

THE STATE OF TEXAS)
)
COUNTY OF LAMAR)

TAX ABATEMENT AGREEMENT

This AGREEMENT (herein so called) is entered into by and between **LAMAR COUNTY, TEXAS**, a political subdivision of the State of Texas, whose County seat is situated in the City of Paris, Lamar County, Texas, acting by and through its duly elected County Commissioners and County Judge, whose signatures appear below (hereinafter called “**COUNTY**”), and **G.S.E. TWELVE, LLC**, a Texas limited liability company (“**OWNER**”).

WITNESSETH:

WHEREAS, **OWNER** is the lessee of the land described herein (the “**PROPERTY**”) pursuant to an agreement for lease with the owner thereof; and

WHEREAS, **OWNER** shall own or lease the solar power production equipment to be installed on the **PROPERTY** located solely within Lamar County, Texas and described on the attached exhibit (collectively referred to as the “**IMPROVEMENTS**”) with respect to which taxes will be abated under this AGREEMENT, and **OWNER** shall be responsible for paying the ad valorem property taxes assessed against the **IMPROVEMENTS** and **OWNER** or the owner of the **PROPERTY** shall be responsible for paying the ad valorem property taxes assessed against the **PROPERTY** in accordance with the terms of the agreement between such parties; and

WHEREAS, on this date, the Lamar County Commissioners Court approved a Resolution reaffirming the County’s election to be eligible to participate in Tax Abatement Agreements in order to maintain and enhance the commercial and industrial economic and employment base of Lamar County for the long term interest and benefit of the County and its citizens; and

WHEREAS, through a resolution previously adopted by the Lamar County Commissioners Court, Lamar County, Texas December 11, 2018, the County has approved and adopted guidelines and criteria for commercial and industrial Tax Abatement in the County as required by the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code (“the Act”); and

WHEREAS, pursuant to Section 312.401 of the Act, the **COUNTY** has designated the **PROPERTY** as a reinvestment zone within which local ad valorem property taxes may be abated (the “Reinvestment Zone”), which Reinvestment Zone is described in the order of the **COUNTY** designating such Reinvestment Zone attached here to as **Exhibit A**; and

WHEREAS, the County finds that the contemplated uses of the **IMPROVEMENTS** situated on the **PROPERTY** are consistent with encouraging development of said **REINVESTMENT ZONE** in accordance with the purposes for which it was created and are in

compliance with the COUNTY's guidelines and criteria on tax abatement incentives and all applicable laws; and

NOW, THEREFORE,

The Parties hereto do mutually contract and agree as follows:

**I.
Term**

1.1 The effective date of this AGREEMENT is the 11th day of December, 2018 **with tax abatement being effective from and after January 1, 2020, and terminating on December 31, 2029** (an abatement period of ten (10) years (the "ABATEMENT PERIOD")). Said ABATEMENT PERIOD will terminate on December 31, 2029 regardless of when OWNER completes the IMPROVEMENTS described in Sections II and III hereinbelow or otherwise becomes eligible to receive the abatement set forth herein, which may result in the number of years in which tax is abated being fewer than ten (10) years.

**II.
Area to be Improved**

2.1 The IMPROVEMENTS consist of a new solar power production equipment to be installed upon the PROPERTY by OWNER. The IMPROVEMENTS shall be located upon and within the PROPERTY described in **Exhibit B**, attached hereto and made a part hereof for all purposes.

**III.
Improvements**

3.1 The IMPROVEMENTS are being made to enable the OWNER to create a "solar farm" which will generate electricity from a solar energy generating system (the "Project") with nameplate capacity of at least one hundred seventy-five (175) megawatts (dc) and up to two hundred fifty (250) megawatts (dc).

All such IMPROVEMENTS will be described in the COUNTY'S Certificate of Completion in the form attached hereto as **Exhibit C** to be prepared after the completion and installation of such IMPROVEMENTS, which COUNTY agrees to provide to OWNER within thirty (30) days after OWNER delivers the sworn report required in Section 11.1. The description shall be furnished by OWNER to COUNTY in OWNER'S sworn report described in Section 11.1, below and attached to COUNTY'S Certificate of Completion. The description shall also be filed with the Chief Appraiser of the Lamar County Appraisal District. **OWNER agrees that the IMPROVEMENTS described herein shall be completed as follows:**

Construction of all IMPROVEMENTS shall be completed by December 31, 2020;

provided, that OWNER shall have such additional time to complete the IMPROVEMENTS as may be required in the event of "force majeure" if OWNER is diligently and faithfully pursuing completion of the installation of the IMPROVEMENTS. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God, or the public enemy, any natural disaster, war, riot, civil commotion, insurrection, governmental or de facto governmental action, unless caused by acts or omissions of OWNER, fires, explosions, accidents, floods, and labor disputes or strikes. The date of completion of the IMPROVEMENTS shall be reflected in the Certificate of Completion issued by the COUNTY, referred to above.

**IV.
Consideration
(Improvements)**

4.1 The OWNER agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, pursue the completion of the IMPROVEMENTS. As a good and valuable consideration for this AGREEMENT, OWNER further covenants and agrees that all construction of the IMPROVEMENTS will be in accordance with all applicable state and local laws, codes and regulations or OWNER will procure a valid waiver thereof. In further consideration, OWNER shall thereafter, from the date a Certificate of Completion is issued, or that the IMPROVEMENTS are completed as agreed, until the expiration of this AGREEMENT, continuously operate and maintain the PROPERTY, including the IMPROVEMENTS, in the conduct of its normal course of business, subject to force majeure.

**V.
Consideration
(Jobs and Expenditures)**

5.1 OWNER represents that it shall employ approximately three hundred fifty (350) to four hundred (400) persons with full-time equivalent jobs during the construction of the IMPROVEMENTS and that it shall expend in the aggregate approximately \$200,000,000 to \$240,000,000 for the IMPROVEMENTS to be installed in Lamar County, Texas. OWNER further represents that it shall employ up to five (5) full-time equivalent employees to work at the PROPERTY once the IMPROVEMENTS are completed.

5.2 OWNER further agrees that as part of the COUNTY'S material consideration for entering in to this AGREEMENT that OWNER shall reimburse COUNTY for all of COUNTY'S attorney fees incurred in connection with this AGREEMENT not to exceed \$5,000.00

VI. Default

6.1 If (a) the IMPROVEMENTS for which an abatement has been granted are not completed in accordance with this AGREEMENT; or (b) OWNER allows its ad valorem taxes owed the COUNTY to become delinquent and fails to timely and properly follow the legal procedures for protest or contest of any such ad valorem taxes; (c) OWNER fails to timely make the required annual Payment in Lieu of Taxes (PILOT) described herein or (d) OWNER breaches any of the other material terms, provisions or conditions of this AGREEMENT, then OWNER shall be in default. If OWNER defaults in its performance of either (a), (b), (c) or (d) above, then the COUNTY shall give the OWNER written notice of such default and if the OWNER has not cured such default within ninety (90) days of said written notice, this AGREEMENT may be modified (upon mutual agreement of OWNER and COUNTY) or terminated by the COUNTY.

For sake of clarity, any Financing Party (defined below) of OWNER shall have the right to cure any default during the same cure periods provided OWNER under this Agreement. "Financing Party" means any entity or person providing, directly or indirectly, with respect to the IMPROVEMENTS or Project any of (a) senior or subordinated construction, interim or long-term debt financing or refinancing, whether that financing or refinancing takes the form of private debt, public debt, or any other form of debt (including debt financing or refinancing), (b) a leasing transaction, including a sale leaseback, inverted lease, or leveraged lease structure, (c) tax equity financing, (d) any interest rate protection agreement to hedge any of the foregoing obligations, and/or (e) any energy hedge transaction. There may be more than one Financing Party.

Notice shall be in accordance with Section 13.3. As liquidated damages in the event of default, and in accordance with the requirements of Section 312.205(a)(4) of the Tax Code of the State of Texas, all taxes which otherwise would have been paid to the COUNTY without the benefit of abatement, together with interest to be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, with all penalties permitted by the Property Redevelopment and Tax Abatement Act and the Tax Code of the State of Texas, shall be recaptured, less all payments made to the COUNTY under this Agreement, and such amount will become a debt to the COUNTY and shall be due, owing and paid to the COUNTY within sixty (60) days of the expiration of the above-mentioned applicable cure period as the sole remedy of the COUNTY, subject to any and all lawful offsets, settlements, deductions, or credits to which OWNER may be entitled. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

VII. Real and Personal Property Tax Abatement

7.1 Subject to the terms and conditions of this AGREEMENT, and subject to the rights and holders of any outstanding bonds of the COUNTY, appraised value for property tax purposes of the IMPROVEMENTS eligible for abatement under Chapter 312 of the Texas Tax Code within the Reinvestment Zone is hereby, and shall be, abated and exempted from taxation during the

ABATEMENT PERIOD. OWNER shall make a minimum annual Payment in Lieu of Taxes (PILOT) to the COUNTY during the ABATEMENT PERIOD set forth in this AGREEMENT. Said PILOT shall be in an amount equal to the amounts set forth in Section 7.1(a) below and shall be due and payable on January 31 of each and every year during the ABATEMENT PERIOD. OWNER shall be obligated to timely make the PILOT regardless of when or whether the contemplated improvements are completed. The ABATEMENT PERIOD which is the subject of this AGREEMENT shall begin on January 1, 2020 and shall end on December 31, 2029 as set forth hereinabove in Section I.

7.1(a) PILOT Rates During Abatement Period

<u>Year</u>	<u>Payment Amount</u>
2020	\$181,250.00
2021	\$181,250.00
2022	\$181,250.00
2023	\$181,250.00
2024	\$181,250.00
2025	\$193,750.00
2026	\$193,750.00
2027	\$193,750.00
2028	\$193,750.00
2029	\$193,750.00

7.1(b) PILOT payment for actual installed capacity above 250 megawatts. The above PILOT rates are calculated on the estimated final installed capacity of the IMPROVEMENTS of 250 megawatts DC. The rate per megawatt (\$/MW) for the first five years of the ABATEMENT PERIOD is \$725/MW and the rate for the remaining five years is \$775/MW. If the final installed megawatt capacity is greater than 250 megawatts, OWNER will pay a PILOT rate of \$725/MW for the actual installed capacity for the first five years and \$775/MW for the actual installed capacity for the remaining five years. In no event shall OWNER pay less than the rates as set forth in Section 7.1(a) above.

7.2 The abatement granted herein shall be subject to and governed by the COUNTY's Guidelines and Criteria for Tax Abatement, a copy of which is attached hereto as **Exhibit D**. OWNER shall comply with the requirements of **Exhibit D** in the performance of this AGREEMENT, save and except that, in the event of a conflict between the requirements of **Exhibit D** and this AGREEMENT, this AGREEMENT shall control.

VIII.

No Conflict of Interest

8.1 The OWNER represents and warrants that neither the PROPERTY nor the IMPROVEMENTS include any real or personal property that is owned or leased by a member of the Commissioners Court of Lamar County, Texas, nor the County Judge of Lamar County, Texas, nor any other governmental official approving, or having responsibility for the approval of, this AGREEMENT.

IX. Conditions

9.1 The terms and conditions of this AGREEMENT are binding upon the parties hereto and their successors and assigns.

9.2 It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and the COUNTY assumes no responsibility or liability in connection therewith to third parties; and OWNER agrees to indemnify and hold harmless the COUNTY therefrom. It is further understood and agreed among the parties that the COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability in connection therewith to third parties and, to the extent permissible by law, the COUNTY agrees to indemnify and hold harmless the OWNER therefrom.

X. Compliance Provisions

10.1 **County's Right of Access to Records:** The OWNER agrees that the COUNTY, its agents and employees, shall have the reasonable right of access to records concerning the OWNER'S investment in the IMPROVEMENTS for the purpose of conducting an audit of the project improvements and project costs. Any such audit shall be made only after giving the OWNER written notice at least fourteen (14) days in advance and will be conducted in such a manner as to not unreasonably interfere with the operation of the facility. Upon request, the OWNER will provide the COUNTY with a detailed Asset Report containing an itemized list of assets placed into service from the date of execution of this AGREEMENT to December 31, 2018, and annually thereafter. The Asset Report will provide the date on which the asset was capitalized, the acquisition amount, and the accumulated depreciation amount. At the COUNTY'S request, the OWNER will provide actual invoices to support the amounts shown on the Asset Report.

10.2 **County's Rights of Access to PROPERTY:** The OWNER further agrees that the COUNTY, its agents and employees, shall have reasonable right of access to the PROPERTY to inspect the IMPROVEMENTS in order to insure that the construction of the IMPROVEMENTS is in accordance with this AGREEMENT and all applicable state and local laws and regulations or valid waiver thereof. After completion of the IMPROVEMENTS, the COUNTY shall have the continuing right to inspect the PROPERTY to insure that it is thereafter maintained and operated in accordance with this AGREEMENT during the term of the AGREEMENT. All inspections will be made only after giving the OWNER written notice at least seventy-two (72) hours in advance, and such inspections shall be conducted in such a manner so as not to interfere with the operation of the facility. Representatives of the COUNTY inspecting the PROPERTY and improvements shall be accompanied by one (1) or more representatives of the OWNER and shall sign an agreement promising to maintain the confidentiality of any information they obtain in connection therewith except for the purposes of assessing and collecting ad valorem taxes and verifying or enforcing compliance with this AGREEMENT. Said representative shall also be required to observe any facility rule and regulation applicable to the PROPERTY, including applicable safety and security rules. Nothing

herein shall be construed as limiting the COUNTY's ability to perform inspections including but not limited to health and safety inspections or to enter the PROPERTY which is the subject of this AGREEMENT.

XI. Initial and Annual Reporting

11.1 The OWNER further agrees that it will, within thirty (30) days of completion of the IMPROVEMENTS, provide the COUNTY with a sworn report, written on OWNER'S letterhead and signed by a designated representative of OWNER, which contains the following information:

- (a) A copy of the printout from the Lamar County Appraisal District showing the market value of the PROPERTY prior to the construction of the IMPROVEMENTS;
- (b) Detailed description of the IMPROVEMENTS;
- (c) A detailed description of any miscellaneous items and the actual cost of such added items;
- (d) A copy of or identification of plans and specifications of constructed improvements and the location of the same for inspection by COUNTY'S certification team;
- (e) A detailed list of and the actual cost of added equipment;
- (f) The actual cost of capital IMPROVEMENTS; and,
- (g) The date of substantial completion of the IMPROVEMENTS as defined in Section 3.1 hereof.

11.2 The OWNER further agrees that it will certify to COUNTY annually, in writing, that it is in compliance with each applicable term of this AGREEMENT by providing a written statement of compliance to the County Judge. Such annual report shall be furnished on the forms provided by the County and shall verify that the IMPROVEMENTS the subject of this AGREEMENT remain on the PROPERTY and remain in operation. OWNER shall submit said annual reports by February 1st of each year during the term of this AGREEMENT.

11.3 Intentionally omitted.

11.4 The reporting requirements and deadlines therefor set forth herein are an integral and material part of this AGREEMENT, and OWNER acknowledges that failure to timely submit any report or sworn statement required herein is a breach and default of this AGREEMENT as set forth hereinabove. OWNER further agrees to timely submit said reports and/or sworn statements without prompting by the COUNTY, subject to the provisions of Section 6.1 with respect to notice of default and cure rights.

11.5 Owner shall submit the initial and annual compliance reports required to be made in this section via certified mail, return receipt requested, to:

Lamar County Judge
County Courthouse
119 N. Main Street
Paris, TX 75460

XII. Authority to Contract

12.1. This AGREEMENT was authorized by the Lamar County Commissioners' Court at its regularly scheduled meeting on the 11th day of December, 2018, authorizing the County Commissioners and the County Judge to execute the AGREEMENT on behalf of the COUNTY.

12.2 This AGREEMENT was entered into by OWNER pursuant to the authority granted to the authorized official whose signature appears below.

12.3. This AGREEMENT shall constitute a valid and binding agreement between the COUNTY and OWNER when executed in accordance herewith, regardless of whether any other taxing unit executes a similar agreement for tax abatement.

12.4 COUNTY agrees that the County Judge shall, and is hereby delegated authority on behalf of the COUNTY to, execute an acknowledgment and confirmation upon request from OWNER from time to time ratifying this Agreement on behalf of the COUNTY, in the form originally approved, executed and delivered by the COUNTY, and confirming on behalf of the COUNTY that this Agreement has been authorized and approved by the COUNTY in accordance with applicable law, is valid and binding, remains in full force and effect in accordance with its terms and, to the County Judge's knowledge, no default then exists (or if any default then exists, describing in reasonable detail such default), with the same force and effect as if the same was approved by the County Commissioners and County Judge at a regular meeting of the Commissioners Court.

XIII. Legal

13.1 No officer, official or agent of the COUNTY has the power to amend, modify or alter this AGREEMENT or waive any of its conditions or to bind the COUNTY by making any promise or representation not contained herein.

13.2 This AGREEMENT, except by operation of law and as otherwise provided below, shall not be assigned or transferred by OWNER without the prior written consent of COUNTY, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, OWNER shall have the right without the consent of the COUNTY to:

(a) assign this AGREEMENT to an affiliate of OWNER, which for purposes hereof shall mean any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with G.S.E. Twelve, LLC (or such other OWNER). Control of an entity means (i) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting rights in such entity or (ii) the right to direct the management or operation of such entity, whether by ownership (directly or indirectly) of equity interests, by contract or otherwise; and

(b) collaterally assign its interest in this AGREEMENT to any Financing Party, including an assignment upon a foreclosure or conveyance in lieu thereof, and no Financing Party or its assignee shall be required to assume or have any obligation or liability under this Agreement unless, and only then from and after the date, it acquires ownership of the Project.

13.3 Any written notice required or permitted under the terms of this AGREEMENT (other than the reports required to be submitted under Section XI hereinabove) shall be given and be deemed to have been duly served if either (1) delivered in person, or (2) deposited certified mail, return receipt requested, postage prepaid in the United States mail, addressed to the designated representative of the respective parties which are designated as follows:

OWNER:

G.S.E. Twelve, LLC

COUNTY:

Lamar County Judge
County Courthouse
119 N. Main Street
Paris, TX 75460

13.4 If any term or provision of this AGREEMENT shall be declared unconstitutional or void by any court of competent jurisdiction, the constitutionality and validity of the remainder of said AGREEMENT shall not be affected thereby, and to this end the terms and provisions of this AGREEMENT are declared to be severable.

13.5 This AGREEMENT sets forth the entire understanding between the parties, and any other understandings or agreements shall be canceled and superseded by this AGREEMENT upon the date of execution hereof. None of the terms of this AGREEMENT shall be waived, discharged, altered or modified in any respect, except by an Agreement in writing signed by both parties and specifically referring to this AGREEMENT. The captions in this AGREEMENT are included for convenience only and shall not be taken into consideration in any construction or interpretation of this AGREEMENT or any of its provisions. This AGREEMENT is performable in Lamar County, Texas, and shall be governed by, construed and enforced in accordance with the laws of the State of Texas. The provisions of this AGREEMENT shall apply

to, bind and inure to the benefit of the COUNTY, OWNER, and their respective successors, and permitted assigns, if any.

13.6 Venue for any actions arising under this AGREEMENT shall lie exclusively in the courts of Lamar County, Texas, for any State Court action, and in the U.S. District Court for the Eastern District of Texas for any federal court action.

WITNESS our hands this 11th day of December, 2018.

LAMAR COUNTY, TEXAS

By: _____

M. C. Superville, Lamar County Judge

Lawrence Malone, Commissioner, Pct. 1

Lonnie Layton, Commissioner, Pct. 2

Ronnie Bass, Commissioner, Pct. 3

Keith Mitchell, Commissioner, Pct. 4

ATTEST:

Ruth Sisson, Lamar County Clerk



OWNER

G.S.E. TWELVE, LLC.
A Texas limited liability company

By: _____

(Name)
Authorized Representative (Title)

LIST OF EXHIBITS TO THIS AGREEMENT:

A = 2018 Order Designating Property a Reinvestment Zone which includes OWNER'S PROPERTY

B = Legal Description of the PROPERTY

C = COUNTY'S Certificate of Completion

D = COUNTY'S Guidelines and Criteria for Tax Abatements

RESOLUTION NO. R2018-014

**A RESOLUTION OF THE LAMAR COUNTY COMMISSIONERS' COURT
EXPRESSING ITS INTENT TO PARTICIPATE IN A TAX ABATEMENT
AGREEMENT WITH GSE TWELVE, LLC**

WHEREAS, the Lamar County Commissioner's Court has been presented a proposed agreement by and between **Lamar County and GSE Twelve, LLC**, providing for a tax abatement for certain improvements, a copy of which is attached hereto as Exhibit "A", and incorporated herein by reference hereinafter called "Agreement"; and,

WHEREAS, upon review and consideration of the Agreement, and all matters attendant and related thereto, the Lamar County Commissioners' Court is of the opinion that the terms and conditions thereof meet the Guidelines and Criteria for Tax Abatement and should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT THAT:

Section 1. The findings set out in the preamble to this resolution are hereby in all things approved.

Section 2. That the terms of the Tax Abatement Agreement attached hereto as Exhibit "A" and the property the subject thereof meet the County's Guidelines and Criteria for Tax Abatement adopted by the Lamar County Commissioners' Court. (copy attached).

Section 3. That the Lamar County Commissioners' Court has entered an Order designating the property the subject of the Tax Abatement Agreement as a Reinvestment Zone as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code.

Section 4. That the terms and conditions of the Tax Abatement Agreement between the County and GSE Twelve, LLC, having been reviewed by the Lamar County Commissioners' Court and found to be acceptable and in the best interests of Lamar County and its residents, be, and the same are hereby, in all things approved.

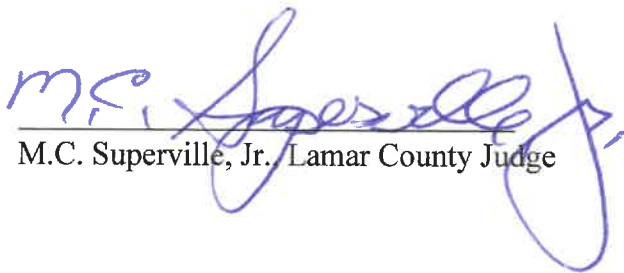
Section 5. That the Lamar County Commissioners' Court is hereby authorized to execute the Agreement and all other documents in connection therewith substantially according to the terms and conditions set forth in the Agreement attached hereto as Exhibit "A".

Section 6. That the planned use of the property the subject of the tax abatement will not constitute a hazard to public safety, health, or morals.

Section 7. That the approval and execution of the Agreement on behalf of the County is not conditioned upon approval and execution of any other tax abatement agreement by any other taxing entity.

NOW, THEREFORE, BE IT RESOLVED BY THE LAMAR COUNTY COMMISSIONERS' COURT, THAT it intends to execute and participate in a Tax Abatement Agreement as described herein with GSE Twelve, LLC

PASSED AND ADOPTED the 11th day of December, 2018.



M.C. Superville, Jr. Lamar County Judge



Lawrence Malone, Commissioner Precinct 1



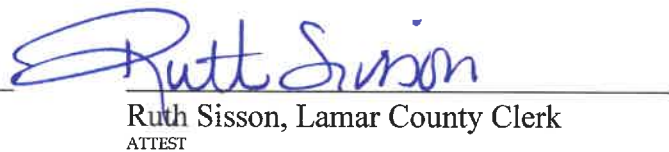
Lonnie Layton, Commissioner, Precinct 2



Ronnie Bass, Commissioner, Precinct 3



Keith Mitchell, Commissioner, Precinct 4



Ruth Sisson, Lamar County Clerk
ATTEST

EXHIBIT

A

ORDER NO. 2018-02

AN ORDER DESIGNATING A CERTAIN AREA IN LAMAR COUNTY AS "TAX ABATEMENT REINVESTMENT ZONE NUMBER 2018-02, LAMAR COUNTY, TEXAS"; PROVIDING THE EFFECTIVE AND EXPIRATION DATES FOR THE ZONE AND A MECHANISM FOR RENEWAL OF THE ZONE; AND CONTAINING OTHER MATTERS RELATED TO THE ZONE.

WHEREAS, Lamar County, Texas (the "**County**") has elected to be eligible to participate in tax abatement and has established guidelines and criteria governing tax abatement agreements entered into between the County and various third parties, as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code (the "**Code**"); and

WHEREAS, the Lamar County Commissioners' Court desires to promote the development of the area in the County more specifically described in **Exhibit "A"** of this Order (the "**Zone**") through the creation of a reinvestment zone for purposes of granting a tax abatement, as authorized by and in accordance with Chapter 312 of the Code; and

WHEREAS, GSE Twelve, LLC ("**Company**") wishes to expend or cause to be expended approximately \$240,000,000.00 in construction and installation of real property improvements for the creation of a solar farm generating approximately 250 megawatts of electricity per year to be located in the Zone, and Company intends to affix real property improvements to property located within the Zone (collectively, the "**Improvements**"); and

WHEREAS, Company has applied for real and business personal property tax abatements from the County in return for the installation of the Improvements in the Zone and compliance with certain other employment and spending commitments that will

contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property in the Zone and would contribute to the economic development in the Zone and the County in general; and

WHEREAS, on December 11, 2018 the Lamar County Commissioners' Court held a public hearing regarding the creation of the Zone, received information concerning the Improvements proposed for the Zone and afforded a reasonable opportunity for all interested persons to speak and present evidence for or against the creation of the Zone (**"Public Hearing"**), as required by Section 312.201(d) of the Code; and

WHEREAS, notice of the Public Hearing was published in a newspaper of general circulation in the County on December 3, 2018, which satisfies the requirement of Section 312.201(d)(1) of the Code that publication of the notice occur not later than the seventh day before the date of the public hearing; and

WHEREAS, in accordance with Sections 312.201(d)(2) and (e), of the Code notice of the Public Hearing was delivered in writing not later than the seventh day before the date of the public hearing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed Zone;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS' COURT OF LAMAR COUNTY, TEXAS:

Section 1.

FINDINGS.

That after reviewing all information before it regarding the establishment of the Zone and after conducting the Public Hearing and affording a reasonable opportunity for all interested persons to speak and present evidence for or against the creation of the Zone, the Commissioners' Court hereby makes the following findings of fact:

- 1.1.** The statements and facts set forth in the recitals of this Order are true and correct. Therefore, the County has met the notice and procedural requirements established by the Code for creation of a reinvestment zone under Chapter 312 of the Code.
- 1.2.** The Improvements proposed for the Zone, as more specifically outlined in the Public Hearing, are feasible and practical and, once completed will benefit the land included in the Zone as well as the County for a period of ten (10) years, which is the statutory maximum term of any tax abatement agreement entered into under the Chapter 312 of the Code.
- 1.3.** As a result of designation as a reinvestment zone, the area within the Zone is reasonably likely to contribute to the expansion of primary employment and to attract major investment in the Zone that will be a benefit to property in the Zone and will contribute to the economic development of the County.

Section 2.

DESIGNATION OF ZONE.

That the Commissioners' Court hereby designates the Zone described in the boundary description attached hereto as **Exhibit "A"** and made a part of this Order for all purposes as a reinvestment zone for purposes of granting a tax abatement, as authorized by and in accordance with Chapter 312 of the Code. This Zone shall be known as "Tax Abatement Reinvestment Zone Number 2018-02, Lamar County, Texas." This project is eligible for tax abatement pursuant to Section VII of the County's Criteria and Guidelines for Tax Abatement.

Section 3.

TERM OF ZONE.

That the Zone shall take effect upon the effective date of this Order and expire ten (10) years thereafter.

Section 4.

SEVERABILITY.

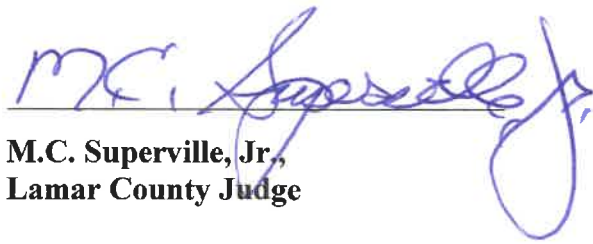
That if any portion, section or part of a section of this Order is subsequently declared invalid, inoperative or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Order shall be and remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion or judgment.

Section 5.

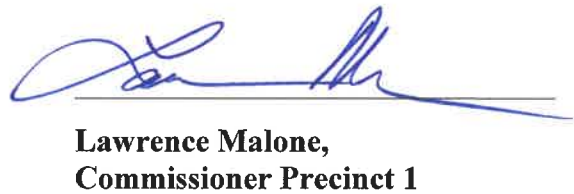
IMMEDIATE EFFECT.

That this Order shall take effect upon its passage and adoption.

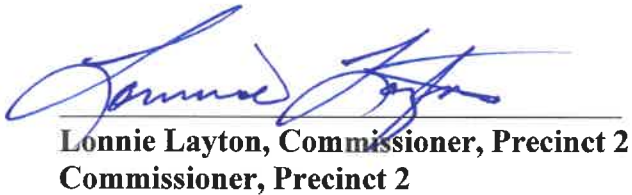
PASSED, ADOPTED, and ORDERED the 11th day of December, 2018.



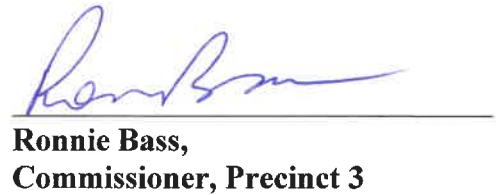
**M.C. Superville, Jr.,
Lamar County Judge**



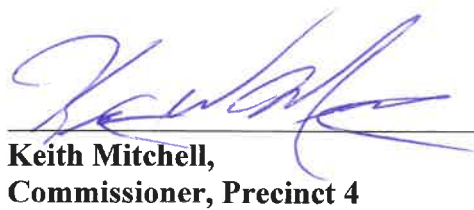
**Lawrence Malone,
Commissioner Precinct 1**



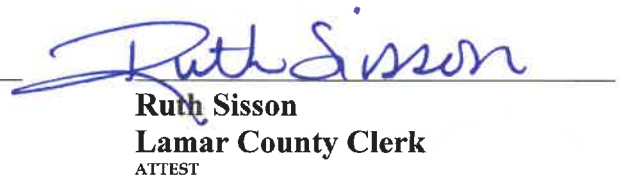
**Lonnie Layton, Commissioner, Precinct 2
Commissioner, Precinct 2**



**Ronnie Bass,
Commissioner, Precinct 3**



**Keith Mitchell,
Commissioner, Precinct 4**



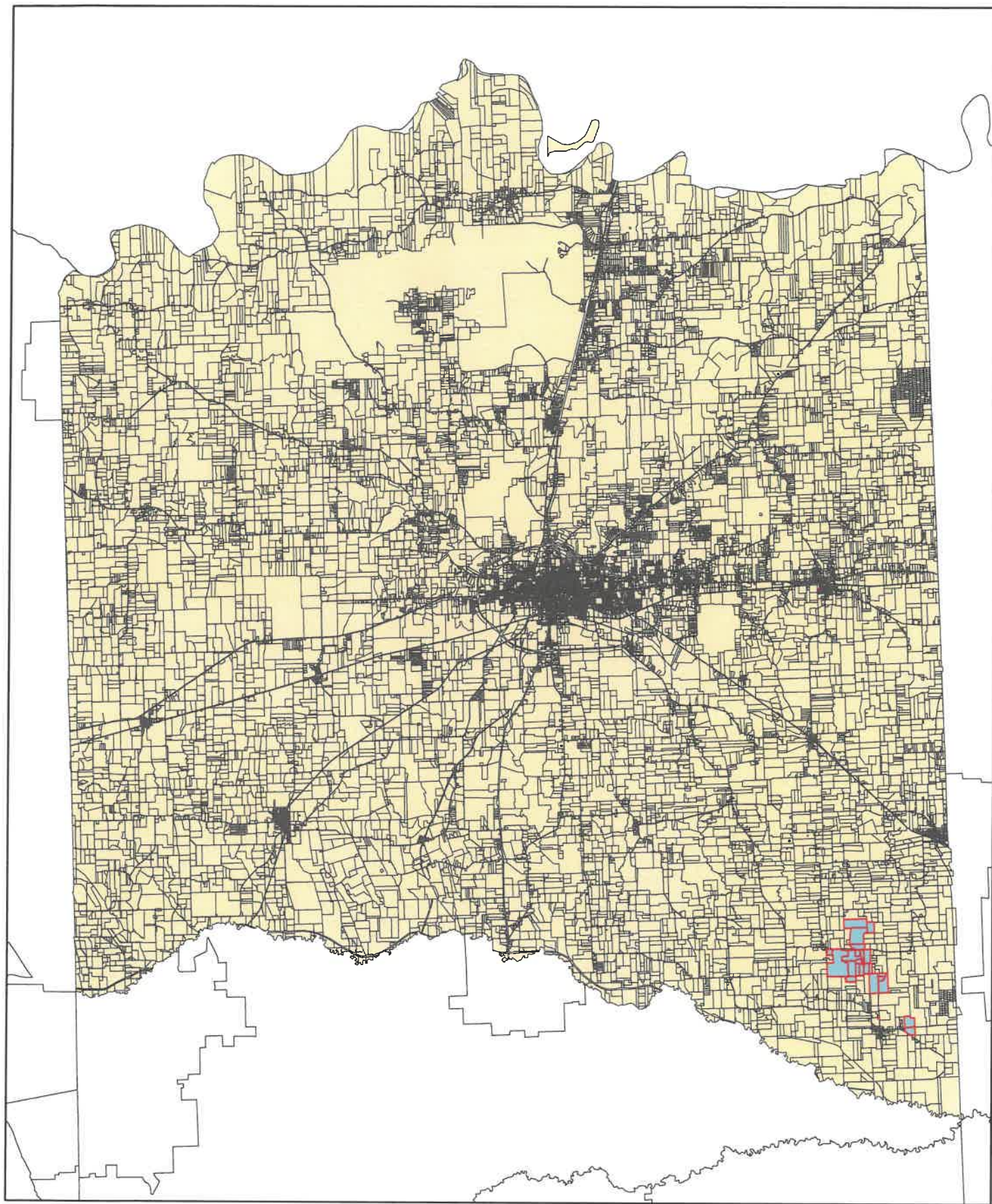
**Ruth Sisson
Lamar County Clerk
ATTEST**

EXHIBIT "A"

DESCRIPTION OF ZONE

EXHIBIT

B



Proposed Parcels For GSE12 Project
Lamar County, Texas

Notice of Public Hearing & Intent to Create & Designate a Reinvestment Zone in Lamar County

A public hearing will be held by the Commissioners Court of Lamar County, Texas at 9:00 a.m. on Tuesday, December 11, 2018, in the Commissioners Courtroom, Lamar County Courthouse, 119 N. Main Street, Paris, Texas, to receive public input on a proposal to create a Reinvestment Zone for tax abatement on certain property located within Lamar County, Texas. Specifically, the reinvestment zone will consist of approximately 1,814 acres of land situated on approximately 22 parcels located in the southeast portion of Lamar County, south of The City of Deport. The actual parcels are as follows:

Parcel ID	Size (approximate acreage)	Property Address
41011	170.83	Co RD 16200 Deport TX, 75435
41030	40	Co RD 16140 Deport, TX 75435
41031	44	Co RD 16140 Deport, TX 75435
41032	45	Co RD 16140 Deport, TX 75435
41033	104.55	Co RD 16140 Deport, TX 75435
41034	27.5	Co RD 16120 Deport, TX 75435
41035	44.9	Co RD 16120 Deport, TX 75435
41036	108.25	FM 1503 Deport, TX 75435
41039	22	Co RD 16120 Deport, TX 75435
41966	5.7	FM 1503 Deport, TX 75435
41967	72	Co RD 16100 & FM 1503 Deport TX, 75435
42669	50	Co RD 16100 Deport, TX 75435
42680	27.5	Co RD 16140 Deport, TX 75435
42682	131.5	Co RD 16300 Deport, TX 75435
42686	370.07	FM 1503 Deport, TX 75435
42692	22.8	Co RD 16300 Deport, TX 75435
42698	21.5	7543 FR 1503 Deport, TX 75435
42705	160	Co RD 16300 Deport, TX 75435
42821	62.491	Co RD 16200 Deport, TX 75435
43736	212	Co RD 16200 Deport TX, 75435
43737	45	Co RD 16200 & FM 1503 Deport TX, 75435
108145	26	FM 1503 Deport, TX 75435
1,813.591		

At the hearing, interested persons are entitled to speak and present evidence for or against the designation. For further information, please contact the Lamar County Judge, Lamar County Courthouse, at 119 Main Street, Paris, Texas, 75460

Dated this 30th day of November, 2018
M.C. Superville, Jr.
County Judge, Lamar County, Texas

SUMMARY OF TAX ABATEMENT AGREEMENT BETWEEN
LAMAR COUNTY, TEXAS
AND
GSE TWELVE LLC, DEVELOPED BY ALPIN SUN

In general, GSE Twelve LLC, is being incentivized to construct a 250 megawatt solar electric farm project name "Impact Solar", located on approximately 1,814 acres of land, situated on approximately 22 parcels in the southeast portion of Lamar County, south of The City of Deport. The capital investment is expected to be approximately \$240 million.

In addition, approximately 600 full time equivalent construction jobs over an approximate two year period will be created.

Also, terms of the agreement include, but are not limited to, a ten year ad valorem tax abatement of the capital investment. The parties have agreed to a guaranteed payment in lieu of taxes (PILOT) schedule which very closely approximates, in total, a 65%, ten year abatement as per the following schedule:

2020.....	\$181,250
2021.....	\$181,250
2022.....	\$181,250
2023.....	\$181,250
2024.....	\$181,250
2025.....	\$193,750
2026.....	\$193,750
2027.....	\$193,750
2028.....	\$193,750
2029.....	\$193,750

The PILOT was calculated on the estimated final installed capacity of 250 megawatts DC. The rate per megawatt for the first five years is \$725/MW and the rate for the second five years is \$775/MW. In the event that the final installed megawatt capacity is greater than 250 megawatts, the operator will still pay \$725 per the new installed capacity for the first five years and still pay \$775 per the new installed capacity for the last five years (e.g., if they build 275 megawatts DC, the payment would be \$199,375 for the first five years, and \$213,125 for the second five years). If the developer builds less than 250 megawatts DC of final installed capacity, they will still pay PILOT based on the 250 megawatts, as the schedule above.

Construction of the project is expected to be completed by December of 2020. The abatement period will begin January 1, 2020 and end January 1, 2029.

EXHIBIT

C

CERTIFICATE OF COMPLETION FOR THE YEAR 20____
GSE TWELVE, LLC

STATE OF TEXAS }

COUNTY OF LAMAR }

Lamar County, Texas has executed and delivered a Tax Abatement Agreement (the "Agreement") dated December 11, 2018, with GSE TWELVE, LLC, for certain improvements and other equipment (the "Improvements") to be installed at the Company's property located in Lamar County, Texas, as described in **Exhibit A** attached hereto, which property is located within a Reinvestment Zone established by an Order of the Lamar County Commissioners Court dated December 11, 2018.

Based on information provided by Company and verified by Lamar County, Texas , the County herein verifies that the Improvements agreed to be built, installed and used in accordance with said Agreement, specifically a solar farm generating approximately 250 megawatts per year, have in fact been completed as provided for in the Agreement and that the Company has complied with all other terms of the Agreement.

NOW, THEREFORE, the Lamar County Commissioners Court authorizes that the property described in **Exhibit A** attached hereto shall receive a tax abatement during each year through the end of the term of the Agreement of the taxes assessed upon the increased value of the real and personal property of the Company located in Lamar, Texas, over the value at which the property was last appraised on January 1, 2019. The tax abatement will extend for a duration of ten years (10) years, with the tax abatement beginning January 1, 2020, and ending December 31, 2029. In accordance with the terms of the Agreement, the Company shall pay the following sums in lieu of assessed taxes in satisfaction of the Company's obligations for ad valorem taxes on the property owed to Lamar County, Texas:

<u>Year</u>	<u>Payment Amount</u>
2020	\$181,250.00
2021	\$181,250.00
2022	\$181,250.00
2023	\$181,250.00
2024	\$181,250.00
2025	\$193,750.00
2026	\$193,750.00
2027	\$193,750.00
2028	\$193,750.00
2029	\$193,750.00
2030	Abatement period ends

APPROVED this ____ day of _____, ____.

Lamar County Judge

EXHIBIT

D

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

I. General Purpose and Objectives.

The City of Paris (City), Lamar County Government (County) and Paris Junior College (PJC) (collectively, herein called the "Taxing Jurisdictions") are committed to enhancing the competitiveness and the expansion potential of the local industry; to attracting and encouraging new manufacturing industry and investment; to improving the City of Paris, Lamar County and its infrastructure, which attracts and supports development; and, to expanding the tax base, employment opportunities, and the overall quality of life for its citizens. Therefore, the governing bodies of the Taxing Jurisdictions will give consideration, on a case-by-case basis, to providing tax abatements to the owners of real and personal property for projects that stimulate economic growth and diversification in the geographic areas served by the Taxing Jurisdictions, according to state law and consistent with these policies, criteria and guidelines.

Tax abatements may be made available to industrial, manufacturing, distribution, service facilities, or any "primary jobs" creating industry as defined by the Economic Development Act of the State of Texas. The facility must be currently in, or locating in the areas served by the Taxing Jurisdictions, and located in a designated Enterprise Zone or Reinvestment Zone. New facilities and structures as well as the expansion and modernization of existing facilities and structures, will be considered. Evaluation of a tax abatement request will be based on the information provided in the tax abatement application. However, the City of Paris, Lamar County and Paris Junior College are under no obligation to provide tax abatement to any applicant.

The Paris City Council acts as the lead entity for projects located in the City limits. The Lamar County Commissioners Court acts as the lead entity for projects in Lamar County, which are located outside of the City limits. All governing bodies of the three Taxing Jurisdictions have adopted this policy, criteria and guidelines and will consider tax abatement requests that qualify hereunder.

II. Definitions.

Definitions are provided as an Appendix A.

III. Designation of a Reinvestment Zone.

For any facility located within the area served by the Taxing Jurisdictions to be eligible for tax abatement it must meet the criteria for designation as a tax abatement reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, Texas Tax Code Chapter 312. The City or County may designate an area as a reinvestment zone in accordance with the criteria and procedural requirements set forth in the Property Redevelopment & Tax Abatement Act, as amended (Texas Tax Code Sec. 312.401 (b)).

IV. Tax Abatement Authorized.

The Taxing Jurisdictions, through their elected governing bodies, may agree in writing with the owner and/or lessee of taxable real and/or personal property that is located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt from taxation a portion of the value of the real property, or of personal property located on the real property, or both. The period of the abatement granted under the agreement shall not exceed the term authorized by law. Such agreement will be based on the condition that the owner or

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

lessee of the property makes specific improvements or repairs to the property. An agreement may provide for the exemption of the real property in each year covered by the agreement only to the extent its value for that year exceeds the base year value. An agreement may provide for the exemption of personal property located on the real property in each year covered by the agreement other than personal property that was located on the real property at any time before the period covered by the agreement. Inventory or supplies cannot be abated as personal property.

Tax abatements may only be granted for additional value of eligible property improvements made subsequent to and specified in an abatement agreement between the Taxing Jurisdictions and the property owner or lessee subject to such limitation as the Taxing Jurisdictions may require. The additional value must exceed any reduction in the fair market value of other property of the owner already on the tax roll within the area served by the Taxing Jurisdictions. Change in appraised value does not qualify for abatement except in an instance where a previously vacant authorized facility is utilized. Value added to the tax rolls must come from actual capital expenditures.

The negotiation of tax abatement agreements will be conducted by the Tax Abatement Advisory Committee, and facilitated by the Paris Economic Development Corporation. In determining where and how tax abatements will be utilized, the Tax Abatement Advisory Committee will examine the potential return on the public's investment. Return on public investment will be measured in terms of (i) jobs created, (ii) jobs retained in cases of existing employers within the Taxing Jurisdictions, and (iii) broadening of the tax base, and expansion of the economic base (e.g. capital investment, payroll, local spending, etc.)

V. Eligibility Criteria for Tax Abatement for Real and Personal Property

A property owner and/or lessee shall be eligible for tax abatement only upon the following criteria.

Eligibility Criteria for Tax Abatement	
Authorized Facility	<ol style="list-style-type: none">1. An authorized facility is used for manufacturing, research, regional distribution, regional services, regional tourist entertainment, other basic industry, or any primary jobs creating industry. (See Appendix A for definitions.)2. A new authorized facility must be created, or an existing authorized facility must be improved, modernized or expanded.3. If a leased authorized facility is granted abatement, the agreement may be executed with the lessor and/or lessee, depending upon the particular circumstances of the proposed project. If the agreement is with the lessor, lessor shall demonstrate binding contracts with the lessee to guarantee compliance with the terms of the agreement.
Eligible Property	<ol style="list-style-type: none">1. The property involved must be a newly created or improvements to an existing authorized facility.2. Eligible property for which abatement may be granted includes nonresidential real property and/or tangible personal property not located on the real property at any time before the abatement agreement becomes effective.3. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements, tangible personal property, and that office space and related fixed improvements necessary to the operation and administration of the authorized facility.4. Inventory or supplies shall not be eligible for abatement.
Historic Property	For historic property located in the City of Paris Historic District, see Chapter 30, Article IV of the City of Paris Code of Ordinances – Tax Exemption for Historically Significant Sites. Contact the City of Paris, City

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

Value and Term of Abatement	<p>Manager's Office for additional information on these and other programs offered by the City of Paris.</p> <ol style="list-style-type: none"> 1. The governing bodies of the local Taxing Jurisdictions will decide whether to grant a tax abatement to an applicant, and the amount, if any, of such abatement, on a case-by-case basis and in accordance with these Policies, Criteria and Guidelines. 2. The term of abatements granted under any agreement may not exceed that permitted by applicable state law. 3. The amount of the abatement shall be based upon a percentage (0 to 100%) of all or a portion of the eligible property within the authorized facility. 4. Abatements may only be granted for the additional value of eligible real and personal property improvements made pursuant to and listed in the agreement between the Taxing Jurisdictions and property owner and/or lessee, subject to such limitations as the Taxing Jurisdictions may require. 5. Real property tax abatement may be granted only to the extent that its value for each year of the agreement exceeds its value for the year in which the agreement is executed. 6. If a modernization project includes the replacement of improvements within an authorized facility, the value eligible for abatement shall be the value of the new unit(s), less the value of the replaced unit(s).
Abatement Evaluation Criteria	<p>The criteria used to evaluate a proposed project application for abatement includes, but is not limited to:</p> <ol style="list-style-type: none"> 1. The dollar amount of the increase in the tax roll. 2. The number of jobs created or retained by the employer involved. 3. The possible effect on attracting other taxable improvements into the Taxing Jurisdictions. 4. The nature of and overall effect on the Taxing Jurisdictions. 5. The effect on the safety, health, and morals of the Taxing Jurisdictions' residents. 6. Any substantial long-term adverse effect on the provision of the Taxing Jurisdictions' services or tax base. 7. Meeting all relevant zoning requirements. 8. Consistent with the comprehensive plan of the City of Paris and County of Lamar. 9. The types and cost of public improvements and services (water and sewer main extensions, streets and roads, etc.) required of the Taxing Jurisdictions. 10. The types and values of public improvements to be furnished by the applicant.
Economic Qualification	<p>To be eligible to receive tax abatement, the planned improvements:</p> <ol style="list-style-type: none"> 1. Must be reasonably expected to increase the appraised value of the property. 2. Must be expected to prevent the loss of employment, or assist in the retention or creation of jobs in the Taxing Jurisdictions during the term of the agreement. 3. Should not be expected to solely or primarily have the effect of merely transferring existing employment from one part of the Taxing Jurisdictions to another without demonstration of increased future investment (dollars or jobs) or unusual circumstances whereby without such a move employment is likely to be reduced. 4. Must be necessary because capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements or relevant governmental actions.
Taxability	<p>During the term of the agreement, taxes shall be payable as follows:</p> <ol style="list-style-type: none"> 1. The base year of eligible property as determined each year by the Lamar County Appraisal District, shall be fully taxable. 2. The additional value of eligible property above the base year value shall be taxable in the manner described in the agreement. 3. The Chief Appraiser of the Lamar County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. 4. Each year, the employer, the company or individual receiving an abatement pursuant to an agreement shall furnish the assessor with such information as may be necessary to determine the amount of any abatement. 5. Once such value has been established, the Chief Appraiser shall notify the affected Taxing Jurisdictions, which levy taxes on such property and also notify the Paris EDC. 6. The employer, owner or lessee of eligible property requesting tax abatement within a reinvestment zone shall, prior to the commencement of eligible property improvements, agree to expend a designated sum of money and to create or retain a certain number of jobs, or annual payroll as further defined below.

Capital Investment, Payroll and Job Creation Criteria

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

A tax abatement may be made available to employers who are increasing new capital investment and creating jobs with respect to an authorized facility located anywhere within the area served by the Taxing Jurisdictions based on the following criteria.

1. To be eligible for any tax abatement, there must be a minimum capital investment in the authorized facility of \$1,000,000 and at least ten (10) new jobs added to the new employer's labor force.
2. Any project with a capital investment of more than twenty-five million dollars (\$25,000,000), AND accompanied by a newly created minimum annual payroll of two and one-half million dollars (\$2,500,000), OR creating more than two hundred twenty-five (225) jobs will be individually negotiated.
3. As specified in state law, no abatement will be granted for more than 10 years and the total abatement shall not exceed 100%.
4. A newly created business must be (or will be) located within an enterprise zone or a designated reinvestment zone.
5. The taxing jurisdictions recognize a significant difference in the valuation of real property versus personal property. Because of depreciation schedules, the abatement of personal property could result in a tax exemption. For this reason, the abatement schedule for personal property versus real property may be different. Each industrial account is looked at and valued on an individual basis by the Lamar County Appraisal District (LCAD). The typical depreciation used for industrial accounts by LCAD is as follows:
 - a. Computers – 3 year life
 - b. Furniture & Fixtures – 10 year life
 - c. Vehicles – 7 to 10 year life (depending on type)
 - d. Machinery & Equipment – 15 year life (maybe longer or shorter depending on the type)
6. For each abatement request the Abatement Committee will evaluate the equipment (personal property) investment and useful life separate from the real estate (real property) investment to determine the length of the abatement for each.
7. pproved by the perty should become obsolete and be replaced while under an abatement agreement, the replacement personal property is not eligible for abatement.
8. The charts below provide capital investment guidelines to qualify for tax abatement and the related schedule and percentage of abatement.

For Capital Investment (\$1M minimum investment AND 10 jobs for new employers.)							
Amount of Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
\$1,000,000 to \$5,000,000	70%	60%	50%	40%	30%	20%	10%
\$5,000,001 to \$20,000,000	80%	70%	60%	50%	40%	30%	20%
\$20,000,001 to \$25,000,000	90%	80%	70%	60%	50%	40%	30%
\$25,000,001 and Above	<i>For projects with capital investment above \$25M AND \$2.5M in new annual payroll OR creating more than 225 new jobs, the term and percentage of the abatement are both negotiable, but cannot exceed 10 years or 100%.</i>						

9. An additional 20% abatement for new job creation is available based on the following requirements:
 - a. A project that creates a minimum of 10 new jobs.
 - b. The new job wages are equal to or greater than the current County average wage for all private sector jobs excluding retail trade and accommodation and food services (\$41,158 annually for 2013. Source: Texas Workforce Commission

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

via www.tracer2.com. (Note: This represents 547 companies, 10,470 jobs and 56% of all private sector employment in Lamar County.)

- c. The taxing jurisdictions and the company must agree to include measuring, tracking and annual reporting of the net job increases (existing jobs plus new jobs) for the entire term of the abatement agreement.

For Net New Jobs (New Job Creation and Retention of Existing Jobs)							
Net New Jobs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
1. 10 new jobs minimum.	*20%	20%	20%	20%	20%	20%	20%
2. New job wages = or > average annual wages for <i>private sector</i> jobs in Lamar County. (Excluding retail, accommodations, food service. See Item 9.b. above.)							
3. Agree to maintain existing base and new jobs during the entire term of agreement.							
4. *Year 1 cannot exceed 100%.							

VI. Tax Abatement for Existing Employers Regarding Real or Personal Property.

The Taxing Jurisdictions recognize the value of its existing employers to the wellbeing of the City and County. The Taxing Jurisdictions desire to encourage existing employers to remain in the Taxing Jurisdictions and to improve their respective businesses and industries, as well as their profitability.

Accordingly, if an existing employer (as opposed to a newly created business or industry moving into the Taxing Jurisdictions), owns or leases an authorized facility and has plans to improve such property by constructing new improvements on its real property and/or adding new personal property to its authorized facility which qualify for tax abatement under these Policies, Criteria and Guidelines, such employer may be eligible for tax abatement with respect to such improvements to its real property or its new personal property under the provisions of Article V above, even if no new jobs or newly created minimum annual payroll are created.

In projects involving existing employers, the criteria for tax abatements for improvements to real property and for new personal property at authorized facilities set forth in Article V above shall be

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

waived. These projects shall be individually negotiated without regard to the criteria in Article V above. However, in accordance with state law, no abatement will be granted for more than 10 years and the total abatement shall not exceed 100%.

The local taxing jurisdictions encourage existing employers to retain as many jobs and as much existing annual payroll as is economically feasible for the existing employer, while remaining competitive in its industry.

VII. Greenfield projects

In order to encourage the development of greenfield properties and also to be able to expedite certain new projects, the criteria for tax abatements for improvements to real property and for new personal property at authorized facilities set forth in Article V above shall be waived for projects exclusively involving greenfield properties and shall be individually negotiated without regard to the criteria in Article V above. However, in accordance with state law, no abatement will be granted for more than 10 years and the total abatement shall not exceed 100%.

VIII. Application Process

Application Process	
Eligibility	Any present or potential owner of taxable property in the Taxing Jurisdictions may request tax abatement by filing a written request with the City Manager, County Judge, or PJC President, with a copy of the application forwarded by the applicant to the Executive Director of the Paris EDC.
Form	<p>The application shall consist of a completed application form accompanied by the following:</p> <ol style="list-style-type: none">1. A general description of the improvements to be undertaken together with the projected new value to the property and the type of business operation proposed.2. A detailed descriptive list of the improvements for which abatement is requested.3. A list of the kind, number, and location of all proposed improvements of the property.4. A list of the number and type of jobs created, including information pertaining to anticipated job transfers (if any).5. A metes and bounds description and plat of the proposed reinvestment zone that shows all roadways within 200 feet of the reinvestment zone and all existing zoning and land uses within 200 feet of the reinvestment zone.6. A time schedule for undertaking and completing the proposed improvements.7. The type and value of any additional economic development incentives requested.8. Any other information about the proposed project as may be required by the Taxing Jurisdictions or as deemed desirable by the Taxing Jurisdictions.
Review Process	<ol style="list-style-type: none">1. All applications will be initially reviewed by members of the Tax Abatement Advisory Committee.2. An initial project briefing meeting will be conducted between the company's representatives and the Tax Abatement Advisory Committee.3. The Committee will evaluate the request for tax abatement in accordance with these criteria and guidelines and will make its recommendation to the Paris City Council, Lamar County Commissioners Court and Paris Junior College Board for their review and approval.4. After the Paris City Council has been briefed on the proposed tax abatement offer and they have directed the Committee to move forward, the Paris City Attorney will draft the initial tax abatement agreement for review by the Tax Abatement Committee, the PEDC Board and representatives of each Taxing Jurisdiction.5. Electronic versions of the City's abatement agreement will be provided to the County and PJC so all agreements have consistent language, terms and conditions.6. Following Tax Abatement Committee review of the draft agreement, it will be sent to the applicant's legal counsel for review and comment. Any changes requested by the tax abatement applicant will be reviewed and considered by the Committee and City Attorney.

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

	<ol style="list-style-type: none"> 7. Once the Agreement is finalized, it will be placed on the PEDC Agenda for review and action by the PEDC Board. 8. Once the Tax Abatement Agreement has been formally approved by the PEDC Board, the Agreement shall be forwarded to the Paris City Council, Lamar County Commissioner's Court and Paris Junior College Board of Regents for final consideration and action.
Public Hearing	<ol style="list-style-type: none"> 1. The Taxing Jurisdictions will comply with certain public notices and hearings required as mandated by state law under the Property Redevelopment and Tax Abatement Act prior to the designation of a reinvestment zone and execution of a tax abatement agreement. 2. The lead Taxing Jurisdiction (typically the City of Paris) may adopt an ordinance designating a tax abatement reinvestment zone only after notice of a public hearing has been published at least seven (7) days before the date of the hearing, and all other procedural requirements of Chapter 312 of the Texas Tax Code have been satisfied.
Findings	<p>In order to enter into an agreement, the Taxing Jurisdictions must find that:</p> <ol style="list-style-type: none"> 1. The terms of the proposed agreement comply with these Policies, Criteria and Guidelines. 2. There will be no substantial adverse effect on the provision of Taxing Jurisdictions' services or tax base. 3. That the planned use of the property will not constitute a hazard to public safety, health or morals. 4. Incident to approval of any ordinance designating a reinvestment zone, the Taxing Jurisdictions shall find that the improvements sought are feasible and practical and would be a benefit to the land to be included in the reinvestment zone and to the Taxing Jurisdictions after the expiration of the agreement.
Variances	<p>Requests for variance from the provisions of these Policies, Criteria and Guidelines may be made in writing to the Taxing Jurisdictions; provided, however, that in no event shall the term of any abatement exceed the period authorized by applicable state law. Such request shall include a complete description of the circumstances requiring a variance. Approval of a request for variance shall require the affirmative vote of three-fourths (3/4) of the members of each of the Taxing Jurisdictions' governing body.</p>
Proposed Agreements Decided on Individual Basis	<p>The adoption of these Policies, Criteria and Guidelines by the Taxing Jurisdictions does not limit the discretion of the Taxing Jurisdictions' governing bodies to decide whether to enter into a specific tax abatement agreement. Nor does it limit their discretion to delegate to their employees the authority to determine whether or not the Taxing Jurisdiction should consider a particular application or request for tax abatement, or create any property, contract, or other legal right in any person or entity to have the Taxing Jurisdiction consider or grant a specified application or request for tax abatement.</p>

VIII. Abatement Agreement Terms and Conditions.

Appendix B provides many of the terms and conditions to be included in any formal tax abatement legal agreement.

IX. Amendments to Policies, Criteria and Guidelines

These Policies, Criteria and Guidelines are effective for a two (2) year period from the date of their adoption, unless amended earlier by the affirmative vote of three-fourths (3/4) of the members of each governing body (City, County, PJC).

For a tax abatement application or additional information contact:

Paris Economic Development Corporation
1125 Bonham Street
Paris, Texas 75460
Phone: 903-784-6964
Fax: 903-784-2503

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

Website: www.paristexasusa.com
Email: parisedc@paristexasusa.com

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

APPENDIX A

Term	Definition
Abatement or Tax Abatement	The full or partial exemption from ad valorem taxes of certain real and tangible personal property in a Reinvestment Zone designated for economic development purposes.
Agreement or Agreements	The written legal agreement for tax abatement between a property owner and/or lessee and the City of Paris, Lamar County and Paris Junior College.
Authorized Commercial or Industrial Facility	A facility may be eligible for abatement if it is a facility used for manufacturing, research, regional distribution, regional services, regional tourist entertainment, other basic industry, or any primary jobs creating industry (see definitions below). All authorized facility definitions include buildings and structures, including fixed machinery and equipment used in operating the facility.
Authorized Residential Facility	The City Council of the City of Paris may also designate areas of the City where residential properties may be considered for abatement of City taxes only. The City of Paris will approve their residential abatement policies, criteria and guidelines separate from these policies.
Manufacturing Facility	The purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change. Facilities primarily engaged in assembling component parts of manufactured products are also considered manufacturing facilities.
Regional Distribution Facility	Used primarily to receive, store, service, or distribute goods or materials where a majority of the goods or services are distributed to points at least 100 miles from its location in the Taxing Jurisdictions of Paris and Lamar County.
Regional Tourist Entertainment Facility	Used in providing amusement/entertainment through the admission of the general public where the majority of users reside at least 100 miles from the Taxing Jurisdictions and where the majority of users are likely to stay in the Taxing Jurisdictions for more than one day and will therefore likely utilize local restaurants and hotel/motel accommodations.
Research Facility	Used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
Other Basic or Service Industry	Not elsewhere described, used for the production of products or services which result in the creation of new jobs and bring new wealth into the Taxing Jurisdictions (e.g. healthcare-related industries).
Primary Jobs Creating Industry	Any industry creating "primary jobs" defined as a job that is available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets infusing new dollars into the local economy.
Base Year Value	The assessed value of eligible property as of January 1, preceding the date of execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the agreement. The Base Year Value may be adjusted either up or down from year to year as per renditions by the Lamar County Appraisal District.
Employer	The owner or lessee of property, who is applying for tax abatement and who will provide jobs and capital investment within the Reinvestment Zone or within the Enterprise Zone.
Reinvestment Zone	An area where the Taxing Jurisdictions have decided to influence development patterns and attract major investments that will contribute to the development of the area through the use of tax abatement for specified improvements. These statutes are found in Chapter 312 of the Texas Tax Code.
Enterprise Zone	An area of land designated as such under Chapter 2303 of the Texas Government Code.
Job or Jobs	A "job" is when an individual works 40 hours per week for an employer, and in the position the individual is provided the benefits normally offered by the employer, such as health insurance, vacation and some form of retirement benefit. A job is not a position filled for the employer as a worker or employee of an employment agency or employment service. "Jobs" also includes "Full-time Equivalent Jobs" defined below.
Full-time Equivalent (FTE) Jobs	The intention of the governing bodies is to provide a company the maximum flexibility in running their business and making business decisions, especially related to staffing. The following definition of FTE will be reflected in all incentive agreements. An FTE is:

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

	<ol style="list-style-type: none"> 1. An individual working 40 hours per week in a job defined above. 2. A number of part-time jobs where the hours worked in each such job is less than 40 hours per week, made available by one employer and added together to total 40 hours per week. For example, fourteen (14) part-time jobs made available by one employer where all such part-time jobs added together require a total of 380 hours of work per week (but no such part-time job requires 40 hours of work or more per week), will equal nine and one-half (9.5) FTE jobs (380 hours divided by 40 hours per week equals 9.5). 3. FTE jobs do not require the employee to receive benefits from the employer.
Modernization	The replacement and upgrading of existing facilities, which increases the productive input or output, updates the technology, or substantially lowers the unit cost of operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment, but shall not be for the purpose of reconditioning, refurbishing, repairing, or deferred maintenance.
Personal Property	Machinery, equipment, tools, shelving or materials eligible under applicable law for tax abatement, which can be removed from an authorized facility.
Property	Real Property or Personal Property defined herein that is eligible for tax abatement.
Real Property	The land within an Enterprise Zone or a Reinvestment Zone, together with all improvements and fixtures constructed or otherwise situated thereon.
Tax Abatement Advisory Committee	The Tax Abatement Advisory Committee will be convened from time to time by the Paris Economic Development Corporation to study, review and recommend tax abatements to the applicable Taxing Jurisdictions in the City of Paris and Lamar County, Texas. The Tax Abatement Advisory Committee will be composed of one person from each of the Taxing Jurisdictions: the City of Paris (the City Manager or designee), the County of Lamar (the County Judge or designee), Paris Junior College (the President or designee), the Chief Appraiser of the Lamar County Appraisal District, and the Executive Director of the Paris Economic Development Corporation. Recommendations from the Tax Abatement Advisory Committee shall be decided by majority vote of the representatives from the three taxing entities referenced above.

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

APPENDIX B

Abatement Agreement Terms and Conditions

After approval, the Taxing Jurisdictions shall formally pass an order or resolution and authorize the execution of an agreement with the owner and/or lessee of the authorized facility, which shall include, but not be limited to the following terms and conditions:

Contract Terms & Conditions	
Project Description	<p>The following project specifics will be included:</p> <ol style="list-style-type: none"> 1. The base year value. 2. Percent of increased value to be abated each year. 3. The commencement date and the termination date of abatement. 4. Amount of investment and average number of jobs involved during the term of the agreement. 5. The proposed use of the authorized facility, nature of construction, time schedule, plat, property description, and improvement list, as provided in the application. 6. A listing of the kind, number, location, and costs of all proposed improvements of the property. 7. A statement limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone during the period that property tax abatement is in effect. 8. That access to the project is provided to allow for the inspection by Taxing Jurisdictions' inspectors and officials in order to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement. 9. That property tax revenue lost as a result of the tax abatement agreement will be recaptured by the Taxing Jurisdictions if the owner of the property fails to make the improvements or repairs as provided by the agreement. 10. Each term agreed to by the owner of the property. 11. A requirement that the owner of the property shall certify annually to the Taxing Jurisdictions that the owner is in compliance with each applicable term of the agreement. 12. Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment, or other provisions that may be required by state law, or in the discretion of the Taxing Jurisdictions' governing body. 13. That the Taxing Jurisdictions may cancel or modify the agreement if the property owner fails to comply with the agreement.
Default	<p>If the Taxing Jurisdictions determine that the person or entity receiving an abatement is in default according to the terms and conditions of its agreement, the Taxing Jurisdictions shall notify the company or individual in writing at the address stated in the agreement, and if such default is not cured within a reasonable time specified in such notice ("cure period"), then the agreement may be modified or terminated without further notice. In the event the company or individual allows its ad valorem taxes owed to the Taxing Jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or violates any of the terms and conditions of the agreement and fails to cure during the cure period, the agreement then may be modified or terminated without further notice, and the agreement may provide a formula for recapture of all or part of the taxes abated. At any time before the expiration, any tax abatement agreement may be terminated by mutual consent of all parties involved in the same manner that the agreement was executed.</p>
Confidentiality of Proprietary Information	<p>Information that is provided to a Taxing Jurisdiction in connection with an application or request for tax abatement under these Policies, Criteria and Guidelines, and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the agreement is executed. Such information in the custody of the Taxing Jurisdictions after the agreement is executed is not confidential hereunder.</p>
Inspections	<p>The agreement shall stipulate that employees and/ or designated representatives of the Taxing</p>

(Updated 12-11-2018)
POLICY STATEMENT
CRITERIA AND GUIDELINES FOR TAX ABATEMENT

	Jurisdictions will have access to the reinvestment zone during the term of the agreement to inspect the authorized facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of at least twenty-four (24) hours' prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the authorized facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards. Upon completion of construction, the Taxing Jurisdictions shall annually evaluate each authorized facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement to the Taxing Jurisdictions governing bodies.
Modifications of Agreement	At any time before the expiration of an agreement made under these Policies, Criteria and Guidelines, the agreement may be modified by the parties to the agreement to include other provisions that could have been included in the original agreement or to delete provisions that were contained in the original agreement. The modification must be made by the same procedure by which the original agreement was approved and executed. The original agreement, however, may not be modified to extend the term of the agreement or the term of the abatement granted therein beyond the time permitted by State law.
Assignment	An agreement may be assigned to a new owner or lessee of the authorized facility only with the prior written consent of the Taxing Jurisdictions. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement, and the Taxing Jurisdictions' approval shall be subject to the determination of the financial capability of such assignee. Any assignment of an agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee is indebted to the Taxing Jurisdictions for ad valorem taxes or other obligations, or if any event of default under the agreement remains uncured.
Administration, Contract Review, Monitoring and Reporting	<ol style="list-style-type: none"> 1. Each Taxing Jurisdiction shall be responsible for the administration, review, and monitoring of tax abatement agreements authorized by them Taxing Jurisdictions under these Policies, Criteria and Guidelines. These responsibilities shall include annually verifying participants in tax abatement agreements are in full compliance with the terms of the agreement, including completion and submission of all required documents in a timely manner. 2. The Paris City Attorney shall expeditiously advise the Taxing Jurisdictions in writing of any instances of contract non-compliance by tax abatement participants. In addition, the Paris City Attorney shall, on an annual basis, conduct a performance review of the activities of each tax abatement participant and report the findings of such review to the leadership and governing bodies of each taxing entity. 3. The Taxing Jurisdictions' governing bodies shall retain the right to independently review and audit the activities of tax abatement participants, and shall be responsible for enforcement of the terms of any tax abatement agreement authorized hereunder. 4. Annually the Paris City Attorney shall report to each of the governing bodies on its monitoring and compliance activities and the status of all existing abatement agreements.