agree to expend a designated sum of money as the Capital Cost of the Project and/or provide a certain number of Jobs in order to qualify for an Abatement and must expend at least the sum agreed to as the Capital Cost of the Project and provide at least the agreed number of Jobs in accordance with the agreement in order to receive such Abatement.

(a) General. Except with respect to Extraordinary Impact Projects in which subsection III.G.(1)(b) below applies and Supplemental Projects, the percent of value to be abated will be determined by the greater percentage for which the Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Project or the number of Jobs created:

Percent of Increase in Property Value to be Abated	**Capital Cost of the Project**	**Number of Jobs Created**
0%	Less than $1,500,001	0 – 25
25%	$1,500,001 up to and including $5,000,000	26 – 50
50%	Over $5,000,000 up to and including $10,000,000	51 – 100
80%	Over $10,000,000	101 or more

(b) Extraordinary Impact Projects. The Owner and/or Lessee may, in lieu of the schedule set forth in subsection (a) above, opt for the following provisions if the Capital Cost is at least equal to $25,000,000.00 or the Project creates at least 500 Jobs:

Percent of Increase in Property Value to be Abated	**During Year of Tax Abatement Period**
100%	Initial Period
90%	First Year after Initial Period
80%	Second Year after Initial Period
70%	Third Year after Initial Period
60%	Fourth Year after Initial Period
50%	Fifth Year after Initial Period
40%	Sixth and subsequent Years after Initial Period

The "Initial Period" is the first one to four years of the Tax Abatement Period, determined as follows: the Initial Period commences on the January 1 following execution of the Agreement (or such later January 1 as may be agreed to in the Agreement, provided such January 1 is not more than 3 years after execution of the Agreement) and ends on the earlier of the fourth December 31 occurring after such January 1 and the December 31 occurring after substantial completion of construction of Improvements. Regardless of the length of the Initial Period, the Tax Abatement Period shall not exceed ten years. The Owner or Lessee (or both if both are parties to the Agreement) must make such election in the Agreement. In the event the parties have opted for this provision but it is later determined that the actual Capital Cost or Jobs do not qualify for this provision, the provisions of subsection (a) above will apply in lieu of the provisions of this subsection (b) and any taxes abated prior to the determination that this provision was inapplicable in excess of the amount that would have been abated pursuant to subsection (a) above shall be immediate recaptured and paid by Owner and/or Lessee.

(c) Supplemental Projects. With respect to Supplemental Projects, the percent of value to be abated will be determined by the County and shall not exceed the greater percentage for which the Supplemental Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Supplemental Project or the number of Jobs created:

Maximum Percent of Increase in Property Value to be Abated	Capital Cost of the Project*	Number of Jobs Created*
0%	Less than $1,500,001	0 – 25
25%	$1,500,001 up to and including $5,000,000	26 – 50
50%	Over $5,000,000 up to and including $10,000,000	51 – 100
80%	Over $10,000,000	101 or more

*In the event of any irreconcilable dispute between the parties as to the allocation of Jobs and Capital Cost between an Existing Project and the related Supplemental Project, the County will make the final determination as to such allocation.

(2) Only the Newly Created Value will be eligible for Abatement. The applicable percentage set forth in subsection (G)(1) of this Section III (based on whether the Capital Cost of the Project or Job creation results in a higher percentage and whether, if applicable, the Extraordinary Impact provision was opted for in the Agreement) is applicable only to the Newly Created Value of Real Property at the Eligible Facility and of Personal Property owned by the Owner or the Lessee at the Eligible Facility as determined by the Hidalgo County Appraisal District and these Guidelines and Criteria.

(3) The length of the Tax Abatement Period shall not exceed ten (10) years. The Tax Abatement Period shall start on a January 1 not later than the later of (i) the third January 1 occurring after the successful completion of the development, redevelopment or Improvements of the Project as specified in the Agreement or (ii) the fourth January 1 occurring after execution of the Agreement. The Abatement of the Real and Personal Property during the Tax Abatement Period shall only be received to the extent its Taxable Property Value for that year exceeds its Taxable Property Value for the year in which the Agreement is executed, such that only Newly Created Value will be abated.

(4) As an additional incentive to create and sustain Jobs, any Abatement based upon Job creation will be subject to increases or decreases in subsequent tax years based on the level of Jobs added or lost. For example, a Project that initially creates thirty (30) Jobs is eligible for a 25% Abatement. In the second year of the Tax Abatement Period, if twenty-one (21) additional Jobs are added, the Abatement will then increase to 50% (although such increased Abatement shall not apply retroactively), and so on as Jobs are created during the Tax Abatement Period. Conversely, if Jobs are reduced, the percent of Abatement will also be reduced.

(5) With respect to any Abatement based upon Capital Cost, the percent of value to be abated may qualify for increases in subsequent tax years based upon additional capital Improvements. For example, a Project that initially has a Capital Cost of $2,500,000.00, is eligible for 25% Abatement. In the second year of the Tax Abatement Period, if additional qualifying capital Improvements are made in the total amount of $3,000,000, the Abatement may then increase to 50% upon Commissioners' Court approval (although such increased Abatement shall not apply retroactively).

(6) Improvements, Expansions or Modernizations must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another part of the County.

(7) The Project must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the County

H. Standards of Tax Abatement. The following factors, among others, will be considered in determining whether to grant Abatement and, if so, the percentage of value to be abated and duration of Abatement.

(1) value of land and existing Improvements, if any;

(2) type and value of proposed Improvements;

(3) Productive Life of proposed Improvements;

(4) number of existing Jobs to be retained by proposed Improvements;

(5) number and type of new Jobs to be created by proposed Improvements;

(6) whether the new Jobs to be created will be filled by persons residing within the County;

(7) amount property tax base valuation will be increased during term of Abatement, which will include a definitive commitment that (i) such increase in valuation will not in any case be less than $1,500,001, or (ii) no less than 26 Jobs will be created;

(8) the costs to be incurred by the County to provide facilities or services directly resulting from the new Improvements;

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

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

(11) whether the proposed Improvements compete with existing businesses to the detriment of the local economy;

(12) the impact on the business opportunities of existing businesses;

(13) the attraction of new businesses to the area;

(14) whether the Project is environmentally compatible with no adverse impact on quality of life, including whether the Project or portions thereof will meet U.S. Green Building Council Leadership in Energy and Environmental Design Program (LEED) Standards/Certification; and

(15) whether the Real Property is in an improvement project financed by tax increment bonds.

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

I. In addition to other Abatements authorized hereunder, Abatement may be granted for an Eligible Education Facility as provided in this subsection I. The provisions of subsections III. G.(1), G.(2) (excluding the first sentence), G.(4), G.(5), and H.(7), of these Guidelines and Criteria will not apply to Abatements for Eligible Education Facilities. The term of the Abatement for an Eligible Education Facility will be established by the Commissioners Court at the time the Abatement is granted, but in no event will exceed the maximum term permitted under the Texas Tax Code.

IV. Procedural Guidelines

A. Preliminary Application Steps: Any person, organization, corporation or other entity meeting the Abatement guidelines may request Abatement by contacting the County Judge's Office Economic Development Division and filing a written Application with the County in conformance with the following procedural guidelines. Consideration will be given to written requests from Applicants for the confidentiality of proprietary information, consistent with state law, including without limitation Section 312.003 of the Texas Tax Code and Section 552 of the Texas Government Code.

(1) An Application form approved by the County and in the form attached to these Guidelines and Criteria must be completed and submitted to the appropriate office or any other office or official designated by the

County, with all of the information and documents specified therein and herein, prior to commencement of construction, alterations, or installation of Improvements related to a proposed Modernization, Expansion or new Facility by the Applicant. Commencement of construction is considered to have taken place when any one of the following has occurred:

(a) If more than ninety days has passed since an Abatement Agreement with the municipality has been executed (if applicable);

(b) If a building permit has been issued for construction not associated with mitigating an environmental hazard;

(c) If the Project's site has been cleared and prepared for development;

(d) If construction (including renovations or tenant finish-out) has begun;

(e) If site specific infrastructure has begun to be installed; or

(f) If equipment, inventory, or employees have been relocated to the new site.

A complete Application, with all of the information and documentation specified therein and herein, must be submitted to the appropriate office or any other office or official designated by the County no later than October 1, in order to have an Agreement considered and executed in the same year that the Application is submitted to the County.

(2) The Application will require such financial and other information as may be deemed appropriate for evaluating the financial capacity of the Applicant. This may include an economic feasibility study including a detailed list of estimated Improvements costs, a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, and historical financial statements and statements of revenues, expenses, net income and cash flow for the first five years of the Project, which have been audited, reviewed or compiled by a certified public accountant.

(3) Applicant will prepare a descriptive list of the eligible Improvements for which Abatement is requested. This will include the class life of the Improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System and, if applicable,

any documentation supporting a longer Economic Life of such Improvements.

(4) Applicant will prepare a plat or map showing the precise location of the property, location of proposed Improvements, all roadways within five hundred feet (500') of the site, and all existing land uses and zoning within five hundred feet (500') of the site. The correct legal description of the Real Property must be provided.

(5) Applicant will address all criteria outlined in Section III.H. of these Guidelines and Criteria in letter format. In the case of a Modernization or Eligible Facility, Applicant will also include a statement of the Facility's current property value, stated separately for Real and Personal Property.

(6) Applicant will prepare a time schedule for undertaking and completing the planned Improvements.

(7) Applicant will provide a tax certificate verifying that no taxes are past due on Applicant's (and, if Applicant is not the Owner of the Real Property or Facility, the Owner's) property located within the proposed reinvestment zone; provided, however, that with respect to Extraordinary Impact Projects where Applicant is not the Owner of the Real Property on which the Facility is or will be located, Commissioners Court may opt to limit the Real Property for which such certificates are required if deemed appropriate under the circumstances.

(8) Applicant will provide a copy of the underlying lease if Applicant is a Lessee of the Facility.

(9) Applicant will provide a copy of the contract between the Applicant and any employment agency acting as the employer of the employees of eligible Jobs pursuant to such contract.

(10) Applicant will provide copies of the immediately preceding quarterly reports filled with the Texas Workforce Commission, documenting the current number of permanent full time employees.

(11) Applicant will provide a current copy of any Enterprise Zone Map identifying the property location.

(12) Applicant shall pay to the County a non-refundable application fee of $1,000 at the time of submission of the Application unless

(a) the Applicant meets all of the following criteria:

(i) during the twelve months immediately preceding the submission of the Application, the Applicant submitted an

Application for an Abatement to the County (the "Prior Application");

(ii) during such twelve month period, the Applicant paid the $1,000 fee to the County with respect to the Prior Application;

(iii) neither the Applicant nor any other party has received or will receive any Abatement with respect to such Prior Application; and

(iv) the Commissioners Court deems such new Application to be substantially similar to the Prior Application; or

(b) the total Abatement that the Applicant is requesting is less than and capped at (i) $1,000 per year and/or (ii) $10,000 in the aggregate over the life of the Abatement.

Applicant understands and, by submitting an Application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's Application and shall not be refunded in the event the Application is withdrawn by Applicant or denied by the County. Applicant will submit along with the Application a copy of the receipt issued from the Hidalgo County Treasurer evidencing payment of the application fee.

B. Application Review Steps: Upon receipt of a completed Application, the County will distribute copies of the Application to the appropriate County departments for internal review and comments. The County may request additional information as needed to determine Applicant's eligibility for Abatement according to Sections III A., B. and F and to review the factors set forth in Section III.H.

C. Timing Provisions.

(1) Notwithstanding any provision to the contrary in Sections IV or V of these Guidelines and Criteria, to the extent allowable under applicable law, the Commissioners Court in its discretion may:

(i) allow additional time for compliance with the requirements in Sections IV and V of these Guidelines and Criteria with respect to any Applications received after October 1 of the calendar year and may consider, approve and enter into an Agreement during the calendar year in which the Application was received after October 1 if the Commissioners Court in its discretion determines the County had adequate time to review and consider the Application and the Agreement, and

(ii) consider and approve an Abatement and enter into an Agreement prior to receipt of all required information, provided that if such Abatement is granted the Agreement requires the Owner and/or Lessee, as the case may be, to comply with any such provisions within thirty days of the date of the Agreement and allows the County to terminate the Agreement in the event any conditions in the Agreement are not timely met.

(2) Provided commencement of construction as defined in Section IV.A.(1) above has not occurred prior to submission of the complete Application as set forth herein, the commencement of construction by (x) the taking of actions specified in Section IV.A.(1)(a-c) above by the Owner and/or Lessee or (y) the taking of any of the actions specified in Section IV.A.(1)(a-e) above by the Owner and/or Lessee after approval by the Commissioners Court of an Agreement but prior to execution of the Agreement shall not be a bar to the County subsequently executing the Agreement based on these Guidelines and Criteria and the terms approved by the Commissioners Court with the Owner and/or Lessee, as applicable; provided that (i) with respect to any such activity undertaken prior to Commissioners Court granting of an Abatement that the Abatement may not be granted at the discretion of the Commissioners Court and (ii) that the Applicant, Owner and/or Lessee, as the case may be, commence activity related to the Project at their own risk, and with respect to (y) above, in the event, prior to execution of the Agreement, any discrepancy or dispute over the terms of the Agreement arise that the Commissioners Court retains its discretion to not enter into such Agreement. For purposes of this subsection (2), a complete Application is an Application that, in the opinion of the County, meets all of the requirements of the Guidelines and Criteria excluding only any additional materials requested by the County but not expressly specified in the Guidelines and Criteria.

V. Consideration of Application and Adoption of Agreement

A. When the County considers an Abatement request, it will consider the feasibility and impact of the proposed Abatement by making an estimate of the economic effect of the Abatement of taxes and the benefit to the property to be covered by the Abatement and to the taxing authorities involved.

B. In accordance with Section 312.401(b) of the Texas Tax Code, the Commissioners Court may not designate an area as a reinvestment zone until it holds a public hearing on the designation and finds that the designation would contribute to the retention or expansion of Primary Employment or would attract major investment in the reinvestment zone that would be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the County. At the hearing, interested

persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, the Commissioners Court will give notice of the hearing in accordance with Sections 312.401(b) and 312.201(d) of the Texas Tax Code. Pursuant to Section 312.4011, designation of an area as an enterprise zone under Chapter 2303, Texas Government Code, constitutes designation of the area as a reinvestment zone without further action by the County.

C. (1) The Commissioners Court may consider adoption of an Order approving the execution of an Agreement between the County and the Applicant governing the provision of the Abatement within the reinvestment zone only after the Applicant has forwarded all necessary information and documentation to the County. The County will notify the Applicant of approval or disapproval in writing as soon as such action has occurred. The County will not approve an Agreement if it finds that the request for the Abatement was filed after the commencement of construction, alterations, or installation of Improvements related to a proposed Modernization, Expansion or New Facility by the Applicant except as provided in subsection V.C.(2) below. Any Improvements performed by a taxing entity in anticipation of a Project will not be subject to this subsection C(1).

(2) The decision to provide any Abatement will be considered on a case by case basis, in accordance with these Guidelines and Criteria, and at the discretion of the Commissioners Court who, with respect to Applicants concerning Projects of Extraordinary Impact may waive Subsection IV(A)(1)(b) if reasonable proof is shown of why the waiver is needed and of the benefit to the County of granting the Abatement.

D. Not later than the seventh day before the date on which the County enters into an Agreement, the County will deliver, as provided by Section 312.2041 of the Tax Code, to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the Agreement is located a written notice that the County intends to enter into the Agreement. The notice will include a copy of the proposed Agreement.

E. The governing bodies of the appropriate taxing authorities may consider ratification of and participation in the Agreement between the County and the Applicant.

F. After approval, the County will formally pass an Order and execute an Agreement with the Owner and/or Lessee of the Facility as required. Such Agreement prior to execution will be reviewed by legal counsel for the County and the Owner and/or Lessee, as applicable. Such Agreement shall be subject to the rights of holders of outstanding bonds of the County and shall be entered into by the County on the condition that the Owner and/or the Lessee, as applicable, makes specific Improvements or repairs to the property. Except as otherwise specified in these Guidelines and Criteria, the Abatement in each Agreement shall take effect on January 1 of the next tax year after the date the Improvements or repairs are substantially completed. Each Agreement must include the terms required under Section 312.205 or the Texas Tax Code and will address various issues, including, but not limited to, the following:

(1) General description of the Project;

(2) The percent of value to be abated each year;

(3) Estimated value of the Abatement including the Base Year Value;

(4) Duration of the Abatement, including the commencement date and the termination date;

(5) Legal description of the Real Property;

(6) Kind, number, location and timetable of planned Improvements;

(7) Specific terms and conditions to be met by Applicant;

(8) The proposed use of the Facility and nature of construction;

(9) A plat or map showing the precise location of the Real Property, including the location within the enterprise zone and Improvements and proposed Improvements on the Real Property;

(10) Contractual obligations in the event of default, violation of terms conditions, delinquent taxes, recapture, administration and assignment; and

(11) Size of investment and average number of new Jobs created.

VI. Denial of Abatement

A. All eligible Applications for Abatement will be considered on a case-by-case basis and except for the instances set forth in Section VI.B. herein, the decision to approve or deny Abatement will be made at the discretion of the Commissioners Court in accordance with these Guidelines and Criteria.

B. The Commissioners Court shall not authorize either a reinvestment zone or an Agreement if it is determined that:

(1) there would be an adverse impact on the provision of government service or tax base;

(2) the Applicant has insufficient financial capacity to complete the Project;

(3) planned or potential use of the property would constitute a hazard to public safety, health or morals;

(4) violation of other codes or laws exist;

(5) the property is in an improvement project financed by tax increment bonds; or

(6) there exists any other reason that is deemed appropriate by the Commissioners Court.

C. Nothing herein will imply or suggest that the County is under any obligations or duty to provide Abatement to any eligible Applicant, or that any Applicant has an entitlement to Abatement except as may be determined on a case-by-case basis by the Commissioners Court.

VII. Taxability

From the execution of the Agreement to the end of the Tax Abatement Period, taxes will be payable as follows:

(a) The value of ineligible property will be fully taxable;

(b) The Base Year Value of existing eligible property as determined each year will be fully taxable;

(c) The additional value of eligible property will be taxable in the manner and for the period provided for in the Agreement; and

(d) The additional value of eligible property will be fully taxable at the end of the Tax Abatement Period.

VIII. Recapture

A. The County will be entitled to terminate the Agreement and shall recapture all or part of the taxes abated, upon the occurrence of one or more of the following events:

(1) If the Owner or Lessee fails to commence operation of the Facility and the provision of the applicable product or service within the time provided in the Agreement.

(2) If, at any time after commencement of operation of the Facility, the Owner or Lessee voluntarily ceases to produce a product or service at the Facility or to otherwise operate the Facility for a continuous period of one (1) year or, with respect to Extraordinary Impact Projects in which the Agreement so provides, eighteen (18) months;

(2) If the Owner or Lessee allows its ad valorem taxes owed to the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest;

(3) If the Owner or Lessee relocates the Job creating activity outside the reinvestment zone;

(4) Upon the Owner's or Lessee's breach of the Agreement;

(5) As the County and the Owner and/or Lessee may otherwise agree in the Agreement; or

(6) In the case of an Abatement for an eligible educational Facility, the educational institution named in the Agreement terminates the lease on the property or otherwise ceases to use and occupy the property for educational purposes, and the property Owner fails to secure a new tenant that qualifies the Facility for continued Abatement under these Guidelines and Criteria within one hundred twenty (120) days of the expiration or other cessation of the use of the property for educational purposes.

B. Should the County determine that a party is in default according to the terms and conditions of the Agreement, the County will notify the party in writing at the address stated in the Agreement, and if such default is not cured within the applicable Cure Period (as defined below), then the Agreement may be terminated by the County pursuant to an Order adopted by the Commissioners Court as set forth in C below. The Cure Period is thirty (30) days from the date of the notice, or if so provided in the Agreement with respect to any Extraordinary Impact Project sixty (60) days and, if further provided in the Agreement, ninety (90) days with respect to a default caused by a force majeure event as such event is defined in the Agreement.

C. The County by an Order adopted by the Commissioners Court will have the right to terminate the Agreement and shall recapture all or a part of the abated taxes based on the following schedule and formula:

RECAPTURE SCHEDULE

YEAR OF TAX ABATEMENT PERIOD IN WHICH RECAPTURE EVENT OCCURS	*COUNTY WILL RECAPTURE FOLLOWING PERCENTAGE OF TOTAL TAXES PREVIOUSLY ABATED:*
1-5	100%
6	85%
7	75%
8	65%
9	55%
10	45%

FORMULA: The Recapture Formula Will Be:

Total Taxes Abated	**X**	Applicable Percentage from above schedule	=	Amount to be Recaptured

D. A Lessee or Owner who is a party to an Agreement that has been terminated or pursuant to which abated taxes have been ordered to be recaptured may appeal the Commissioners Court decision recapturing or terminating the Agreement. In order to make an appeal, the party to the Agreement must submit, within thirty (30) days of the Order by Commissioners Court recapturing or terminating the Agreement, a written notice to the County and to any other party to the Agreement specifying the grounds on which the party will be appealing the decision and requesting that the matter of the appeal be placed on the Commissioners Court agenda for the next Commissioners Court meeting occurring not less than three days following receipt by the County of the written request. The party appealing the decision may appear at the Commissioners Court meeting to discuss the appeal.

IX. Administration

A. Access to Facility. Each Agreement will stipulate that employees and/or designated representatives of the County will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. The County may execute a contract with any other jurisdiction(s) to conduct such inspections of the Facility. All inspections will be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the Facility; provided, however that the County may conduct "spot" inspections requiring no advance notification (unless appropriate personnel are usually not onsite at the Facility to allow safe access to the Facility and due to safety concerns escorts are needed for County personnel, in which event the Agreement shall provide for notice and for the Owner and/or Lessee to provide escorts on a timely basis). All inspections will be made with one or more representatives of the Owner, Lessor or Lessee, and in accordance with such party's safety standards.

B. Reports, Audits and Inspections: Owners and Lessees of Facilities for which Abatement is granted will annually certify to taxing authorities that they are in compliance with the terms of the Agreement. In addition, such Owners and Lessees will provide reports and records reasonably necessary to support each year of the Agreement. Such reports and records will include information supporting Job creation and retention requirements, information on property purchases, and status reports on the Project's progress. Reports supporting Job creation and retention shall include Texas Workforce Commission Reports (all Social Security numbers must be redacted prior to submitting such reports to the County) submitted to the State Comptroller on a quarterly basis and a breakdown of all Jobs with total annual hours per Job. Upon completion of a Project, Owners and/or Lessees, as applicable, will provide taxing authorities with a final report

(i) describing all property for which Abatement is granted, (ii) providing documentation of the final Capital Cost and (iii) certifying the number of Jobs created. This final report will be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. Taxing authorities will periodically evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement. Taxing authorities will have the right to audit the books and records related to the eligible property and supporting the eligible property reports.

C. Transfer or Assignment. An Agreement for Abatement may be transferred or assigned by the original Applicant to a new Owner/Lessor or Lessee of the same Facility only upon the approval of the Commissioners Court, which will not grant such approval without (i) sufficient proof of the financial capacity of the transferee or assignee and (ii) all conditions and obligations in the Agreement being guaranteed by the execution of a new Agreement with the County. No assignment or transfer will be approved if any party to the existing Agreement or any proposed new party is (i) liable to any jurisdiction in the County for outstanding taxes or other obligations or (ii) delinquent in the payment of ad valorem taxes to any taxing unit located in the County. Approval of a transfer or assignment will not be unreasonably withheld. In addition, the Agreement for Abatement for an Extraordinary Impact Project may allow for collateral assignment in connection with the financing of the Project without obtaining such approval; provided the assignee is not delinquent on any taxes to the County and the Owner, Lessor or Lessee, as applicable, provides written notice to the County within thirty (30) days.

X. Tax Abatement by Other Taxing Units

A. Other Taxing Entities. Section 312.206(a) of the Tax Code allows the County, when a municipality has entered into an Agreement with an Owner and/or a Lessee, to enter into an Agreement with the same Owner and/or Lessee under different terms and conditions than those contained in the municipality's Agreement with the Owner and/or Lessee. When an Application for Abatement is originated with a taxing entity other than the County, the taxing entity desiring the County to provide Abatement to the same Applicant will cause the Applicant to file an Application requesting Abatement with the County and such Application will include the information requested by the County for Abatements originating with the County and shall also include a copy of the Agreement between the Applicant and the municipality or other taxing entity and such other documentation as may be requested by the County. Such Abatements will be considered in accordance with the provisions of these Guidelines and Criteria.

B. No obligation. The acceptance of an Application for Abatement will not be deemed as an obligation whatsoever of the County to grant any Abatement of taxes. Nothing in these Guidelines and Criteria or in any prior Abatement action by the County will obligate the County to provide Abatement to party.

C. Taxing Unit With Tax Rate Set by Commissioners Court. Pursuant to Section 312.004 of the Tax Code, in the event the Commissioners Court enters into an Agreement for the County, it may also enter into an Agreement applicable to the same property on behalf of

a taxing unit other than the County if by statute the ad valorem tax rate of the other taxing unit is approved by the Commissioners Court or the Commissioners Court is expressly required by statute to levy the ad valorem taxes of the other taxing unit. The Agreement entered into on behalf of the other taxing unit is not required to contain the same terms as the Agreement entered into on behalf of the County.

XI. Sunset Provision

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three-quarters vote of the Commissioners Court, at which time all reinvestment zones and Agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Commissioners Court may modify or renew these Guidelines and Criteria or enact new Guidelines and Criteria. The County reserves the right to allow these Guidelines and Criteria to lapse and to not thereafter adopt new Guidelines and Criteria.

XII. Severability

If any provision, section, subsection, sentence, clause, or phrase of these Guidelines and Criteria, or the amendments duly adopted hereto, or the application of the same to any person, entity, or set of circumstances, is for any reason held to be unconstitutional, void, voidable, invalid, or contrary to any existing or prospectively enacted law or statute, the validity and enforceability of the remaining part of these Guidelines and Criteria and amendments thereto will not be affected thereby.

EXHIBIT

FORM OF TAX ABATEMENT APPLICATION

HIDALGO COUNTY
APPLICATION FOR ECONOMIC INCENTIVE

I. APPLICANT INFORMATION

Applicant Name: _____ Date of Application: _____

Company/Project Name: _____

Mailing Address: _____ Office Phone: _____

_____ Mobile Phone: _____

E-Mail Address: _____ Fax Number: _____

Type of Entity: [ ] Corporation [ ] Partnership [ ] Proprietorship

[ ] Limited Liability Company [ ] Other (Specify)_____

State of Organization: _____

Applicant's Representative for contact regarding abatement request:

Name and Title: _____

Mailing Address: _____ Office Phone: _____

_____ Mobile Phone: _____

E-Mail Address: _____ Fax Number: _____

Property Owner Information (If applicant is not the owner of the property):

Property Owner: _____

Mailing Address: _____ Office Phone: _____

_____ Mobile Phone: _____

E-Mail Address: _____ Fax Number: _____

Type of Entity: [ ] Corporation [ ] Partnership [ ] Proprietorship

[ ] Limited Liability Company [ ] Other (Specify)_____

State of Organization: _____

Is there a lessee agreement between the owner and the applicant? [ ]Yes [ ]No

If yes, what is the agreement termination date? _____

II. TYPE OF INCENTIVE

___ Tax Abatement ___ 381 Agreement

III. PROPERTY AND PROJECT DESCRIPTION

Property Account Number(s): _____

Address and legal description of property to be considered for Tax Abatement

_____

_____

Project Description: _____

_____

_____

III. PROPERTY AND PROJECT DESCRIPTION (CON'T)

Description of activities, products, or services produced and/or provided at project location:

Specify whether any portion of the property is within an established reinvestment zone or enterprise zone.

State the location of the reinvestment or enterprise zone.

Current Assessed Value:

Real Property $ _____ Personal Property $ _____

Estimated start date of construction/site improvements: _____

Projected date of occupancy/commencement of operations at project site: _____

Location of applicant's existing facilities: _____

Requested level of Tax Abatement: _____% of eligible property for _____ years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.

Is any tax currently being abated with respect to any portion of the property? [ ] Yes [ ] No

If yes, state the date the tax abatement was received. _____

Has tax abatement been granted by any other taxing entity? [ ] Yes [ ] No

If yes, what taxing entity is granting the tax abatement? _____

Will a tax abatement be requested for the project from any other taxing entities? [ ] Yes [ ] No

If yes, list the entities:

IV. PROJECTED VALUE OF PROPOSED IMPROVEMENTS

Estimated Value of Proposed Real Property Improvements $ _____

Estimated Value of Proposed Personal Property Improvements $ _____

Detail any direct benefits to Hidalgo County as a result of this project(i.e.,inventory tax,etc.)

V. PROJECTED NUMBER OF FULL-TIME JOBS CREATED

Current Company/Project Location Employment

Current Number of Employees: Full-Time_____ Part-Time_____

Number of employees transferring from other company locations: _____

New Employment of Hidalgo County Residents

Are the employees direct hire or are they contracted by a third party employment agency?

[ ] Direct Hire [ ] Third Party Employment Agency [ ] Both

Projected number of new full-time jobs created as a result of the proposed improvements. _____

Provide types of jobs created and average salary levels. _____

VI. ADDITIONAL INFORMATION (to be attached)

Attach additional criteria for abatement as required by the Hidalgo County Guidelines and Criteria Section IV.

_____ 1 Letter addressing section III (H) of the Hidalgo County Guidelines and Criteria.

_____ 2 Descriptive list of the improvements for which abatement is requested. List will include the class life of the improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.

_____ 3 Description of methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred.

_____ 4 A five year history of financial statements and statements of revenue, expenses, net income and cash flow for the last five years of the project which has been audited, reviewed, or compiled by a Certified Public Accountant.

_____ 5 Plat/Map of Project Location with details as required by Section IV. (4).

_____ 6 Project time schedule for undertaking and completing the planned improvements.

_____ 7 Tax certificate verifying that no taxes are past due on property.

_____ 8 Correct legal description of the real property.

_____ 9 A copy of the underlying lease if applicant is a lessee of the facility.

_____ 10 Include a current copy of the Reinvestment Zone Map and identify the property location within the map.

_____ 11 Schedule showing the start date of annual payroll of new permanent positions, if applicable.

_____ 12 *Provide copies of the immediately preceding quarterly reports filed with the Texas Workforce Commission, documenting the current number of permanent full-time employees.*

_____ 13 Include a good standing certificate from the State of Texas, or the state where your company is organized.

_____ 14 Include any existing tax abatement agreements with respect to any property in Hidalgo County,

_____ 15 Include a check made payable to "Hidalgo County Treasurer" in the amount of $1,000.

Applicant understands and, by submitting an application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's application and shall not be refunded in the event the application is withdrawn by Applicant or denied by the County.

In order to expedite the application process, all information listed above must be attached herein.

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Guidelines and Criteria for granting tax abatements in Hidalgo County, Texas" and agree to comply with the guidelines and criteria stated therein. I further understand Hidalgo County may request additional information as deemed necessary to determine eligibility.

_____	_____
Signature	Title
_____	_____
Printed Name	Date

Exhibit B

The Land

Account ID	Legal Description
1048774	NEWMAN'S, G.O SEC 2 - SW 1-4TH & SEC 6 - N1/2 LGE. 1, 480 ACS
988006	NEWMAN'S, G.O N1/2 SEC 1 LGE 2 320AC NET
1048774	NEWMAN'S, G.O SEC1-W1/2,SEC2-E1/2 & N1/2-SW 1/4,SEC7-E80AC-NE1/4 & W1/2- E1/2,SEC8-EXC 2AC 1591.68ACNET
1048774	NEWMAN'S, G.O SEC 8 LGE 3-2 AC OUT OF 640ACS 2 AC FOR BLDG
651640	NEWMAN'S, G.O SEC 2 LGE 2 N582.94'-S1171.88'-W1486.85' 20AC
608699	NEWMAN'S, G.O S117.22'-W113.60' & S50'-E5833.40' SEC 2 LGE 2 7.01AC NET
449293	NEWMAN'S, G.O E10/NW1/4 SEC 2 LEG. 2
562998	NEWMAN'S, G.O SE 1/4-SEC 3 LGE 1 EXC NE 1.50AC FOR IMP 158.50AC
650329	NEWMAN'S, G.O SEC 2 LGE 2 A/K/A TR 1&2 N1171.88'-S2343.76'-W1488.85' 40.0AC GR 38.92AC NET
975117	NEWMAN'S, G.O N526.25'-W2973.5' EXC S501.25'-W1630' SEC 7 LGE1 AKA TR 10 17.16AC GR 17.14AC NET
588601	NEWMAN'S, G.O SEC. 3 - SW1-4TH - 160. AC LGE. 160.00 ACS NET
265496	NEWMAN'S, G.O E10AC-NW40AC SEC 2 LGE 2 10AC
282800	NEWMAN'S, G.O SEC 7 640AC EXC 1.24AC H/S LGE 2 637.5AC
282800	NEWMAN'S, G.O SEC 7 1.24AC-640AC TR LGE 2 1.24AC NET
1003373	NEWMAN'S, G.O N1562.5' SEC 8 LGE 2 213.32AC GR 212.61AC NET A/K/A TR-1
1003373	NEWMAN'S, G.O S1953.11'-N3515.61' SEC 8 LGE 2 266.65AC GR 265.76AC NET A/K/A TR-2
350610	NEWMAN'S, G.O S390.63' SEC 8 LGE 2 53.33AC GR 50.43AC NET A/K/A TR-5
1031719	NEWMAN'S, G.O N210'-S2340.05'-E311.15'-SE 1/4-SEC 3 LGE 1 FOR IMPS
1044409	NEWMAN'S, G.O SEC 1-SE1/4 LGE 2 EXC S330'-N4151.45' & EXC N319.41'-S2293.75'-E1400' 139.73 AC
414161	NEWMAN'S, G.O S830'-W226.31'-E1124.75' EXC 1AC FOR IMPS & N308.2'-E1486.75' SEC 7 LGE 3 A/K/A TRS 1 & 2 13.832AC GR 13.406AC NET
946802	VALLEY FARMS N300'-W800' LOT 68 5.51 AC GR 5.37 AC NET
470641	VALLEY FARMS LOT 32 & 49 - 200. AC.
327178	NEWMAN'S, G.O S558.93'-N1611.43'-W2973.5' EXC S538.93'-W1630' SEC 7 LGE1 AKA TR 12 18.17AC GR 18.15AC NE
327178	NEWMAN'S, G.O S526.25'-N1052.5'-W2973' EXC N501.25'-W1630' SEC 7 LGE 1 AKA TR 11 17.16AC GR 17.14AC NET
938252	NEWMAN'S, G.O S208.715'-W200'-E828'-W1/2 SEC 7 LGE 3 0.96AC GR 0.87AC NET
409679	NEWMAN'S, G.O E379.70'-W2331.19'-N2294.44'-S2344.44' SEC 2 LGE 2 20.00AC
1054167	NEWMAN'S, G.O N436'-E1056.65' NE 1/4 LGE 1 SEC 3 AKA TR 5 10.58AC GR 9.65AC NE
1011670	TEX-MEX SURVEY W3475.2'- N3482' - SEC 29 T.C.R.R. 277.70 AC NET

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650329	NEWMAN'S, G.O SEC 2 LGE 2 A/K/A TR 1&2 N1171.88'-S2343.76'-W1488.85' 40.0AC GR 38.92AC NET
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282800	NEWMAN'S, G.O SEC 7 640AC EXC 1.24AC H/S LGE 2 637.5AC
282800	NEWMAN'S, G.O SEC 7 1.24AC-640AC TR LGE 2 1.24AC NET
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1031719	NEWMAN'S, G.O N210'-S2340.05'-E311.15'-SE 1/4-SEC 3 LGE 1 FOR IMPS
1044409	NEWMAN'S, G.O SEC 1-SE1/4 LGE 2 EXC S330'-N4151.45' & EXC N319.41'-S2293.75'-E1400' 139.73 AC
414161	NEWMAN'S, G.O S830'-W226.31'-E1124.75' EXC 1AC FOR IMPS & N308.2'-E1486.75' SEC 7 LGE 3 A/K/A TRS 1 & 2 13.832AC GR 13.406AC NET
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938252	NEWMAN'S, G.O S208.715'-W200'-E828'-W1/2 SEC 7 LGE 3 0.96AC GR 0.87AC NET
409679	NEWMAN'S, G.O E379.70'-W2331.19'-N2294.44'-S2344.44' SEC 2 LGE 2 20.00AC
1054167	NEWMAN'S, G.O N436'-E1056.65' NE 1/4 LGE 1 SEC 3 AKA TR 5 10.58AC GR 9.65AC NE
1011670	TEX-MEX SURVEY W3475.2'- N3482' - SEC 29 T.C.R.R. 277.70 AC NET

1043269	NEWMAN'S, G.O 5AC FOR TANKS & 1AC-NW 1/4; W160AC-N 1/2 EXC 33AC IN VAR TRS SEC 2 LGE 2 & NW120AC-E 1/2 & N80AC-W 1/2 SEC 3 LGE 2 329ACS NET
1043269	NEWMAN'S, G.O 5AC FOR TANKS & 1AC-NW 1/4; W160AC-N 1/2 EXC 33AC IN VAR TRS SEC 2 LGE 2 & NW120AC-E 1/2 & N80AC-W 1/2 SEC 3 LGE 2 329ACS NET
696095	NEWMAN'S, G.O SEC. 3 S240 AC OF W1/2 LGE 2 240 AC NET
161060	TEX-MEX SURVEY SEC 202-2.67AC/S20AC 2.67 AC NET
307713	TEX-MEX SURVEY EAST ARM SEC 202 65.07 AC GR 58.61 AC NET
1032283	VALLEY FARMS LOTS 51, 70 AND 71 299.99AC NET
999945	TEX-MEX SURVEY 1,897.8AC OF SEC 199;SEC 200;SEC 201 1,836.10AC NE
1042086	NEWMAN'S, G.O SEC LGE 3 319.88AC GR EXC N550'-S2052'-E526.58' & EXC W443'-E1243'-S180' 311.328 AC NET
1020391	NEWMAN'S, G.O N577'-S2343.47'-E1509.90' SEC 2 LGE 2 20AC GR 19.74AC NET
390159	NEWMAN'S, G.O SEC 2-N70 LGE 1 70.0 AC NET
450072	VALLEY FARMS LOTS 8 & 13 EXC 1.0 AC 199.0AC GR 197.32AC NET
450072	VALLEY FARMS 1.00 OUT OF 200.00 AC LOT 8 & 13 1.00 AC NET
482307	NEWMAN'S, G.O SEC 1 N100 AC. E1/2, LGE. 3
991063	NEWMAN'S, G.O S1054.76'- N2519.70'- E2973.50' LGE 3 SEC 1 72AC GR 71.52AC NET
345209	NEWMAN'S, G.O SEC 8 1AC-E 1/2-S 1/2 LGE 4 1.0 AC NET
991051	NEWMAN'S, G.O N1113.04'- S2167.80'- E2973.50' SEC 1 LGE 3 75.98AC GR 75.47 AC NET
722375	NEWMAN'S, G.O SEC 6-1AC OUT OF SE1/4 & SW1/4 LGE 1 1AC NET
932270	NEWMAN'S, G.O SEC 6-SW1/4 & SE1/4 EXC 31AC LGE 1 289 AC NET
661004	NEWMAN'S, G.O SW 1/4 SEC 1 LGE 2 160 AC NET
991053	NEWMAN'S, G.O S1054.76'- N4687.50'- E2975.50' LGE 3 SEC 1 72AC GR 71.52AC NET
1050158	VALLEY FARMS LOTS 10 & 11 200AC NET
458573	NEWMAN'S, G.O W361.5'- N361.5' NW 1/4 SEC 2 LGE 2 3.0 AC NET
973297	NEWMAN'S, G.O E828'-S740.36'-W1/2 EXC W200'-S208.715' SEC 7 LGE 3 13.11AC GR 12.83AC NET
984828	NEWMAN'S, G.O SEC 1 - 4AC-SE 1/4 LGE 2 S330'-N4151.45' 10.30 AC GR 10.0 AC NET
265487	NEWMAN'S, G.O N390.63'-S1171.89' SEC 8 LGE 2 53.33AC GR 53.16AC NET A/K/A TR-3
694423	NEWMAN'S, G.O SEC 3-NW1/4 & 1/2 UND INT NE1/4 LGE 1 AKA TR 6 W514'-E1570.65' N849' 10.02AC NET
694423	NEWMAN'S, G.O S435'-N1334'-E1143.65'-NE 1/4 LGE 1 SEC 3 AKA TR 3 11.42 AC
960312	NEWMAN'S, G.O N 1/2 SEC 6 LGE 2 1/3 UND INT 320AC 106.67AC NET
960312	NEWMAN'S, G.O N 1/2 SEC 6 LGE 2 1/3 UND INT 320AC 106.67AC NET
960312	NEWMAN'S, G.O N 1/2 SEC 6 LGE 2 1/3 UND INT 320AC 106.67AC NET
996441	NEWMAN'S, G.O SEC 2- N100-E1/2. 100.00AC LGE 1
1018134	VALLEY FARMS LOT 90 S368.04'-W1183.74' & N367.93'-W1183.74' LOT 91 20AC GR
1000679	NEWMAN'S, G.O S585.94'-W1486.85' EXC AN IRR TR S117.23' SEC 2 LGE 2 18.05AC GR 17.60AC NET
997646	NEWMAN'S, G.O SEC 1-W40AC-W120AC-N1/2 LGE 1 38.55 AC NET
997646	VALLEY FARMS LOT 33-S1/2 LOT 48 EXC 3.0 AC & EXC N 24 & EXC S 24.0 AC 99.0 AC NET
997646	VALLEY FARMS LOT 48-3AC/100AC TR 3.0AC NET

396222	NEWMAN'S, G.O S2035.53'-E1486.75' EXC S418.85'-W312' & EXC S830'-W226.31'-E1124.75' SEC 7 LGE 3 AKA TR-3 62.163AC GR 60.056AC NET
73047	NEWMAN'S, G.O SEC 1-W40AC/E80AC/W120/N1/2 LGE 1 39.66 AC NET
114895	VALLEY FARMS LOT 28 & N1/2 33-150. AC
167430	VALLEY FARMS N24AC BEING PT OF S 1/2-LT 33 & LOT 48 24.0AC NET
167430	VALLEY FARMS S 24.0 OF N 48.0 AC BEING S 1/2 OF LOT 33 & ALL LOT 48 24.0 AC NET
601348	VALLEY FARMS 99ACRES-LOT 73
128419	TEX-MEX SURVEY W 100.0 AC OUT OF E 469.94 AC SEC 204 100.0 AC NET
161066	TEX-MEX SURVEY W0.50AC FOR H/S-1.0AC-200AC-W PT SEC 204 0.50AC
161066	TEX-MEX SURVEY W200.0AC EXC 1.0AC-H/S OUT OF W PT SEC 204 199.0 AC NET
161066	TEX-MEX SURVEY E 0.50AC FOR IMPS 1.0AC-200AC-W PT SEC 204 0.50AC
163007	LOS GUAGES & MAGUELLES SEC 28 W 1/2, ALL SEC 30 960 AC
310602	TEX-MEX SURVEY SEC 30, SEC 35 & SEC 198 DRYLAND 1627.00 ACS NET
982234	NEWMAN'S, G.O 264.11AC W1/2 SEC 7 LGE 3 EXC 3.75AC FOR HS 260.88AC NET
982234	VALLEY FARMS LOT 9-S5AC & LOT 12-N90 AC 95 AC NET
982234	VALLEY FARMS LOT 52, LOT 53 & LOT 68 EXC N300'-W800'-LOT 68 287 AC NET
982234	NEWMAN'S, G.O S1171.88'- W2974.10' SEC 1 LGE 1 80AC
937031	NEWMAN'S, G.O S401'-N426'-W1630' SEC 7 LGE 1 15.01 AC GR 14.64 AC NET
724814	NEWMAN'S, G.O W1621.80'-E3615.82'-N2294.44'-S2344.44' LGE 2 SEC 2 85.43AC NET
967151	NEWMAN'S, G.O E464.64'-W1951.49'-N2393.75'-S2343.75' SEC 2 LGE 24.47AC
599984	NEWMAN'S, G.O N585.94'-W2974.10' SEC 8 LGE 1 40AC NET
602689	NEWMAN'S, G.O W2974.10'-S585.94'-N1171.88' SEC 8 LGE 1 40.00AC GR 39.73AC NET
379329	TEX-MEX SURVEY W2799.33'-N4355.44' SEC 210 279.89AC NET
379329	TEX-MEX SURVEY SEC 205, 208 & 209 2013.37 AC GR 2001.43 AC NET
379329	TEX-MEX SURVEY ALL LOTS 206 & 207 1413.61 AC GR 1406.35 AC NET
429713	NEWMAN'S, G.O 6.685AC-N550'-S1593.59'-E882.04' EXC S381.42'-W195' & S83.95'-E295' & N200.68'-E265' SEC 1 LGE 1
368885	NEWMAN'S, G.O N1171.88'-S2343.76'-W2974.10'&N1046.22'-S2343.66'-W1496.82'-E2973.46'EXC S751.37'-E538.76'&N294.85'-S2343.76'-E1476.64' EXC 5AC SEC 1 LGE 1 111.66AC
559360	NEWMAN'S, G.O 1.75AC OUT OF N550'-S1593.59'-E882.04' SEC 1 LGE 1 1.75AC NET
368885	NEWMAN'S, G.O 5AC-N1171.88'-S2343.76'-W2974.10'&-N1046.22'-S2343.66'-W1496.82'-E2973.46'EXC S751.37'-E538.76'&-N294.85'-S2343.76'-E1476.64' SEC 1 LGE 1
431322	NEWMAN'S, G.O N542.34'-S1097.44'-W2286.42'-E2933.46'EXC E195'-S404.44'&N549.73'-S1043.59'-E882.04'EXC W587.04'-N83.95' SEC 1 LGE 1 36.66AC
1051715	NEWMAN'S, G.O 0.50AC HS-S555.10'-E2091.42'-W2933.46' & -S493.66'-E842.04' SEC 1 LGE 1
1051715	NEWMAN'S, G.O AN IRR TR N341.65'-S1316.5'-E687.21' EXC S83.95'-E295' SEC 1 LGE 1 4.94AC NET
143451	NEWMAN'S, G.O N1171.88'-S3515.64'-W2974.10' SEC 8&S555.10'-E2091.42'-W2933.46'&S493.66'-E882.04' SEC 1 LGE 1 EXC 0.50AC HS 116.16AC
1059156	NEWMAN'S, G.O 36.66AC-IRR TRS-E2933.46' SEC 1 LGE 1 AC 36.66AC
732163	NEWMAN'S, G.O SEC 2-S100/E1/2 LGE 1 100 AC NET
245256	NEWMAN'S, G.O S1054.76'- N4687.50'- E2975.50' LGE 3 SEC 1 72AC GR 71.52AC

	NET
143475	NEWMAN'S, G.O S1171.88'-E1486.75' SEC 6 LGE 2 38.23AC NET
945292	NEWMAN'S, G.O SEC 3 2AC/S1/2/E1/2 LGE 2 2 AC N
518681	NEWMAN'S, G.O SEC 6-SE 1-4TH - 160. AC. LGE. 2 EXC E680'-N250'-S938' & EXC S1171.88' - E1486.75 112.83AC NET
73061	NEWMAN'S, G.O SEC 7-NW 1/4 39.00AC EXC 1AC LGE 1 39.00AC
73061	NEWMAN'S, G.O SEC 7-1.00AC-NW 1/4 160AC LGE 1 1.00AC
73068	NEWMAN'S, G.O SEC 6-SW1-4TH LGE NO 2 160 AC 157.55 AC NET
451899	NEWMAN'S, G.O SEC 3-S1/2/E1/2 EXC 4AC LGE 2 156 AC NET
366381	NEWMAN'S, G.O N390.6'-S781.26' SEC 8 LGE 2 53.33AC GR 53.16AC NET A/K/A TR-4
1003229	NEWMAN'S, G.O 0.50AC-1AC-SE 1/4 SEC 3 LGE 3 0.50AC NET
114914	NEWMAN'S, G.O SEC 3 LGE 2 NE1/4-NE1/4 EXC 7AC FOR GIN & EXC 1.0AC 32.00AC NET
67207	LOS GUAGES & MAGUELLES SE 1/4 SEC 28 160.0 AC NE 1/4 SEC 28 160.0 AC E 1/2 SEC 33 320.0 AC 640.0 AC
67207	LOS GUAGES & MAGUELLES SE 1/4 SEC 28 160.0 AC NE 1/4 SEC 28 160.0 AC E 1/2 SEC 33 320.0 AC 640.0 AC
1049825	NEWMAN'S, G.O S401'-N1027.5'-W1630' SEC 7 LGE 1 15.00 AC GR 14.63 AC NET
635783	VALLEY FARMS LOT 30,31,50-300. AC.
678502	NEWMAN'S, G.O SEC 3-NW1/4 LGE 1 64.38AC
678502	NEWMAN'S, G.O SEC 3-NW1/4 LGE 1 64.38AC
679956	NEWMAN'S, G.O SEC 3 LGE 1 N W1/4 AKA TR 16 N782'-W557.5' 10.00AC GR 9.38 AC NET
678502	NEWMAN'S, G.O SEC 3-NW1/4 LGE 1 64.38AC
1003713	NEWMAN'S, G.O S413'-N849'-E1056.65' NE 1/2 LGE 1 SEC 3 AKA TR 4 10.02 AC GR 9.64 AC NET
679956	NEWMAN'S, G.O SEC 3 W1455'-E2598.65'-S280'-N1664' & E1193.65'-S50'-N1434' LGE 1 AKA TR 28 10.69 AC GR 10.64 AC NET
678502	NEWMAN'S, G.O SEC 3 NE1/4 LGE 1 3 TRACTS 5.51AC NET
558361	NEWMAN'S, G.O N2294.44'-S2344.44'-W484.12'-E1994.02' SEC 2 LGE 2 25.50AC
558361	NEWMAN'S, G.O N418.32'-S1189.32'-E1509.90' SEC 2 LGE 2 14.50AC GR 14.31AC NET
990168	LOS GUAGES & MAGUELLES SEC 34 PT IN DIST 205.38 AC
657391	NEWMAN'S, G.O N577'-S1766.47'-E1509.90' SEC 2 LGE 2 20.00AC GR 19.74AC NET
1052708	LOS GUAGES & MAGUELLES W1486.75' SEC 38 160AC
73048	NEWMAN'S, G.O SEC 1-E40AC/W120/N1/2 LGE 1 39.66 AC NET
947103	NEWMAN'S, G.O 294ACS SEC 4 & 294ACS SEC 5 LGE 2 5.88AC GR 576.27AC NET
947103	NEWMAN'S, G.O 185AC-294AC SEC 4 LGE 1 185AC GR 182.31AC NET
947103	LOS GUAGES & MAGUELLES SEC 31 - N 1/2 - 320 AC
947103	NEWMAN'S, G.O NW 1/4-SEC 2 LGE 1 160AC
532281	VALLEY FARMS N 735.97' LOT 90 40AC GR
959281	NEWMAN'S, G.O E 1/2 SEC 7-LGE 1 319.89AC GR 319.07AC NET
933029	NEWMAN'S, G.O UND 1/2 INT SEC 7 SW1/4-SW1/4 EXC 13.715 AC LGE 3 13.715 AC NET
933029	NEWMAN'S, G.O SEC 7 SW1/4-SW1/4 EXC 16.715AC LGE 3 10.715AC NET
933029	NEWMAN'S, G.O SEC 7 1 AC -SW 1/4 SW 1/4 LGE 3 1 AC NET

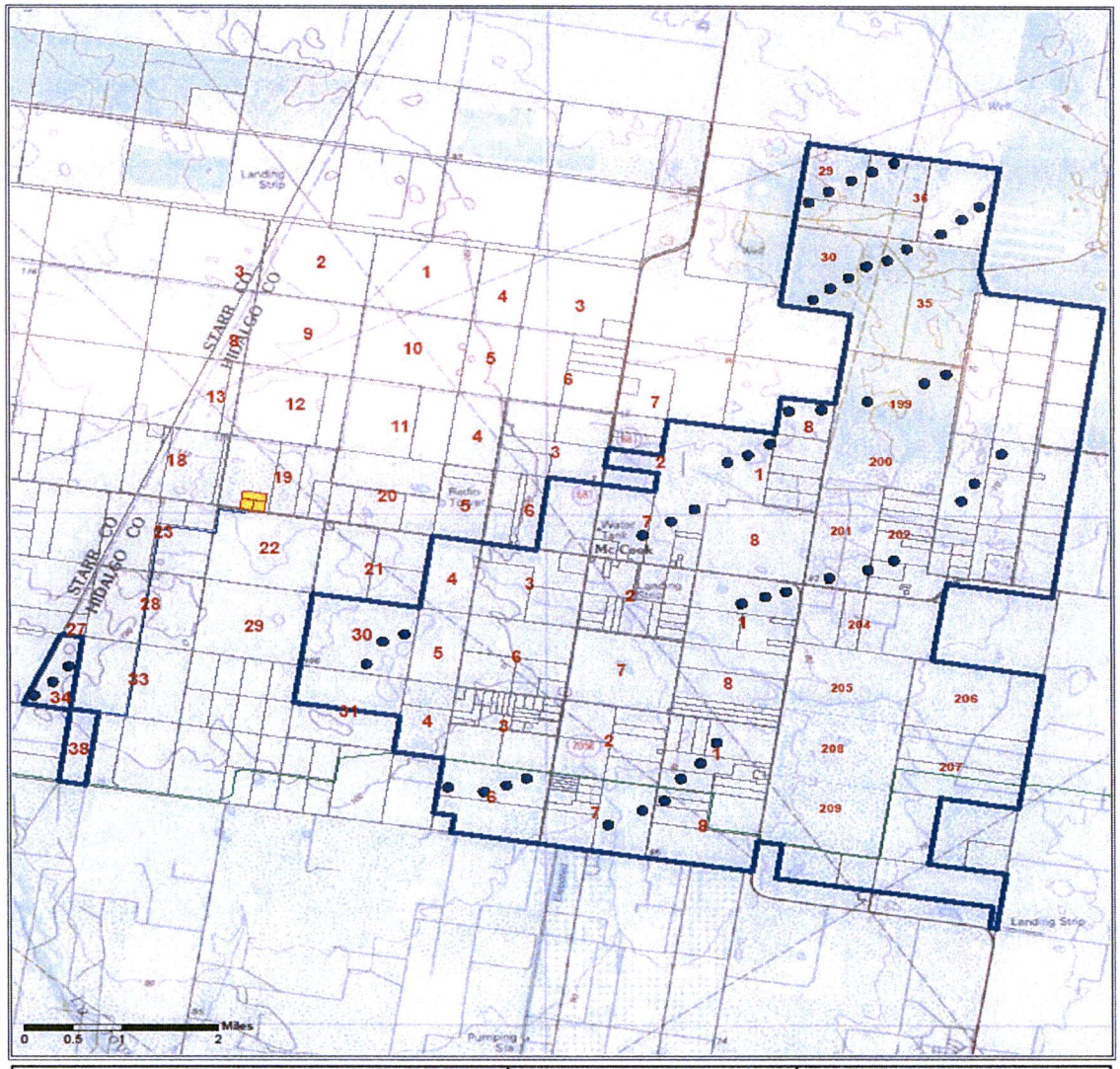
933029	NEWMAN'S, G.O 0.50AC FOR IMPS-SW 1.50AC SEC 7 LGE 3 0.50AC NET
933029	NEWMAN'S, G.O 1AC FOR HS-SW 1.50AC SEC 7 LGE 3 1.0AC NET
597038	NEWMAN'S, G.O SEC 7 LGE 3 W700'-N250.58'-S565.53'&W189'-N14'-S446' 3.00AC

EXHIBIT
C

Hidalgo County

Project Property

Map depicting land parcels and project infrastructure



- Turbines (052)
- HDL_100MW_ExpBoundary (10/2015)
- Project Interconnection Line
- ETT Laredo - North Edinburg 345 kV
- Project Substation Facility
- Landowner Parcels

edp renewables

Exhibit D

Schedule of Building, Improvements, and Eligible Personal Property for the New Facility

- Approximately 50 Vestas V110 2.0 MW turbines and supporting towers;
- Approximately 50 reinforced concrete foundations supporting the turbines and turbine towers;
- Underground and overhead electrical collections system for transporting electricity from turbines to the project substation;
- 345 kV transmission line to the interconnect switchyard;

Exhibit E

FIRST AGREEMENT

(Phase I)

Exhibit B

The Land

Account ID	Legal Description
1048774	NEWMAN'S, G.O SEC 2 - SW 1-4TH & SEC 6 - N1/2 LGE. 1, 480 ACS
988006	NEWMAN'S, G.O N1/2 SEC 1 LGE 2 320AC NET
1048774	NEWMAN'S, G.O SEC1-W1/2,SEC2-E1/2 & N1/2-SW 1/4,SEC7-E80AC-NE1/4 & W1/2- E1/2,SEC8-EXC 2AC 1591.68ACNET
1048774	NEWMAN'S, G.O SEC 8 LGE 3-2 AC OUT OF 640ACS 2 AC FOR BLDG
651640	NEWMAN'S, G.O SEC 2 LGE 2 N582.94'-S1171.88'-W1486.85' 20AC
608699	NEWMAN'S, G.O S117.22'-W113.60' & S50'-E5833.40' SEC 2 LGE 2 7.01AC NET
449293	NEWMAN'S, G.O E10/NW1/4 SEC 2 LEG. 2
562998	NEWMAN'S, G.O SE 1/4-SEC 3 LGE 1 EXC NE 1.50AC FOR IMP 158.50AC
650329	NEWMAN'S, G.O SEC 2 LGE 2 A/K/A TR 1&2 N1171.88'-S2343.76'-W1488.85' 40.0AC GR 38.92AC NET
975117	NEWMAN'S, G.O N526.25'-W2973.5' EXC S501.25'-W1630' SEC 7 LGE1 AKA TR 10 17.16AC GR 17.14AC NET
588601	NEWMAN'S, G.O SEC. 3 - SW1-4TH - 160. AC LGE. 160.00 ACS NET
265496	NEWMAN'S, G.O E10AC-NW40AC SEC 2 LGE 2 10AC
282800	NEWMAN'S, G.O SEC 7 640AC EXC 1.24AC H/S LGE 2 637.5AC
282800	NEWMAN'S, G.O SEC 7 1.24AC-640AC TR LGE 2 1.24AC NET
1003373	NEWMAN'S, G.O N1562.5' SEC 8 LGE 2 213.32AC GR 212.61AC NET A/K/A TR-1
1003373	NEWMAN'S, G.O S1953.11'-N3515.61' SEC 8 LGE 2 266.65AC GR 265.76AC NET A/K/A TR-2
350610	NEWMAN'S, G.O S390.63' SEC 8 LGE 2 53.33AC GR 50.43AC NET A/K/A TR-5
1031719	NEWMAN'S, G.O N210'-S2340.05'-E311.15'-SE 1/4-SEC 3 LGE 1 FOR IMPS
1044409	NEWMAN'S, G.O SEC 1-SE1/4 LGE 2 EXC S330'-N4151.45' & EXC N319.41'-S2293.75'-E1400' 139.73 AC
414161	NEWMAN'S, G.O S830'-W226.31'-E1124.75' EXC 1AC FOR IMPS & N308.2'-E1486.75' SEC 7 LGE 3 A/K/A TRS 1 & 2 13.832AC GR 13.406AC NET
946802	VALLEY FARMS N300'-W800' LOT 68 5.51 AC GR 5.37 AC NET
470641	VALLEY FARMS LOT 32 & 49 - 200. AC.
327178	NEWMAN'S, G.O S558.93'-N1611.43'-W2973.5' EXC S538.93'-W1630' SEC 7 LGE1 AKA TR 12 18.17AC GR 18.15AC NE
327178	NEWMAN'S, G.O S526.25'-N1052.5'-W2973' EXC N501.25'-W1630' SEC 7 LGE 1 AKA TR 11 17.16AC GR 17.14AC NET
938252	NEWMAN'S, G.O S208.715'-W200'-E828'-W1/2 SEC 7 LGE 3 0.96AC GR 0.87AC NET
409679	NEWMAN'S, G.O E379.70'-W2331.19'-N2294.44'-S2344.44' SEC 2 LGE 2 20.00AC
1054167	NEWMAN'S, G.O N436'-E1056.65' NE 1/4 LGE 1 SEC 3 AKA TR 5 10.58AC GR 9.65AC NE
1011670	TEX-MEX SURVEY W3475.2'- N3482' - SEC 29 T.C.R.R. 277.70 AC NET

Exhibit B

The Land

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1048774	NEWMAN'S, G.O SEC 2 - SW 1-4TH & SEC 6 - N1/2 LGE. 1, 480 ACS
988006	NEWMAN'S, G.O N1/2 SEC 1 LGE 2 320AC NET
1048774	NEWMAN'S, G.O SEC1-W1/2,SEC2-E1/2 & N1/2-SW 1/4,SEC7-E80AC-NE1/4 & W1/2- E1/2,SEC8-EXC 2AC 1591.68ACNET
1048774	NEWMAN'S, G.O SEC 8 LGE 3-2 AC OUT OF 640ACS 2 AC FOR BLDG
651640	NEWMAN'S, G.O SEC 2 LGE 2 N582.94'-S1171.88'-W1486.85' 20AC
608699	NEWMAN'S, G.O S117.22'-W113.60' & S50'-E5833.40' SEC 2 LGE 2 7.01AC NET
449293	NEWMAN'S, G.O E10/NW1/4 SEC 2 LEG. 2
562998	NEWMAN'S, G.O SE 1/4-SEC 3 LGE 1 EXC NE 1.50AC FOR IMP 158.50AC
650329	NEWMAN'S, G.O SEC 2 LGE 2 A/K/A TR 1&2 N1171.88'-S2343.76'-W1488.85' 40.0AC GR 38.92AC NET
975117	NEWMAN'S, G.O N526.25'-W2973.5' EXC S501.25'-W1630' SEC 7 LGE1 AKA TR 10 17.16AC GR 17.14AC NET
588601	NEWMAN'S, G.O SEC. 3 - SW1-4TH - 160. AC LGE. 160.00 ACS NET
265496	NEWMAN'S, G.O E10AC-NW40AC SEC 2 LGE 2 10AC
282800	NEWMAN'S, G.O SEC 7 640AC EXC 1.24AC H/S LGE 2 637.5AC
282800	NEWMAN'S, G.O SEC 7 1.24AC-640AC TR LGE 2 1.24AC NET
1003373	NEWMAN'S, G.O N1562.5' SEC 8 LGE 2 213.32AC GR 212.61AC NET A/K/A TR-1
1003373	NEWMAN'S, G.O S1953.11'-N3515.61' SEC 8 LGE 2 266.65AC GR 265.76AC NET A/K/A TR-2
350610	NEWMAN'S, G.O S390.63' SEC 8 LGE 2 53.33AC GR 50.43AC NET A/K/A TR-5
1031719	NEWMAN'S, G.O N210'-S2340.05'-E311.15'-SE 1/4-SEC 3 LGE 1 FOR IMPS
1044409	NEWMAN'S, G.O SEC 1-SE1/4 LGE 2 EXC S330'-N4151.45' & EXC N319.41'-S2293.75'-E1400' 139.73 AC
414161	NEWMAN'S, G.O S830'-W226.31'-E1124.75' EXC 1AC FOR IMPS & N308.2'-E1486.75' SEC 7 LGE 3 A/K/A TRS 1 & 2 13.832AC GR 13.406AC NET
946802	VALLEY FARMS N300'-W800' LOT 68 5.51 AC GR 5.37 AC NET
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938252	NEWMAN'S, G.O S208.715'-W200'-E828'-W1/2 SEC 7 LGE 3 0.96AC GR 0.87AC NET
409679	NEWMAN'S, G.O E379.70'-W2331.19'-N2294.44'-S2344.44' SEC 2 LGE 2 20.00AC
1054167	NEWMAN'S, G.O N436'-E1056.65' NE 1/4 LGE 1 SEC 3 AKA TR 5 10.58AC GR 9.65AC NE
1011670	TEX-MEX SURVEY W3475.2'- N3482' - SEC 29 T.C.R.R. 277.70 AC NET

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449293	NEWMAN'S, G.O E10/NW1/4 SEC 2 LEG. 2
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650329	NEWMAN'S, G.O SEC 2 LGE 2 A/K/A TR 1&2 N1171.88'-S2343.76'-W1488.85' 40.0AC GR 38.92AC NET
975117	NEWMAN'S, G.O N526.25'-W2973.5' EXC S501.25'-W1630' SEC 7 LGE1 AKA TR 10 17.16AC GR 17.14AC NET
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938252	NEWMAN'S, G.O S208.715'-W200'-E828'-W1/2 SEC 7 LGE 3 0.96AC GR 0.87AC NET
409679	NEWMAN'S, G.O E379.70'-W2331.19'-N2294.44'-S2344.44' SEC 2 LGE 2 20.00AC
1054167	NEWMAN'S, G.O N436'-E1056.65' NE 1/4 LGE 1 SEC 3 AKA TR 5 10.58AC GR 9.65AC NE
1011670	TEX-MEX SURVEY W3475.2'- N3482' - SEC 29 T.C.R.R. 277.70 AC NET

pendency of such appeal, during the term hereof. The County is not requiring Company to produce tax certificates with respect to real property owned by other parties.

ARTICLE II

IMPROVEMENTS; JOBS

2.01 (a) Company agrees to construct or cause to be constructed an Eligible Facility (as defined in the Guidelines and Criteria) on the Land, and to acquire, construct, or cause to be constructed real property improvements, machinery, and equipment necessary to operate the Facility.

(b) The cost of the real and personal property improvements Company proposes to make on the Land and that are eligible for abatement in accordance with the Guidelines and Criteria (which real and personal property is described in the definition of the Facility in Exhibit D hereto), including architectural and related fees, shall be approximately One Hundred Fifty Million Dollars ($150,000,000), at least One Hundred Million Dollars ($100,000,000) of which is expected to be listed on Hidalgo County Appraisal District's tax rolls. For the avoidance of doubt, Company agrees that, at a minimum, Capital Costs (as that term is defined in the Guidelines and Criteria) of the Facility will exceed Twenty Five Million Dollars ($25,000,000) and therefore qualifies as an Extraordinary Impact project (as such term is defined in the Guidelines and Criteria). The approximate location of the Facility is reflected on a preliminary site plan attached hereto as Exhibit "C" and made a part hereof for all purposes. Company reserves the right to revise the attached preliminary site plan as Company deems necessary and appropriate.

(c) Company represents and warrants that the Facility is expected to create three (3) new Jobs (as defined in Section II.R. of the Guidelines and Criteria). Company currently offers, and agrees to maintain during the Abatement Period, a competitive compensation and benefits package with respect to all jobs at the Facility, in accordance with wind energy industry practices.

2.02 Company shall submit, which may be through use of an agent, reports to County in accordance with Section IX.B. of the Guidelines and Criteria.

2.03 Company covenants and agrees that the Facility shall be a renewable energy facility. Attached hereto as **Exhibit "D"** is a schedule of improvements, equipment, machinery, and eligible personal property that Company will construct or purchase and install to develop the Facility, subject to improvements to facilitate power storage, and such non-substantive changes as Company may determine in its sole discretion are necessary during the course of construction of the Facility on the Land. Company agrees to continuously operate the Facility on the Land during the Abatement Period; provided, however, that failure to operate continuously due to a contingency, cause, action, or event described in Sections 5.02 (1), (4), (5), or 5.06 shall not constitute a breach of this Agreement except as may be provided in those provisions.

2.04 Company covenants and agrees to begin constructing the Facility in the Zone on or before October 15, 2016.

MW

2.05 Company represents that the economic life of the Facility and eligible property will exceed ten years. Based on such representation and evidence submitted by Company to the County, the County determines in accordance with the Guidelines and Criteria that the economic life of the Facility and eligible property exceeds ten years.

ARTICLE III

PROPERTY SUBJECT TO TAX ABATEMENT

RATE OF TAX ABATEMENT

TERM OF TAX ABATEMENT AND RELATED PROVISIONS

3.01 Subject to the terms of this Agreement, County shall abate Company's County ad valorem taxes in each year of the Abatement Period in an amount equal to the Tax Abatement Percentage (as defined below) multiplied by the Facility's newly created value determined in accordance with the Guidelines and Criteria, but only to the extent that such newly created value is reflected on County's tax rolls in each such year.

3.02 The applicable Tax Abatement Percentage under this Agreement shall be in accordance with the Guidelines and Criteria and shall be fixed by the parties through an addendum to this Agreement after evidence of the Capital Cost of the improvements constructed or installed by Company for the Facility is certified by Company and approved by County. Based on the projected amount to be invested in the Project, the Company and County anticipate that the applicable Tax Abatement Percentage pursuant to the Guidelines and Criteria in each year of the Abatement Period will be the maximum Tax Abatement Percentage (eighty percent (80%)) of the newly created value. In the event the initial Capital Cost qualifies the Facility for less than the maximum Tax Abatement Percentage, additional investments constituting Capital Costs that are made in accordance with this Agreement may be added to the initial Capital Cost, and such revised Capital Cost shall be used to determine the applicable Tax Abatement Percentage for the remainder of the Abatement Period commencing with the first ad valorem tax year commencing after such revised Capital Cost is certified by Company and approved by County. Any such increase in the Tax Abatement Percentage shall be fixed by the parties through an additional addendum to this Agreement after evidence of the additional Capital Cost of the additional improvements constructed or installed by Company for the Facility is certified by Company and approved by County.

3.03 The abatement of ad valorem taxes shall be for a period (the "**Abatement Period**") that shall

(a) commence on the commencement of the first ad valorem tax year after each of the following events have occurred:

(i) construction of the Facility has been completed,

(ii) Company has provided documentation confirming the Capital Cost of the Project and the number of Jobs created;

(iii) the Capital Cost or Jobs created meets or exceeds the minimum amount required by the Guidelines and Criteria for granting tax abatements; and

(iv) the newly created value may be ascertained from the tax rolls of the Hidalgo County Appraisal District, and

(b) end on the earlier of:

(i) ten (10) years following such commencement,

(ii) December 31, 2030,

(iii) the occurrence of any event which would terminate this Agreement by operation of law,

(iv) Company's breach of any provision of this Agreement, which breach is not cured within the Cure Period, (as defined below), or

(v) Company's failure to comply with any provision of the Guidelines and Criteria as discussed in Article V of this Agreement.

3.04 The percent of increase in newly created value (as reflected in the tax rolls of the Hidalgo County Appraisal District) to be abated (the "**Tax Abatement Percentage**") is the greater of the abatement percentage determined by the Capital Cost involved in the Project, or the abatement percentage determined by the number of full-time jobs created, as set forth in the following table:

Percent of Increase in Newly Created Value To be Abated	Capital Cost of the Project	Number of Jobs Created
0%	Less than $1,500,001	0-25
25%	$1,500,001 up to and including $5,000,000	26-50
50%	Over $5,000,000 up to and including $10,000,000	51-100
80%	Over $10,000,000	101 or more

The estimated value of the abatement (as such term is defined below), based on the Company's good faith estimate of how the Hidalgo County Appraisal District will value the eligible improvements, is Four Million Six Hundred Eighty Two Thousand Two Hundred Forty Dollars ($4,682,240.00). "**Estimated value of the abatement**" means the additional property taxes that would be due to the County from the Company but for the tax abatement granted in this Agreement.

3.05 This Agreement does not change any right of Company to protest or contest, in accordance with applicable law, any and all appraisals of, or assessments of taxes on, the Facility, and the tax abatement provided for herein for such Facility shall be applied to the amount of taxes finally determined as a result of such protest or contest, to be due for such property.

ARTICLE IV

FILING OF PLANS, CERTIFICATION OF COSTS, COUNTY ACCESS TO PREMISES AND USE OF PREMISES AND IMPROVEMENTS

4.01 Company shall file construction plans for the Facility with County by June 1, 2016. The construction plans as filed shall be deemed to be incorporated herein by reference and made a part hereof for all purposes, and the Facility shall be completed in substantial conformity to said plans. Company may elect to amend or modify the construction plans, provided the amendments or modifications comply with all applicable codes, rules and ordinances, and are not otherwise contrary to this Agreement.

4.02 Upon completion of the Facility, Company shall file (i) "as built" construction plans with County, which plans shall detail improvements (which shall be certified by the architect if Company uses an architect) on the Land, including purchases of personal property and related expenditures made to construct the Facility, (ii) the manufacturer's certificate of completion with respect to the manufacture of the wind turbines installed at the Facility and (iii) the general contractor's certification as to the completion of construction of the Facility (including the detail specified above). At the time of filing the as built construction plans, Company shall also provide County with reports as required by Section IX.B. of the Guidelines and Criteria. On or before January 31, of each year of the Abatement Period (and the year immediately following the end thereof), Company shall provide County with reports supporting job creation as of December 31 of each year of the Abatement Period, as required by Section IX.B. of the Guidelines and Criteria. On an annual basis, Company shall also provide County a detailed list of Company's eligible personal property at the Facility and the estimated value of each item.

4.04 Company agrees to supply audited reports to the County and the Hidalgo County Appraisal District to establish the construction cost of improvements constructed pursuant to this Agreement and/or the jobs created.

4.05 Company represents that it anticipates that appropriate personnel to escort County personnel will not always be available onsite to allow safe access to the Facility for inspections. In order to facilitate inspections, Company agrees to provide County employees and/or designated representatives of the County escorted access to the Facility during the term of this Agreement, including the Abatement Period, with at least two (2) business days' advanced notice, to inspect the Facility and the Land to determine if Company is in compliance with the terms and conditions of the Agreement. Upon completion of construction, County has the right to annually evaluate the Facility to ensure compliance with the Agreement. Company shall provide County with an escort for all such inspections.

ARTICLE V

MW

BREACH

5.01 In the event Company fails to commence constructing the Facility in the Zone on or before October 15, 2016, this Agreement shall terminate effective as of the original date of this Agreement and County shall be entitled to recapture and collect payment of all ad valorem taxes abated under this Agreement by any and all means allowed by law, and as provided herein.

5.02 In the event the Facility is completed and begins operation, and Company:

1. voluntarily ceases to operate the Facility for a continuous period of eighteen (18) months;

2. allows ad valorem taxes owed to County to become delinquent;

3. relocates the Facility or the job creating activity outside the Zone;

4. breaches or fails to comply with any material term, condition, or representation contained in this Agreement; or

5. uses or allows the use of the Facility for any purpose not related to the generation, storage and/or transmission of renewable energy for a period greater than 180 days in any calendar year of the Abatement Period,

County may elect to terminate this Agreement and recapture abated taxes in accordance with Section 5.05 of this Agreement and the Guidelines and Criteria, unless such breach is cured within the Cure Period, as defined in Section 5.03. Company shall pay recaptured taxes to County within sixty (60) days from the date the Agreement terminates.

5.03 Should County determine that Company has breached this Agreement or the Guidelines and Criteria, County shall notify Company in writing via certified or registered mail to the following address:

Leslie Frieman
General Counsel
Hidalgo Wind Farm, LLC
808 Travis Street, Suite 700
Houston, Texas 77002
Email: legalnotices@edpr.com

with a courtesy copy to:

Renn Neilson
Baker Botts L.L.P.
910 Louisiana Street
Houston, Texas 77002

or to such other address, or to the attention of such person, as Company may, from time to time, designate in writing. If such breach is not cured within sixty (60) days from the date of such

notice (the "**Cure Period**"), then this Agreement may be terminated by order of the Commissioners Court.

5.04 If Company and County disagree as to whether a breach has occurred or been timely cured, venue for an action to determine Company's and County's rights will lie in Hidalgo County, Texas. The period for Company to cure any breach of this Agreement shall be tolled from the filing of any official action to resolve questions arising from an attempt at cure to the final resolution of any such action.

5.05 If County terminates this Agreement, County shall have the right to recapture a percentage of the total taxes previously abated in accordance with the recapture schedule in Section VIII of the Guidelines and Criteria.

5.06 Notwithstanding any other provision of this Agreement, County may not terminate this Agreement if Company's breach is caused by force majeure and Company cures such breach within ninety (90) days following the end of the force majeure event. Force majeure means any contingency or cause beyond Company's control, including, without limitation, acts of God or public enemy, war, sabotage, vandalism, riot, civil commotion, insurrection, governmental acts, fires, storms, explosions, floods, tornadoes, strikes, and broad-based extraordinary economic events.

ARTICLE VI

SALE, ASSIGNMENT OR LEASE OF PROPERTY

6.01 It is contemplated by the parties hereto that the Company's purpose for making the improvements set forth in Article II is for the creation and operation of a renewable energy generation project.

6.02 In accordance with Section IX.C. of the Guidelines and Criteria, Company shall not have the right, without the written consent of County, to assign all or part of its interest in the Land, the Project, or this Agreement and maintain the tax abatement hereunder. Such consent shall not be unreasonably withheld. It shall be deemed reasonable for County to withhold consent with respect to any party that is delinquent in the payment of any taxes to County. Notwithstanding the foregoing, Company shall have the right without the consent of the County to collaterally assign its interest in the Land, Project, or this Agreement in connection with any financing of the Project; provided (i) such assignee is not delinquent in the payment of any taxes to the County, (ii) the County is given prompt notice of such assignment and (iii) Company remains liable under this Agreement.

ARTICLE VII

COMMISSIONERS COURT AUTHORIZATION

7.01 This Agreement was authorized by order of the Commissioners Court dated the 22nd day of December, 2014, authorizing the County Judge to execute this Agreement on behalf of the County.

ARTICLE VIII

SEVERABILITY

8.01 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, and word. In such event there shall be substituted for such deleted provision as similar in terms and in effect to such deleted provision as may be valid, legal, and enforceable.

ARTICLE IX

APPLICABLE LAW

9.01 This Agreement shall be construed under the laws of the State of Texas and is performable in Hidalgo County, Texas. Venue for any action related to this Agreement shall be in Hidalgo County, Texas.

ARTICLE X

COUNTERPART EXECUTION

10.01 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement.

[SIGNATURE PAGE FOLLOWS]

EXECUTED and made effective as of this the 22nd day of December, 2014.

HIDALGO COUNTY, TEXAS

ATTEST:

Arturo Guajardo, Jr.
County Clerk

By: Ramon Garcia
Name: Ramon Garcia
Title: Hidalgo County Judge

HIDALGO WIND FARM LLC

By: _____
Name: Steve Irvin
Title: Executive Vice President – Central Region

AMSH LE 4/14/14

Exhibit A

TAX ABATEMENT GUIDELINES AND CRITERIA

ORDER ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN HIDALGO COUNTY, TEXAS

WHEREAS, the Commissioners Court of Hidalgo County, Texas, adopted Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, effective June 26, 2012, to allow Hidalgo County, on a case-by-case basis, to give consideration to providing tax abatement as a stimulation for economic development in Hidalgo County pursuant to chapter 312 of the Texas Tax Code, which guidelines and criteria have now expired.

WHEREAS, the Commissioners Court of Hidalgo County having considered Hidalgo County's tax abatement program, determined at the December 16, 2014, Commissioners Court meeting to adopt new guidelines and criteria for granting tax abatements in order to better provide for the stimulation of economic development in Hidalgo County and now desires to formalize the order regarding such adoption.

NOW, THEREFORE IT IS HEREBY ORDERED that the Commissioners Court of Hidalgo County, Texas, hereby adopts the Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, attached as Exhibit A.

PASSED, APPROVED, ADOPTED AND ORDERED this the 22nd day of December, 2014, by the Commissioners Court of Hidalgo County, Texas.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE HIDALGO COUNTY COMMISSIONERS COURT

Ramon Garcia
RAMON GARCIA
County Judge

A.C. Cuellar, Jr.
County Commissioner, Pct. 1

HECTOR "TITO" PALACIOS
County Commissioner, Pct. 2

JOE M. FLORES
County Commissioner, Pct.3

Joseph Palacios
JOSEPH PALACIOS
County Commissioner, Pct. 4

Attested to:
ARTURO GUAJARDO, JR.
County Clerk

APPROVED AS TO FORM:
ATLAS, HALL AND RODRIGUZ L.L.P.

By: _____
STEPHEN L. CRAIN

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN HIDALGO COUNTY, TEXAS

Effective December 22, 2014

I. General Purpose and Objectives

The County is committed to the promotion of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Certain types of investment result in the creation of new jobs, new income and provide for positive economic growth which is beneficial to the County as a whole. The County will, on a case-by-case basis, give consideration to providing tax abatement as a stimulation for economic development in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines and criteria outlined in this document. The County is not obligated to grant tax abatement to any applicant and nothing herein will imply or suggest that the County is under any obligation to provide tax abatement to any applicant or with respect to any project. All applicants will be considered on a case-by-case basis, and the decision to approve or deny tax abatement to any particular applicant will be at the discretion of the Commissioners Court of the County. As provided in section 312.002(d) of the Texas Tax Code, adoption of these guidelines and criteria does not (1) limit the discretion of the Commissioners Court to decide whether to enter into a specific tax abatement agreement, (2) limit the discretion of the Commissioners Court to delegate to its employees the authority to determine whether the Commissioners Court should consider a particular application for tax abatement or (3) create any property, contract or other legal right in any person to have the County consider or grant a specific application or request for tax abatement. Tax abatement agreements are made with the owners or lessees of real property to exempt from taxation a portion of the value of the real property or of tangible personal property, or both. The duration of an agreement may be for a period of time determined appropriate by the Commissioners Court of the County, based on the productive life of the improvements and consistent with the provisions of these Guidelines and Criteria, but, in accordance with state law, in no case will the term of the tax abatement extend for more than ten (10) years. Special terms and conditions may be set in the agreement governing each specific tax abatement.

II. Definitions

A."Abatement" means the full or partial exemption from ad valorem taxes of eligible properties in a reinvestment zone designated as such for economic development purposes.

B."Agreement" means a contractual agreement for the purpose of Abatement during a Tax Abatement Period between (i) an Owner and/or a Lessee of eligible property and (ii) a taxing authority.

C."Applicant" means the Owner and/or Lessee who submits an Application to the County in accordance with these Guidelines and Criteria.

D."Application" means the written application and all related materials submitted to the County by the Applicant to request an Abatement hereunder.

E. "Base Year Value" means the taxable value of the Applicant's real and Personal Property of a type eligible for Abatement (which excludes inventory and supplies) located in a designated reinvestment zone on January 1 of the year of the execution of the Agreement.

F. "Capital Cost" means the amount expended by the Owner or Lessee, as the case may be, on or after the date of the applicable Agreement on eligible Improvements to Real Property or acquisition of eligible Personal Property needed to commence a Project or operations. Capital Cost expressly excludes amounts expended by the County or other governmental entities and any amounts expended with respect to ineligible property.

G."Commissioners Court" means the elected governing body of the County.

H. "County" means the County of Hidalgo, a political subdivision of the State of Texas.

I. "Economic Life" means the number of years a property qualifies for depreciation under the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System, which may be extended in the discretion of the County, upon evidence presented by the Applicant as to the expected Productive Life of the property.

J. "Eligible Education Facility" means new, expanded or modernized buildings and structures, including fixed machinery and equipment, which, when constructed or completed, will be leased to a public school district, community college district, or state-supported institution of higher education, for the entire term of the proposed Abatement, and which will contribute to the economic development of the County.

K."Eligible Facility" means a new, expanded or modernized building, structure or related buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting Abatement to contribute to the retention or expansion of Primary Employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of the County, but does not include a Facility, other than a utility, which is intended primarily to provide goods or services to residents or existing businesses located in the County such as, but not limited to, a restaurant or a retail sales establishment.

L."Expansion" means the addition of buildings, structures, fixed machinery, and/or equipment for the purpose of increasing production capacity or revenues.

M."Extraordinary Impact" means a Project where the Capital Cost is at least equal to $25,000,000.00 or which creates at least 500 Jobs.

N."Facility" means property Improvements, including eligible Personal Property, completed or in the process of construction which together comprise an integral whole.

O."Guidelines and Criteria" mean these guidelines and criteria for granting Abatement in the County.

P."Improvement" means a building, structure, fixture, or fence erected on or affixed to land, or a transportable structure designed to be occupied for residential or business purposes, whether or not it is affixed to land, if the owner of the structure owns or leases the land on which it is located, unless the structure is unoccupied and held for sale or normally is located at a particular place only temporarily.

Q. "Initial Period" has the meaning set forth in Section III(G)(1)b below.

R."Job" means a permanent, full-time employment position, hired directly or contracted through another entity, that has provided or will result in employment of at least 1,820 hours in the position in a year. Any position providing less than the specified number of hours a year, regardless of the employer's designation of such position, does not qualify as a "Job" for purposes of these Guidelines and Criteria.

S. "Lessee" means the tenant who is occupying and operating or will occupy and operate an Eligible Facility under a legally binding lease agreement with a Lessor. A lessee of Real Property on which the Eligible Facility exists or is constructed may also own the Facility.

T."Lessor" means the owner of an Eligible Facility or of the Real Property on which an Eligible Facility is located that has a binding lease with a Lessee who will occupy and operate the Facility.

U."Modernization" means the replacement and upgrading of existing Facilities which increase the productive input or output, updates the technology, or substantially lowers the unit costs of operation, and extends the economic life of the Facility. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery, or equipment. It will not be for the purpose of renovation, reconditioning, refurbishing, repairing, or completion of deferred maintenance, except in reinvestment zones established based on conditions of economic impairment.

V."New Facility" means a Facility on Real Property previously undeveloped, which is placed into service by means other than Expansion or Modernization.

W. "Newly Created Value" means the difference between the Taxable Property Value in the base year and the Taxable Property Value at the time the value is being newly calculated.

X. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.

Y. "Personal Property" means property that is not Real Property, and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.

Z. "Primary Employment" means retention or creation of new Jobs for residents of the County as a result of new, expanded or modernized building Projects.

AA. "Prior Application" has the meaning set forth in Section IV(A)(12)(a)(i) below.

BB. "Productive Life" means the number of years a property Improvements is expected to be in service in a Facility.

CC. "Project" means the proposed planned undertaking consisting of New Facilities and/or Modernization of Existing Facilities for which Abatement is requested.

DD. "Real Property" means land, Improvements, a mine or quarry, minerals in place, standing timber; or an estate, other than a mortgage or deed of trust creating a lien on property or an interest securing payment or performance of an obligation, in a property enumerated above.

EE. "Reinvestment Zone" is (i) an area designated as such for the purpose of Abatement as authorized by the Property Redevelopment and Tax Abatement Act, Sections 312.401 or 312.201 of the Texas Tax Code or (ii) an area designated as an enterprise zone under Chapter 2303 of the Texas Government Code as authorized by the Property Redevelopment and Tax Abatement Act, Section 312.4011 of the Texas Tax Code.

FF."Tax Abatement Period" means the period not exceeding ten years commencing on the January 1st occurring after execution of the Agreement or such later January 1st in accordance with these Guidelines and Criteria as is specified in the Agreement.

GG. "Taxable Property Value" means the value of the Property being valued as determined by deducting from the assessed value of such Property, as recorded by the Hidalgo County Appraisal District, the amount of any applicable exemption as defined by the Texas Property Tax Code.

III. Abatement Authorized

A. Eligible Facilities. Abatement may be granted for New Facilities and for Expansion or Modernization of Existing Facilities. The Economic Life of a Facility and/or eligible property must exceed the duration of the Abatement.

B. Eligible Property. Abatement may be applied to both Real and Personal Property used at an Eligible Facility for business purposes, excluding all ineligible property.

C. Ineligible Property. The following types of property will be fully taxable and ineligible for Abatement: (i) land, (ii) inventory, supplies, tools, furnishings and other forms of moveable Personal Property, (iii) housing, (iv) deferred maintenance, and (v) property to be rented or leased except as provided in subsection E. of this Section III. No reference to property (real or personal) herein shall be deemed to incorporate any ineligible property into any calculation of investment or Abatement.

D. New Value. Abatement may only be granted for the Newly Created Value of eligible property Improvements made subsequent to and specified in an agreement between the County and the Owner and/or Lessee, subject to such limitations as the County may impose.

E. Leased Facilities. If a leased Facility is granted Abatement, the agreement will be executed by the Lessee and, if required by the County, by the Lessor. If the County requires both Lessee and Lessor to be parties to the agreement, the agreement will not be in effect unless both Lessee and Lessor execute the agreement.

F. Eligibility Criteria. In order to be considered for Abatement, eligible Facilities must be located in a reinvestment zone and result in a minimum added value of $1,500,001 in real and business Personal Property or the creation of at least 26 full-time Jobs.

G. Criteria and Value of Abatement. Abatement may be granted for eligible Facilities on all or a portion of the Newly Created Value of eligible property according to the following:

(1) An Owner and/or Lessee, as the case may be, of Real Property where an Eligible Facility is located prior to the inception of the Project subject to an agreement or on which an Eligible Facility will be constructed as part of the Project, must agree to expend a designated sum of money as the Capital Cost of the Project and/or provide a certain number of Jobs in order to qualify for an Abatement and must expend at least the sum agreed to as the Capital Cost of the Project and provide at least the agreed number of Jobs in accordance with the agreement in order to receive such Abatement.

(a) General. Except with respect to Extraordinary Impact Projects in which subsection III.G.(1)(b) below applies, the percent of value to be abated will be determined by the greater percentage for which the Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Project or the number of Jobs created:

Percent of Increase in Property Value to be Abated	**Capital Cost of the Project**	**Number of Jobs Created**
0%	Less than $1,500,001	0 – 25
25%	$1,500,001 up to and including $5,000,000	26 – 50
50%	Over $5,000,000 up to and including $10,000,000	51 – 100
80%	Over $10,000,000	101 or more

(b) Extraordinary Impact Projects. The Owner and/or Lessee may, in lieu of the schedule set forth in subsection (a) above, opt for the following provisions if the Capital Cost is at least equal to $25,000,000.00 or the Project creates at least 500 Jobs:

Percent of Increase in Property Value to be Abated	**During Year of Tax Abatement Period**
100%	Initial Period
90%	First Year after Initial Period
80%	Second Year after Initial Period
70%	Third Year after Initial Period
60%	Fourth Year after Initial Period
50%	Fifth Year after Initial Period
40%	Sixth and subsequent Years after Initial Period

The "Initial Period" is the first one to four years of the Tax Abatement Period, determined as follows: the Initial Period commences on the January 1 following execution of the Agreement (or such later January 1 as may be agreed to in the Agreement, provided such January 1 is not more than 3 years after execution of the Agreement) and ends on the earlier of the fourth December 31 occurring after such January 1 and the December 31 occurring after substantial completion of construction of Improvements. Regardless of the length of the Initial Period, the Tax Abatement Period shall not exceed ten years. The Owner or Lessee (or both if both are parties to the Agreement) must make such election in the Agreement. In the event the parties have opted for this provision but it is later determined that the actual Capital Cost or Jobs do not qualify for this provision, the provisions of subsection (a) above will apply in lieu of the provisions of this subsection (b) and any taxes abated prior to the determination that this provision was inapplicable in excess of the amount that would have been abated pursuant to subsection (a) above shall be immediate recaptured and paid by Owner and/or Lessee.

(2) Only the Newly Created Value will be eligible for Abatement. The applicable percentage set forth in subsection (G)(1) of this Section III (based on whether the Capital Cost of the Project or Job creation results in a higher percentage and whether, if applicable, the Extraordinary Impact provision was opted for in the Agreement) is applicable only to the Newly Created Value of Real Property at the Eligible Facility and of Personal Property owned by the Owner or the Lessee at the Eligible Facility as determined by the Hidalgo County Appraisal District and these Guidelines and Criteria.

(3) The length of the Tax Abatement Period shall not exceed ten (10) years. The Tax Abatement Period shall start on a January 1 not later than the later of (i) the third January 1 occurring after the successful completion of the development, redevelopment or Improvements of the Project as specified in the Agreement or (ii) the fourth January 1 occurring after execution of the Agreement. The Abatement of the Real and Personal Property during the Tax Abatement Period shall only be received to the extent its Taxable Property Value for that year exceeds its Taxable Property Value for the year in which the Agreement is executed, such that only Newly Created Value will be abated.

(4) As an additional incentive to create and sustain Jobs, any Abatement based upon Job creation will be subject to increases or decreases in subsequent tax years based on the level of Jobs added or lost. For example, a Project that initially creates thirty (30) Jobs is eligible for a 25% Abatement. In

the second year of the Tax Abatement Period, if twenty-one (21) additional Jobs are added, the Abatement will then increase to 50% (although such increased Abatement shall not apply retroactively), and so on as Jobs are created during the Tax Abatement Period. Conversely, if Jobs are reduced, the percent of Abatement will also be reduced.

(5) With respect to any Abatement based upon Capital Cost, the percent of value to be abated may qualify for increases in subsequent tax years based upon additional capital Improvements. For example, a Project that initially has a Capital Cost of $2,500,000.00, is eligible for 25% Abatement. In the second year of the Tax Abatement Period, if additional qualifying capital Improvements are made in the total amount of $3,000,000, the Abatement may then increase to 50% upon Commissioners' Court approval (although such increased Abatement shall not apply retroactively).

(6) Improvements, Expansions or Modernizations must not be expected to solely or primarily have the effect of transferring employment from one part of the County to another part of the County.

(7) The Project must be expected to prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the County

H. Standards of Tax Abatement. The following factors, among others, will be considered in determining whether to grant Abatement and, if so, the percentage of value to be abated and duration of Abatement.

(1) value of land and existing Improvements, if any;

(2) type and value of proposed Improvements;

(3) Productive Life of proposed Improvements;

(4) number of existing Jobs to be retained by proposed Improvements;

(5) number and type of new Jobs to be created by proposed Improvements;

(6) whether the new Jobs to be created will be filled by persons residing within the County;

(7) amount property tax base valuation will be increased during term of Abatement, which will include a definitive commitment that (i) such increase in valuation will not in any case be less than $1,500,001, or (ii) no less than 26 Jobs will be created;

(8) the costs to be incurred by the County to provide facilities or services directly resulting from the new Improvements;

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

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

(11) whether the proposed Improvements compete with existing businesses to the detriment of the local economy;

(12) the impact on the business opportunities of existing businesses;

(13) the attraction of new businesses to the area;

(14) whether the Project is environmentally compatible with no adverse impact on quality of life, including whether the Project or portions thereof will meet U.S. Green Building Council Leadership in Energy and Environmental Design Program (LEED) Standards/Certification; and

(15) whether the Real Property is in an improvement project financed by tax increment bonds.

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

I. In addition to other Abatements authorized hereunder, Abatement may be granted for an Eligible Education Facility as provided in this subsection I. The provisions of subsections III. G.(1), G.(2) (excluding the first sentence), G.(4), G.(5), and H.(7), of these Guidelines and Criteria will not apply to Abatements for Eligible Education Facilities. The term of the Abatement for an Eligible Education Facility will be established by the Commissioners Court at the time the Abatement is granted, but in no event will exceed the maximum term permitted under the Texas Tax Code.

IV. Procedural Guidelines

A. Preliminary Application Steps: Any person, organization, corporation or other entity meeting the Abatement guidelines may request Abatement by contacting the County Judge's Office Economic Development Division and filing a written Application with the County in conformance with the following procedural guidelines. Consideration will be

given to written requests from Applicants for the confidentiality of proprietary information, consistent with state law, including without limitation Section 312.003 of the Texas Tax Code and Section 552 of the Texas Government Code.

(1) An Application form approved by the County and in the form attached to these Guidelines and Criteria must be completed and submitted to the appropriate office or any other office or official designated by the County, with all of the information and documents specified therein and herein, prior to commencement of construction, alterations, or installation of Improvements related to a proposed Modernization, Expansion or new Facility by the Applicant. Commencement of construction is considered to have taken place when any one of the following has occurred:

(a) If more than ninety days has passed since an Abatement Agreement with the municipality has been executed (if applicable);

(b) If a building permit has been issued for construction not associated with mitigating an environmental hazard;

(c) If the Project's site has been cleared and prepared for development;

(d) If construction (including renovations or tenant finish-out) has begun;

(e) If site specific infrastructure has begun to be installed; or

(f) If equipment, inventory, or employees have been relocated to the new site.

A complete Application, with all of the information and documentation specified therein and herein, must be submitted to the appropriate office or any other office or official designated by the County no later than October 1, in order to have an Agreement considered and executed in the same year that the Application is submitted to the County.

(2) The Application will require such financial and other information as may be deemed appropriate for evaluating the financial capacity of the Applicant. This may include an economic feasibility study including a detailed list of estimated Improvements costs, a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, and historical financial statements and statements of revenues, expenses, net income and cash

flow for the first five years of the Project, which have been audited, reviewed or compiled by a certified public accountant.

(3) Applicant will prepare a descriptive list of the eligible Improvements for which Abatement is requested. This will include the class life of the Improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System and, if applicable, any documentation supporting a longer Economic Life of such Improvements.

(4) Applicant will prepare a plat or map showing the precise location of the property, location of proposed Improvements, all roadways within five hundred feet (500') of the site, and all existing land uses and zoning within five hundred feet (500') of the site. The correct legal description of the Real Property must be provided.

(5) Applicant will address all criteria outlined in Section III.H. of these Guidelines and Criteria in letter format. In the case of a Modernization or Eligible Facility, Applicant will also include a statement of the Facility's current property value, stated separately for Real and Personal Property.

(6) Applicant will prepare a time schedule for undertaking and completing the planned Improvements.

(7) Applicant will provide a tax certificate verifying that no taxes are past due on Applicant's (and, if Applicant is not the Owner of the Real Property or Facility, the Owner's) property located within the proposed reinvestment zone; provided, however, that with respect to Extraordinary Impact Projects where Applicant is not the Owner of the Real Property on which the Facility is or will be located, Commissioners Court may opt to limit the Real Property for which such certificates are required if deemed appropriate under the circumstances.

(8) Applicant will provide a copy of the underlying lease if Applicant is a Lessee of the Facility.

(9) Applicant will provide a copy of the contract between the Applicant and any employment agency acting as the employer of the employees of eligible Jobs pursuant to such contract.

(10) Applicant will provide copies of the immediately preceding quarterly reports filled with the Texas Workforce Commission, documenting the current number of permanent full time employees.

(11) Applicant will provide a current copy of any Enterprise Zone Map identifying the property location.

(12) Applicant shall pay to the County a non-refundable application fee of $1,000 at the time of submission of the Application unless

(a) the Applicant meets all of the following criteria:

(i) during the twelve months immediately preceding the submission of the Application, the Applicant submitted an Application for an Abatement to the County (the "Prior Application");

(ii) during such twelve month period, the Applicant paid the $1,000 fee to the County with respect to the Prior Application;

(iii) neither the Applicant nor any other party has received or will receive any Abatement with respect to such Prior Application; and

(iv) the Commissioners Court deems such new Application to be substantially similar to the Prior Application; or

(b) the total Abatement that the Applicant is requesting is less than and capped at (i) $1,000 per year and/or (ii) $10,000 in the aggregate over the life of the Abatement.

Applicant understands and, by submitting an Application agrees, that such fee is to partially offset the County's expenses in reviewing the Applicant's Application and shall not be refunded in the event the Application is withdrawn by Applicant or denied by the County. Applicant will submit along with the Application a copy of the receipt issued from the Hidalgo County Treasurer evidencing payment of the application fee.

B. Application Review Steps: Upon receipt of a completed Application, the County will distribute copies of the Application to the appropriate County departments for internal review and comments. The County may request additional information as needed to determine Applicant's eligibility for Abatement according to Sections III A., B. and F and to review the factors set forth in Section III.H.

C. Timing Provisions.

(1) Notwithstanding any provision to the contrary in Sections IV or V of these Guidelines and Criteria, to the extent allowable under applicable law, the Commissioners Court in its discretion may:

(i) allow additional time for compliance with the requirements in Sections IV and V of these Guidelines and Criteria with respect to any Applications received after October 1 of the calendar year and may consider, approve and enter into an Agreement during the calendar year in which the