

**NOTICE OF INTENT TO ENTER INTO TAX ABATEMENT AGREEMENTS  
AND RECEIPT**

This document is to provide notice to the Midway Independent School District that the Commissioners' Court of Clay County, Texas intends to enter into two Amended and Restated Tax Agreements, one with Shannon-1 Wind Farm, LLC and another with South Clay Wind Farm, LLC. The Commissioners' Court will consider, and act upon, authorizing the County Judge to enter into these agreements its regular commissioner's meeting scheduled for March 10, 2014 at 9:30 a.m. A copy of both proposed Amended and Restated Tax Abatement Agreements are attached to this notice.

The undersigned, being the President and presiding officer of the Midway Independent School District, acknowledges receipt of this notice and the Tax Abatement Agreements referred to above on the date set forth below.

SIGNED AND RECEIVED: March 3, 2014.



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Mike M. McClenden, President (and  
presiding officer) of the Board of Trustees of  
the Midway Independent School District

**AMENDED AND RESTATED  
TAX ABATEMENT AGREEMENT**

**Between**

**CLAY COUNTY, TEXAS and SOUTH CLAY WIND FARM, LLC  
(Within the Southwest Clay County Wind Power Reinvestment Zone)**

This Amended and Restated Tax Abatement Agreement (this "Agreement") is entered into by and between Clay County, Texas (the "County") duly acting herein by and through its County Judge, and South Clay Wind Farm, LLC, a Texas limited liability company (together with its successors and assigns, "Owner") effective as of the date of the execution by the County Judge of Clay County, Texas (the "Effective Date"):

Recitals:

A. On May 10, 2010, the Commissioners Court of Clay County, Texas (the "Commissioners Court") adopted a resolution stating that the County had elected to become eligible to participate in tax abatements pursuant to the *Texas Property Redevelopment and Tax Abatement Act*, as amended (herein referred to as the "Act"), being Chapter 312 of the Texas Tax Code, and on that same date adopted guidelines and criteria governing tax abatement agreements entered into by the County (hereinafter referred to as the "Guidelines"). On July 8, 2013, the Commissioners Court adopted an Order Renewing Tax Abatement Guidelines which were re-adopted, renewed and extended the Guidelines and adopted by Commissioners Court on May 10, 2010 for a period of two years.

B. On July 27, 2010, the Commissioners Court conducted a public hearing on the advisability of designating a reinvestment zone which is eligible for property tax abatement as authorized by the Act and the Guidelines, which public hearing was preceded by: (i) notice published on July 15, 2010 (more than 7 days prior to the date of the public hearing) in the Clay County Leader, a newspaper of general circulation within Clay County, Texas, (ii) notice provided more than 7 days prior to the public hearing to the presiding officers, respectively, of the Midway Independent School District and the Windthorst Independent School District, those entities being the only other taxing units located within the proposed Reinvestment Zone and (iii) notice posted in accordance with Chapter 551 of the Texas Government Code (the Open Meetings Act); said public hearing was continued to August 23, 2010 and notice of that continuance was announced at the public hearing on July 27, 2010 and was subsequently posted in accordance with the Open Meetings Act and following the conclusion of the public hearing on August 23, 2010, the Commissioners Court adopted an *Order Designating the Southwest Clay County Wind Power Reinvestment Zone*, a true copy of which is attached hereto, marked as Exhibit A and incorporated herein for all purposes, designating the following land located in Clay County, Texas as a Reinvestment Zone (the "Reinvestment Zone"), to-wit:

BEGINNING at a point on the Clay County and Archer County Line where Schreiber Road intersects the County Line which is the Northwest corner of the B.B.B. & C.R.R. Company Survey, Abstract 1002;

THENCE, South with the Clay-Archer County Line to the Southwest corner of Texan Emigration and Land Company Survey 2646, Abstract 505, which is the Northern boundary for Jack County which is the Southwest corner of this tract;

THENCE, East with the Jack County Line to Southeast corner of the Texan Emigration and Land Company Survey 2639, Abstract 498, which is the Southeast corner of this tract;

THENCE, North with Watson Road to the Northeast corner of Texan Emigration and Land Company Survey 2690, Abstract 523, which is the Northeast corner of this tract; and

THENCE, West to the Northwest corner of B.B.B. & C.R.R. Company Survey, Abstract 1002, which is the place of beginning for the Northwest corner of this tract; and

C. On July 8, 2013 the Commissioners Court approved a Tax Abatement Agreement between Clay County, Texas and Shannon-1 Wind Farm LLC (the "Original Agreement") which was amended by a First Amendment to Tax Abatement Agreement between Clay County, Texas and South Clay Wind Farm, LLC dated December 9, 2013 (the "First Amendment") and the Commissioners Court now desires to amend and restate the original Agreement and the First Amendment.

D. Owner has proposed certain improvements to be located on land within the Reinvestment Zone generally described as an approximately 161 megawatt wind powered electric generation facility (which improvements are more particularly described and defined in Section 1.3 and Exhibit B of this Agreement and are hereinafter collectively referred to as the "Improvements").

E. The Commissioners Court has concluded that the Improvements and operations proposed by Owner within the Reinvestment Zone and described in this Agreement and the terms of this Agreement: (i) are consistent with the requirements of the Act and the Guidelines or, to the extent of any inconsistency with the Guidelines, the Commissioners Court has determined, in its discretion and in accordance with TEX. TAX CODE §312.002(d), that this Agreement should be entered into notwithstanding any such inconsistency, and (ii) constitute a major investment in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

F. The Midway Independent School District is the only other governmental entity levying taxes within the area in which the Improvements (as finally situated) will be constructed and proper notice of the County's intent to enter into this Agreement has been provided to the presiding officers of the Board of Trustees of the Midway Independent School District.

G. This Agreement was adopted at a regularly scheduled meeting of the Commissioners Court which was preceded by written notice which was properly posted in accordance with the Open Meetings Act and at which a quorum of the Commissioners Court was present.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties do hereby agree as follows:

## **ARTICLE 1. IMPROVEMENTS**

1.1 Improvements in Reinvestment Zone. In consideration of the tax abatement granted in this Agreement, Owner agrees to construct Improvements within the Reinvestment Zone in accordance with this Agreement.

1.2 Timing of Improvements. Construction of the Improvements began in December of 2013 and will be substantially completed by December 31, 2015. Notwithstanding the foregoing, Owner may elect to commence the tax abatement provided for in this Agreement in either calendar year 2015 or 2016. In accordance with the Texas Tax Code, the value of all property which is subject to property taxation and located within the Reinvestment Zone in the year prior to commencement of tax abatement under this Agreement shall be subject to property taxation. If Owner has not substantially completed construction of the Improvements by December 31, 2015, this Agreement shall terminate and no abatement will be granted. For purposes hereof, the term "substantially completed construction of the Improvements" means that at least 25 megawatts capacity of the Improvements must be installed and producing electricity.

1.3 Improvements. As used in this Agreement, the term "Improvements" shall mean and refer to the improvements, fixtures and equipment which are more particularly described in Exhibit B which is attached hereto and incorporated herein for all purposes. The kind, number and location of all contemplated Improvements are described in Exhibit B. Notwithstanding the foregoing, only property located within the Reinvestment Zone which is eligible for tax abatement pursuant to Chapter 312 of the Texas Tax Code shall be eligible for tax abatement under this Agreement and included within the definition of "Improvements" pursuant to this Agreement.

1.4 Eligible Property. The property eligible for tax abatement under this Agreement (the "Eligible Property") shall be all property described in Exhibit B thereby being and included in the Improvements and that are constructed after the date this Agreement is approved by the Commissioners Court, but no property or improvements shall be eligible for tax abatement under this Agreement unless such property is described in Exhibit B and constructed and in use not later than December 31, 2016.

1.5 Spacing of Wind Turbines. No wind turbine shall be erected: (i) within 1,800 feet from a residence which is occupied as of the Effective Date of this Agreement unless the property owner of such residence has agreed otherwise in a written lease agreement or other agreement with Owner or (ii) within 400 feet of the property line of a tract on which Owner does not have a lease for wind generation as measured from the center of the turbine base.

1.6 Plans and Specifications, Governmental Requirements and Workmanship. All Improvements shall be constructed and installed in accordance with plans and specifications (the "Plans and Specifications") prepared by an engineer or architect licensed within one of the states of the United States of America and in accordance with all regulations of any governmental agency or entity having jurisdiction over any aspect of the construction. Owner

shall take such steps as are reasonably necessary to see that all work on the Improvements is completed in a good and workmanlike manner.

**ARTICLE 2.  
TAX ABATEMENT**

2.1 Tax Abatement Granted. Subject to the terms and conditions of this Agreement, the County agrees to abate all property taxes levied by the County on the Eligible Property during the Abatement Period (hereinafter defined) provided by this Agreement. As used in this Agreement the term "Abatement Period" shall refer to the period of time during which property taxes are abated determined in accordance with Section 2.2 below.

2.2 Abatement Period; Term of Agreement. Subject to the limitations set forth in Section 1.2 above, Owner may elect to begin the Abatement Period on either January 1, 2015 or January 1, 2016 (the date elected by Owner being hereinafter referred to as the "Abatement Commencement Date"). The Abatement Period will terminate on December 31 of the tenth (10<sup>th</sup>) year following the Abatement Commencement Date , unless sooner terminated in accordance with the terms of this Agreement. Termination of this Agreement shall not relieve either party of any covenants, obligations or payments owing to the other as of the date the Agreement is terminated. The parties agree that the date of this Agreement shall be the Abatement Commencement Date.

2.3 Payments In Lieu of Taxes. As consideration for the abatement granted by County under this Agreement, Owner agrees to timely perform all covenants undertaken by Owner pursuant to the terms of this Agreement including the making of an annual payment to the County, in arrears, for each year during the Abatement Period. The payment required by this Agreement must be paid not later than the last day of January of the year following the year for which abatement is granted (e.g., the payment for the abatement granted for 2015 would be due and payable not later than January 31, 2016).

(a) The amount of each payment in lieu of taxes ("PILOT") will be as follows:

YEAR	PAYMENT AMOUNT
1	\$161,000.00
2	\$218,750.00
3	\$402,500.00
4	\$523,250.00
5	\$644,000.00
6	\$764,750.00
7	\$885,500.00
8	\$1,006,250.00
9	\$1,127,000.00
10	\$1,247,750.00

(b) The parties agree that (i) each PILOT will be in lieu of any property taxes which would otherwise be owed by Owner to the County for any year during the Abatement Period, with respect to the value of any Improvements for which owner would owe property taxes to the County pursuant to the Texas Tax Code ("Taxable Property") except as provided in (c) below, and (ii) that by payment of the PILOT, the owner hereby fulfills any obligation the Owner may owe the County to pay taxes on the Taxable Property. The parties agree that abatement will not be granted with respect to the 1 meteorological tower which was installed prior to the execution of this Agreement.

(c) In the event the capacity of the Facilities exceeds 161 megawatts at any time during the term of this Agreement, the PILOT will be increased at the rate of \$4,375 per megawatt per year for each megawatt in excess of 161 megawatts. As of January 1 of each year during the Abatement Period (the "Determination Year"), a determination will be made by the County or the Clay County Appraisal District (the "Appraisal District") of any generating capacity which has been added to the Facilities in excess of the 161 megawatt capacity referred to above in the year prior to the Determination Year. The adjustment in the PILOT attributable to any such additional generating capacity in excess of 161 megawatts shall be due and payable not later than January 31 of the year following the Determination Year along with the remainder of the PILOT, in accordance with the provisions of the first paragraph of this Section 2.3 above.

2.4 Conditions to Tax Abatement. The tax abatement granted by this Agreement is expressly conditioned upon the following conditions which must be satisfied throughout the entire term of this Agreement and with which Owner agrees to comply with at all times, subject, however, to the notice and cure rights of Owner set forth in Article 5 hereof:

(a) Construction of the Improvements. Owner's timely construction of the Improvements in accordance with this Agreement.

(b) Operations. Owner's operation of the Facilities (as defined in Section 7.3) in accordance with this Agreement, including those provisions requiring commercial viability.

(c) Compliance with this Agreement. Owner's compliance with all covenants and obligations undertaken by Owner pursuant to the terms of this Agreement.

(d) Accuracy of Representations. The accuracy and truthfulness of the representations by Owner contained in this Agreement as of the date this Agreement is executed.

(e) Payment of Taxes. The payment by Owner and all affiliates and subsidiaries of Owner, prior to delinquency, of all taxes levied by the County, any other taxing unit within the County, the State of Texas or the United States of America related to the Facilities or the Improvements. It shall not be a violation of this provision if the party who is assessed the tax in good faith protests the levy or assessment of a particular tax by the timely filing of appropriate proceedings to prosecute a protest or contest of the tax, makes payment of the disputed tax during such protest or contest as required by applicable law and pays the tax, as finally determined, prior to delinquency as required by applicable law.

(f) Annual Applications. In accordance with the requirements of Section 11.43 of the Texas Tax Code, in order to qualify for tax abatement pursuant to this Agreement, Owner must apply for the applicable exemption prior to May 1 each year. The applicable exemption application form must be filed with the Chief Appraiser for the Clay County Appraisal District.

(g) Continued Operations following Abatement. Owner agrees to continue operation of the Facilities in a commercially viable manner (as defined in Section 3.4 below) for a period of seven (7) years after the end of the Abatement Period.

**ARTICLE 3.  
COVENANTS APPLICABLE TO CONSTRUCTION  
AND OPERATIONS AFTER CONSTRUCTION**

3.1 Job Creation. Owner agrees to provide not fewer than 2 new full time jobs in connection with the operation of the Facilities either through direct employment by Owner or through employment by contractors or service providers engaged to provide goods or services in connection with the construction of the Improvements and thereafter in the course of operating the Facilities.

3.2 Road Repairs and Alterations. Owner shall repair any damage to County roads caused by Owner or Owner's contractors or suppliers during the course of constructing, repairing or maintaining the Improvements or resulting from any permitted changes or alterations by Owner or Owner's contractors or suppliers to County roads and shall return such roads to the condition such roads were in prior to their use by Owner or Owner's contractors or suppliers. .

(a) All such repairs or alterations by Owner or Owner's contractors or suppliers, including the widening of roads pursuant to subsection (d) below, shall have the prior approval of the County and shall be done in accordance with the standards and specifications for road repair generally used by the County for other county roads; provided that all roads repairs or altered shall have not less than four (4) inches of crushed rock or "crusher run" on those portions of the road altered or repaired.

(b) In the event this covenant for road repair by Owner cannot be performed by Owner or in the event Owner fails to perform this covenant within 14 days of a demand that it do so from the County, then the County may perform the road repair required of Owner pursuant to this section and Owner agrees to reimburse the County for its reasonable and necessary costs in repairing such roads. The County's cost for such repairs shall be determined using the applicable rates used by the Federal Emergency Management Administration for equipment and personnel and the County's actual cost of materials. Owner agrees to pay the cost of any such repairs within 30 days of the date Owner is billed for such services by the County.

(c) Prior to the commencement of any construction activity, Owner agrees to provide the County with a performance bond by a good and sufficient surety acceptable to the

County, in an amount not less than \$250,000 to secure the faithful performance of these road maintenance covenants by Owner (the "Performance Bond"), during the construction of the Improvements, which Performance Bond may also cover road maintenance and construction for the contemplated Shannon-1 Wind Farm project in the Reinvestment Zone. A corporate surety licensed to do business in the State of Texas shall be deemed acceptable by the County. A bond acceptable to the County must be obtained and filed with the County prior to the commencement of construction of any of the Improvements.

(d) Owner may widen any County road located within the Reinvestment Zone and those portions of Cobb Road and Watson Road which are adjacent to the Reinvestment Zone subject to the following conditions:

(1) Such roads may only be widened within the generally recognized and deeded or dedicated right of way of the County and then only to the extent required to enable passage of the vehicles or equipment required for construction of the Improvements.

(2) If Owner proposes to widen a road outside of the area of its deeded or dedicated right of way or generally recognized right of way, Owner shall first obtain an instrument from all property owners whose land is adjacent to the side or sides of the road being widened, which instrument shall evidence such landowner(s) consent to the widening of the road and shall release the County from any claims as a result of the activities of Owner (such provisions relating to the release of the County to be in a form reasonable acceptable to the County).

(3) During the widening of a road Owner will prosecute the widening of the road continuously (subject to Section 9.7 below) and shall always maintain at least one lane open for traffic including passenger vehicles, trucks and farm equipment.

(4) If a road must be closed, Owner shall:

(A) Prosecute the work in a manner so that the road will not be closed more than 24 hours;

(B) Obtain the County's consent to a particular closure date;

(C) Notify all persons who are residents or that own property which they access using the road of the closure not less than 1 week prior to its closure; and

(D) Maintain at least one lane of traffic open for passenger vehicles, trucks and farm equipment unless there is an alternate route by which residents and landowners can access their property during the 24 hour closure period.

(5) Any widened road shall include drainage ditches which will prevent flooding to adjacent property in a manner not less effectively than the drainage ditches in existence prior to the widening of the road.



(6) Not later than 90 days following the completion of the construction of the Improvements Owner shall return any widened road to its prior condition or better, including the installation of drainage ditches, unless otherwise agreed by the County.

(e) County will release requirement for Performance Bond upon both (i) completion of construction of the Improvements and (ii) upon Owner meeting Section 3.2 requirements. In the event Owner engages in any retrofitting or repairs which required the transportation of heavy equipment, other than routine types of equipment that typically use such roads, across County roads during the term of this Agreement but after the Performance Bond has been released, Owner agrees to post another performance bond meeting the requirements of the previous Performance Bond unless the County agrees that no bond is required and the County agrees to release the Performance Bond upon completion of any required repairs to the roads.

3.3 Insurance. Owner agrees to maintain in full force at all times starting at commencement of construction and continuing throughout the term of this Agreement the following insurance coverage issued by insurance companies authorized to conduct business in the State of Texas:

(a) Commercial general liability coverage (including coverage for all equipment and vehicles) with aggregate limits of not less than \$2,000,000.00; and

(b) Worker's compensation coverage for all full time employees to the extent required by Texas law.

3.4 Commercial Viability of Operations. After construction of the Improvements is completed and throughout the term of this Agreement the Facilities shall be operated in a manner that insures it commercial viability and in a manner consistent with the County's generally purpose of encouraging development of the Reinvestment Zone.

3.5 Local Spending. Owner agrees it will use commercially reasonable efforts to give preference to contractors and vendors located in the County in the construction of the Improvements and the operation and maintenance of the Facilities provided that Owner will not be required to use goods and services provided by local contractors or vendors where such local goods or services are not comparable to those provided by nonresidents or where such goods and services are not available on terms and conditions (including price and bonding capacity) comparable to those offered by nonresidents. Owner agrees to designate a coordinator of local services who will act as a liaison between any individuals, businesses or contractors residing or doing business in the County who are interested in obtaining information about providing goods or services related to the construction of the Improvements. Additionally, Owner agrees to do the following:

(1) Not later than one month prior to the start of construction of the Improvements Owner will hold a job fair in Henrietta, Texas advertising construction employment positions. Two weeks prior to the job fair, Owner shall publish a notice in the *Clay County Leader* announcing the date, time and location of the job fair and the procedure

for application. Applications from the job fair shall be distributed to the various subcontractors for consideration.

(2) Not later than one month prior to filling a full time position (excepting internal transfer and promotions) for the operation of the Facilities, Owner shall publish notice of the position in the *Clay County Leader* describing the position and the procedure for application. Any position requiring more than 35 hours per week shall be considered full time.

(3) Not less than 2 weeks prior to entering into any contract or subcontract during construction of the Improvements, Owner and its contractors or subcontractors will provide notice of such contracts with respect to any contract for the purchase of goods or services in excess of \$50,000. Owner (or its contractor or subcontractors) shall publish a notice in the *Clay County Leader* describing the nature of the services or goods sought and the procedure to submit a bid.

The publication requirements set forth above do not apply to any position or contract awarded to a resident of the County or to a firm controlled by an individual who is a resident of the County.

3.6 Annual Certification On or before January 31 of each calendar year that this Agreement is in effect Owner shall certify to the County its compliance with all provisions of this Agreement. The annual certification shall contain a statement, sworn to by an authorized officer of Owner, stating that Owner is in compliance with each applicable term of this Agreement.

3.7 Determination of Value. The Chief Appraiser of the Appraisal District shall annually determine the Certified Appraised Value of all real and personal property making up the Facilities without regard to the abatement granted by this Agreement and the Certified Appraised Value of such property after applying the abatement granted this Agreement. The Chief Appraiser shall then record both values in the appraisal records. The value of the Facilities without regard to the abatement shall be used to compute the amount of abated taxes that are required to be recaptured and paid to the County in the event recapture of such taxes is required by this Agreement or applicable law. During the term of this Agreement, Owner shall each year furnish the Chief Appraiser of the Appraisal District with such information as is required by applicable law (including Chapter 22 of the Texas Tax Code) and as may be necessary for the administration of the abatement specified in this Agreement. The Appraisal District will determine the values required herein in any manner permitted by applicable law, but without limitation of Owner's rights in Section 3.8 hereinbelow.

3.8 Owner's Right of Protest. Nothing in this Agreement shall limit Owner's right to protest and contest any appraisal or assessment of the Facilities in accordance with applicable law. The abatement to which Owner is entitled will be governed by the values finally determined in proceedings relative to any such protest or contest by Owner.

3.9 Estoppel Certificates. Either party hereto may request an estoppel certificate from the other party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate shall certify, as of the date of the certificate: (i) that this

Agreement is in full force and effect without default if such is the case, (ii) the remaining term of this Agreement, and (iii) such other matters as may be agreed upon by the parties.

3.10 Use of Improvements. The Improvements shall be used solely for the generation and distribution of electricity using wind powered turbines in furtherance of the County's development goals to achieve a major investment in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

3.11 Damage or Destruction of Improvements. If the Improvements, or any portion thereof, are destroyed or damaged by fire, windstorm or other causes, regardless of whether such causes are based upon an act or omission of Owner or an agent, employee or officer of Owner, Owner shall be required to replace or repair the damaged or destroyed item(s) unless any lender or equity partner of Owner with a right to do so demands that all available insurance proceeds be applied to an obligation of Owner rather than being used to replace or rebuild the Improvements. If Owner is required to replace damaged or destroyed item(s) in accordance with this Section, Owner agrees to do so as soon as practicable. There shall be no reduction in the payments in lieu of taxes payable to the County under this Agreement if Owner is required to repair or replace the Improvements under the terms of this Section. If the items replacing the destroyed items, or the damaged item which is repaired, is of substantially like kind to the item being replaced but has a value in excess of the damaged or destroyed item, such excess value shall continue to be subject to abatement under this Agreement. If, as the result of the repair or replacement of damaged equipment the generating capacity of the Facilities is increased the PILOT will be adjusted in accordance with Section 2.3(c) above.

3.12 Criteria for Insurance, Bonding Companies. The insurance policies required by Section 3.3 and the bonds required by Section 3.2 shall be issued by companies authorized to do business in the State of Texas and shall be rated "A" or above by A.M. Best and Company or Standard and Poors or a comparable rating agency acceptable to the County.

#### **ARTICLE 4. REPRESENTATIONS**

4.1 By the County: The County hereby warrants and represents to Owner:

(1) That none of the tracts on which the Improvements or the Facilities are located are owned or leased by any member of the Commissioners Court.

(2) That this Agreement was authorized by an order of the Commissioners Court adopted at its meeting on March 10, 2014 authorizing the County Judge to execute this Agreement on behalf of the County.

4.2 By Owner. Owner hereby warrants and represents to the County:

(1) That Owner is a limited liability company organized under the laws of the State of Texas and in good standing with the State of Texas.

(2) That Owner is not in default in the payment of any taxes owing to the federal, state or any local governmental units.

(3) That the officers of Owner signing this Agreement are properly authorized to enter into this Agreement and bind Owner to the terms thereof and Owner is thereby authorized to perform all covenants undertaken by Owner pursuant to this Agreement.

(4) That there is no operating agreement, certificate of formation provision, or agreement between Owner and any third party which in any way limits Owner's authority to enter into this Agreement and perform all covenants and agreements set forth herein.

(5) That none of the tangible property which will be a part of the Improvements located within the Reinvestment Zone is located within the Reinvestment Zone as of the date of this Agreement other than the 1 meteorological tower currently located in the area where the Facilities will be constructed.

#### **ARTICLE 5. DEFAULT; REMEDIES**

5.1 Default In Constructing Improvements. If Owner fails to complete the Improvements in the manner, and within the time period, stated in this Agreement, and Owner's failure to comply with those provisions of this Agreement are not cured following notice to Owner pursuant to Section 5.3 below, Owner shall be in default under the terms of this Agreement. In the event of a default in the construction of the Improvements the County may terminate or cancel this Agreement and Owner shall pay to the County all property tax revenues (including penalties, interest, attorney's fees and costs) that would have been payable to the County in the absence of this Agreement.

5.2 Default In Operations, Payments or Performance of Other Covenants. The occurrence of any of the following circumstances shall be an event of default under the terms of this Agreement:

(1) The Facilities are not operated in accordance with the terms of this Agreement;

(2) Owner fails to timely pay any amounts owing to County pursuant to this Agreement, including any payments in lieu of taxes or any ad valorem taxes owed to any other taxing unit within the County, or fails to timely and properly follow applicable procedures for protest or contest of any such ad valorem taxes; or

(3) Owner fails to timely perform any covenant, condition or agreement it has undertaken pursuant to the terms of this Agreement; or

(4) Any representation made by Owner in Section 4.2 of this Agreement is untrue;

(5) Default under the terms that certain Tax Abatement Agreement of even date herewith between Shannon-1 Wind Farm, L.L.C. and County.

5.3 Notice, Right to Cure. Upon the occurrence of an event of default (including default under Sections 5.1 or 5.2 above), the County shall give the Owner written notice specifying the default.

(1) Monetary Defaults. If the event of default relates to the payment of money, Owner shall cure such default within 30 days of the date of the notice from the County.

(2) Non-Monetary Defaults. If the event of default is based upon an event other than a default in the payment of money, Owner shall cure such default within 60 days of the date of the notice of default by the County. This cure period shall be extended for the period of time referred to in Section 9.7 of this Agreement if any circumstance identified in Section 9.7 delays the cure of any such default. This cure period may be extended if the goods and services necessary to cure same are not reasonably available to Owner within the 60 day time period; provided, that Owner shall provide the County with documentation and proof sufficient to satisfy the County that such goods or services are not available. If the County agrees that the goods and services are not reasonably available to Owner within the 60 day cure period, the cure period shall be extended for a period of an additional 30 days or such additional time period as the County deems reasonably necessary to cure the default.

(3) Public Safety Default. If the event of default relates to a matter of public safety then Owner shall cure such default by the shortest of the following periods of time: (i) the time by which such default is required to be cured under any applicable law or regulation, (ii) as soon as the goods and services necessary to remedy such default are reasonably available to Owner, or (iii) 60 days from the date of the notice of default by the County.

5.4 Remedies. If an event of default is not cured in accordance with Section 5.3 above, then the County may, in addition to any other remedies it may have at law or in equity, avail itself any of the following remedies:

(1) The County shall be entitled to avail itself of any remedy available to it for the collection of property taxes under the Texas Tax Code or applicable law including: (i) the charging of interest on past due payments in lieu of taxes, penalties, attorney's fees and costs (in each case in the amounts provided by the Texas Tax Code for charges in connection with delinquent property taxes.

(2) The County may cancel this Agreement unilaterally or modify this Agreement with Owner's consent.

(3) Within 90 days of the date of a demand by the County that it do so, the Owner shall pay to the County an amount equal to all taxes abated to the date of such notice together with penalties and interest as provided for in the Texas Tax Code.

(4) File suit against Owner seeking a judgment for any amounts owed to the County under this Agreement or applicable law.

The exercise by the County of any of the remedies provided in this Section 5.4 or 5.1 above shall not constitute an election of remedies and will not in any way limit the County's ability to exercise any other remedy available to it under this Agreement or applicable law.

5.5 No Abatement for Calendar Year of Default. If there is a default (other than a default pursuant to Section 5.1 above) and the County does not elect to collect all abated taxes pursuant to Section 5.4(1) above, Owner shall not be entitled to abatement of taxes for the calendar year in which the default occurs or for any portion of the remaining term of this Agreement. If a default continues over more than one day, it will be considered to have occurred on the date on which it first occurred.

5.6 Mortgagee Protection. Notwithstanding any other provision hereof, County agrees that Owner may mortgage, pledge, or otherwise encumber its interest in the Improvements and Facilities to any lender or to any trustee or beneficiary under a deed of trust or to any master or special servicer (a "Mortgagee") for the purpose of financing operations of the Facilities, constructing the Improvements or acquiring additional equipment for the Facilities following any initial phase of construction, and that any Mortgagee shall be entitled to receive notice of any default hereunder so long as County has been provided notice of the identity and address of such Mortgagee if same is not of public record, and such Mortgagee shall be entitled to cure or commence cure of any such defaults in the same manner as Owner; provided, however, that Mortgagee shall be entitled to an additional thirty (30) days beyond the periods permitted to Owner in order to cure any such default (or commence the cure of such default if same is non-monetary in nature). Any such Mortgagee shall be a third party beneficiary of this Section 5.6. Following receipt of the annual certification required by Section 3.6 above, County agrees, upon request by the Mortgagee, to provide the Mortgagee with an estoppel certificate certifying, as of the date of the certificate: (i) whether or not any monetary default exists under this Agreement and (ii) whether or not County is aware of any non-monetary default under the terms of this Agreement.

## **ARTICLE 6. ASSIGNMENT**

6.1 Assignment. So long as no default exists and is continuing at the time of the proposed assignment Owner shall have the right to assign, in whole or in part, any of its rights or obligations under the terms of this Agreement or in the Improvements or the Facilities to any entity or entities which acquires all or any portion of the Facilities and/or Improvements without the consent of the County; provided, however, that Owner shall give written notice of any such assignment to the County no later than 30 days thereafter. Any assignment other than an assignment under Section 6.2, including without limitation an assignment to another entity or entities, shall require that all conditions and obligations in this Agreement applying to the Facilities and/or Improvements acquired by the assignee shall be assumed by the assignee, and upon such assumption, Owner shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations under the Agreement to the extent such rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the Facilities and/or Improvements acquired by the assignee. The parties

hereto agree that a transfer of stock or a portion of stock or other ownership interest in Owner to a third party shall not be considered an assignment under the terms of this Agreement.

6.2 Assignment in Connection with Financing. The County further expressly acknowledges and agrees that Owner shall have the right to assign this Agreement to one or more Mortgagees without the consent of the County, as more particularly addressed in Section 5.6 hereof. Upon the request of Owner or its Mortgagee(s) the County agrees to execute and deliver to Owner's Mortgagees an acknowledgment of such assignment in a form reasonably acceptable to the County, such Mortgagee(s) and Owner and a certificate conforming to Section 3.9 and Section 5.6 of this Agreement.

6.3 Assignment to Subsidiary. Owner may assign this Agreement to an Affiliate or Subsidiary at any time without the consent of the County provided that there is a contemporaneous assignment by the Owner to such subsidiary of the Improvements, Facilities and leases for such Facilities and any power purchase agreements held by Owner related to power produced by the Improvements facilities.

6.4 Sale or Transfer to Non-taxable Entity. In the event of a permitted transfer or assignment of this Agreement to an entity which is not subject to property taxes levied by the County, the following provisions shall apply:

(1) If the assignment takes place during the Abatement Period this Agreement shall terminate and Owner shall pay to the County an amount equal to all taxes which were abated under the terms of this Agreement less a credit for all PILOTs paid to the County under the terms of this Agreement. Such payment shall be made on or before the effective date of any assignment to a non-taxable entity.

(2) If the assignment takes place after expiration of the Abatement Period but before the expiration of the period of time during which Owner is required to maintain a viable presence pursuant to Section 2.4(g) above, Owner shall pay the County an amount equal to \$4,000 per installed megawatt for each year remaining on Owner's viable presence covenant in Section 2.4(g) above. In addition, the PILOT otherwise due for the year in which any such assignment takes place shall also be payable. All of these amounts shall be payable in full prior to the effective date of any such assignment to a non-taxable entity.

## **ARTICLE 7. DEFINITIONS**

As used in this Agreement, the following terms shall have the respective meanings assigned to them below:

7.1 "Affiliate" shall have the meaning assigned to it in the Texas Business Organizations Code.

7.2 "Certified Appraised Value" shall mean the appraised value of property that is subject to property taxation under the Texas Tax Code determined and certified by the Chief Appraiser of the Clay County Central Appraisal District for each taxable year.

7.3 "Facilities" shall mean the Improvements and all other tangible property or fixtures used by Owner in connection with its wind power electric generation operations in the Reinvestment Zone and shall include any property added to the Improvements because of repairs, retrofitting or additional improvements during the term of this Agreement.

7.4 "Subsidiary" shall have the meaning assigned to it in the Texas Business Organizations Code.

## **ARTICLE 8. NOTICES**

8.1 Notices. All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed to be properly given when delivered personally to any of the hereinafter designated addresses or the named representatives thereof, or when mailed by prepaid certified mail, return receipt requested, addressed to such party at the respective addresses set forth below:

If to the County:

Clay County, Texas  
Attn: County Judge  
214 North Main Street  
Henrietta, Texas 76365

If to the Owner:

South Clay Wind Farm, LLC  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party may change the address for notices by a written notice forwarded in accordance with the foregoing.

## **ARTICLE 9. GENERAL PROVISIONS**

9.1 Governing Law; Venue. This Agreement shall be construed and governed in accordance with the laws of the State of Texas without giving effect to its conflict of law rules. Venue for any action relating to the interpretation or performance of this Agreement or to enforce any right or obligation relating to this Agreement shall be in a court of competent jurisdiction having venue over cases arising in Clay County, Texas.



9.2 Waiver. The failure of either party to enforce any right or demand strict performance of any obligation of the other party under this Agreement shall not operate as, or be construed to be, a waiver of such right or obligation.

9.3 Entire Agreement, Interpretation. This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous discussions, representations, correspondence or agreements, written or oral. This Agreement may only be amended by a written instrument signed by both parties or their duly authorized officers or representatives. The language of this Agreement shall be construed as a whole according to its fair and common meaning and shall not be construed for or against either of the parties hereto. All titles or headings to sections or other divisions of this Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the content of this Agreement, such content being controlling as to the agreement between the parties hereto.

9.4 Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement.

9.5 Agreement Subject to Rights of Bondholders. This Agreement is subject to the rights of the holders of outstanding bonds of the County.

9.6 Owner as Party to Litigation. In the event any litigation is initiated questioning or challenging the validity of this Agreement or any part hereof or any of the underlying orders or Commissioners Court actions authorizing the same, the County agrees not to object to the Owner's joinder or intervention in such litigation.

9.7 Force Majeure. If Owner's performance of any obligation or obligations under this Agreement is interrupted, delayed, or prevented by any contingency or cause beyond the control of Owner and which is not directly or indirectly caused by the acts or omissions of Owner's officers, employees or agents, then Owner shall be excused from the performance of any such obligation or obligations during the period of time that Owner is reasonably unable to perform such obligation or obligations as a result of such contingency or cause. Contingencies or causes beyond the control of Owner include, without limitation:

(1) Acts of God, or the public enemy, any natural disaster, war, riot, civil commotion, insurrection, fires, explosions, accidents, floods, and labor disputes or strikes;

(2) To the extent it affects the Owner's ability to perform a non-monetary covenant or obligation under this Agreement:

(A) A change in a governmental law or regulation shall be considered a contingency or cause beyond the control of Owner if Owner complies with the

changed or revised law or regulation within the time limits, and in the manner, provided by such changed or revised law or regulation;

(B) A delay occasioned by the fact that supplies or materials are not reasonably available or the fact that a contractor or subcontractor is delayed in performing services and in either case the circumstance is not directly or indirectly caused by the acts or omissions of Owner.

9.8 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constituted, collectively, one agreement. Once all parties to this Agreement have signed a counterpart, this Agreement shall be binding upon all parties in accordance with the terms hereof.

9.9 Recording of Agreement. The parties agree to execute this Agreement in recordable form and that a duplicate of this Agreement shall be recorded in the Official Public Records of the County Clerk of Clay County, Texas.

9.10 Adoption of Agreement. The County agrees that any other taxing unit eligible to enter into agreements relating to the abatement of taxes may adopt all or any portion of this Agreement.

9.11 Further Acts. The parties each agree to cooperate fully with the other and to take such further action and execute such other documents or instruments as necessary or appropriate to implement the terms of this Agreement.

9.12 Reimbursement of Expenses. Owner agrees to reimburse the County for its reasonable and necessary attorney's fees incurred in the negotiation and preparation of this. Owner agrees to pay such expenses to the County within 30 days of the date it is billed for such expenses by the County.

9.13 Exhibit B. Exhibit B includes a general description of the kind, nature and maps of the Improvements for the project which is the subject of this Agreement and for another project also contemplated to be located within the Reinvestment Zone. In the event of any conflict between the more particular provisions set forth within the body of this Agreement and the more general descriptions contained in Exhibit B, the more particular provisions within the body of this Agreement shall control.

Attachments:

Exhibit A — copy of *Order Designating the Southwest Clay County Wind Power Reinvestment Zone*

Exhibit B — Description of Improvements and Maps

IN TESTIMONY OF WHICH this Agreement has been executed by the County Judge of Clay County, Texas effective this the \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

COUNTY:

Clay County, Texas

\_\_\_\_\_  
Sasha Kelton, County Clerk

By: \_\_\_\_\_  
Kenneth Liggett, County Judge

OWNER:

South Clay Wind Farm, LLC

By: \_\_\_\_\_  
\_\_\_\_\_

STATE OF TEXAS )

COUNTY OF CLAY )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by Kenneth Liggett, County Judge of Clay County, Texas on behalf of said County.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS )

COUNTY OF CLAY )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by \_\_\_\_\_ of South Clay Wind Farm, LLC, a Texas limited liability company on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas

Exhibit A

Order of Commissioners Court of Clay County follows this page.

## Exhibit B

### Improvements

All wind turbines, transmission and distribution lines and associated transformers and junction boxes, substations, operations and maintenance buildings, laydown yards, roads, meteorological towers added after July 8, 2013, and all other related equipment and facilities comprising a part of, and for Owner's use or operation in conjunction with, the Shannon-1 Wind Farm, LLC wind energy project within the Reinvestment Zone contemplated by this Agreement and that qualifies as Eligible Property under Section 1.4 of this Agreement and includes, without limitation, a sufficient number of GE turbines, required to produce the megawatt capacity contemplated by this Agreement. The wind turbines installed will be located within the Reinvestment Zone at the locations designated with numbers on the attached map or plat of the project. Provided, however, that the Improvements shall not include the transformer station and related transformers or equipment located adjacent to, or near, the Facilities and which will be owned or operated by ONCOR Electric Delivery, LLC, the operator of the electric lines over which electric energy generated by the Facilities will be transmitted.

**AMENDED AND RESTATED  
TAX ABATEMENT AGREEMENT**

**Between**

**CLAY COUNTY, TEXAS and SHANNON-1 WIND FARM, LLC  
(Within the Southwest Clay County Wind Power Reinvestment Zone)**

This Amended and Restated Tax Abatement Agreement (this "Agreement") is entered into by and between Clay County, Texas (the "County") duly acting herein by and through its County Judge, and Shannon-1 Wind Farm, LLC, a Texas limited liability company (together with its successors and assigns, "Owner") effective as of the date of the execution by the County Judge of Clay County, Texas (the "Effective Date"):

Recitals:

A. On May 10, 2010, the Commissioners Court of Clay County, Texas (the "Commissioners Court") adopted a resolution stating that the County had elected to become eligible to participate in tax abatements pursuant to the *Texas Property Redevelopment and Tax Abatement Act*, as amended (herein referred to as the "Act"), being Chapter 312 of the Texas Tax Code, and on that same date adopted guidelines and criteria governing tax abatement agreements entered into by the County (hereinafter referred to as the "Guidelines"). On July 8, 2013, the Commissioners Court adopted an Order Renewing Tax Abatement Guidelines which were re-adopted, renewed and extended the Guidelines and adopted by Commissioners Court on May 10, 2010 for a period of two years.

B. On July 27, 2010, the Commissioners Court conducted a public hearing on the advisability of designating a reinvestment zone which is eligible for property tax abatement as authorized by the Act and the Guidelines, which public hearing was preceded by: (i) notice published on July 15, 2010 (more than 7 days prior to the date of the public hearing) in the Clay County Leader, a newspaper of general circulation within Clay County, Texas, (ii) notice provided more than 7 days prior to the public hearing to the presiding officers, respectively, of the Midway Independent School District and the Windthorst Independent School District, those entities being the only other taxing units located within the proposed Reinvestment Zone and (iii) notice posted in accordance with Chapter 551 of the Texas Government Code (the Open Meetings Act); said public hearing was continued to August 23, 2010 and notice of that continuance was announced at the public hearing on July 27, 2010 and was subsequently posted in accordance with the Open Meetings Act and following the conclusion of the public hearing on August 23, 2010, the Commissioners Court adopted an *Order Designating the Southwest Clay County Wind Power Reinvestment Zone*, a true copy of which is attached hereto, marked as Exhibit A and incorporated herein for all purposes, designating the following land located in Clay County, Texas as a Reinvestment Zone (the "Reinvestment Zone"), to-wit:

BEGINNING at a point on the Clay County and Archer County Line where Schreiber Road intersects the County Line which is the Northwest corner of the B.B.B. & C.R.R. Company Survey, Abstract 1002;

THENCE, South with the Clay-Archer County Line to the Southwest corner of Texan Emigration and Land Company Survey 2646, Abstract 505, which is the Northern boundary for Jack County which is the Southwest corner of this tract;

THENCE, East with the Jack County Line to Southeast corner of the Texan Emigration and Land Company Survey 2639, Abstract 498, which is the Southeast corner of this tract;

THENCE, North with Watson Road to the Northeast corner of Texan Emigration and Land Company Survey 2690, Abstract 523, which is the Northeast corner of this tract; and

THENCE, West to the Northwest corner of B.B.B. & C.R.R. Company Survey, Abstract 1002, which is the place of beginning for the Northwest corner of this tract; and

C. On July 8, 2013 the Commissioners Court approved a Tax Abatement Agreement between Clay County, Texas and Shannon-1 Wind Farm LLC (the "Original Agreement") which was amended by a First Amendment to Tax Abatement Agreement between Clay County, Texas and Shannon-1 Wind Farm, LLC dated December 9, 2013 (the "First Amendment") and the Commissioners Court now desires to amend and restate the original Agreement and the First Amendment.

D. Owner has proposed certain improvements to be located on land within the Reinvestment Zone generally described as an approximately 41 megawatt wind powered electric generation facility (which improvements are more particularly described and defined in Section 1.3 and Exhibit B of this Agreement and are hereinafter collectively referred to as the "Improvements").

E. The Commissioners Court has concluded that the Improvements and operations proposed by Owner within the Reinvestment Zone and described in this Agreement and the terms of this Agreement: (i) are consistent with the requirements of the Act and the Guidelines or, to the extent of any inconsistency with the Guidelines, the Commissioners Court has determined, in its discretion and in accordance with TEX. TAX CODE §312.002(d), that this Agreement should be entered into notwithstanding any such inconsistency, and (ii) constitute a major investment in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

F. The Midway Independent School District is the only other governmental entity levying taxes within the area in which the Improvements (as finally situated) will be constructed and proper notice of the County's intent to enter into this Agreement has been provided to the presiding officers of the Board of Trustees of the Midway Independent School District.

G. This Agreement was adopted at a regularly scheduled meeting of the Commissioners Court which was preceded by written notice which was properly posted in accordance with the Open Meetings Act and at which a quorum of the Commissioners Court was present.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth herein, the parties do hereby agree as follows:

## **ARTICLE 1. IMPROVEMENTS**

1.1 **Improvements in Reinvestment Zone.** In consideration of the tax abatement granted in this Agreement, Owner agrees to construct Improvements within the Reinvestment Zone in accordance with this Agreement.

1.2 **Timing of Improvements.** Construction of the Improvements began in December of 2013 and will be substantially completed by December 31, 2015. Notwithstanding the foregoing, Owner may elect to commence the tax abatement provided for in this Agreement in either calendar year 2015 or 2016. In accordance with the Texas Tax Code, the value of all property which is subject to property taxation and located within the Reinvestment Zone in the year prior to commencement of tax abatement under this Agreement shall be subject to property taxation. If Owner has not substantially completed construction of the Improvements by December 31, 2015, this Agreement shall terminate and no abatement will be granted. For purposes hereof, the term "substantially completed construction of the Improvements" means that at least 25 megawatts capacity of the Improvements must be installed and producing electricity.

1.3 **Improvements.** As used in this Agreement, the term "Improvements" shall mean and refer to the improvements, fixtures and equipment which are more particularly described in Exhibit B which is attached hereto and incorporated herein for all purposes. The kind, number and location of all contemplated Improvements are described in Exhibit B. Notwithstanding the foregoing, only property located within the Reinvestment Zone which is eligible for tax abatement pursuant to Chapter 312 of the Texas Tax Code shall be eligible for tax abatement under this Agreement and included within the definition of "Improvements" pursuant to this Agreement.

1.4 **Eligible Property.** The property eligible for tax abatement under this Agreement (the "Eligible Property") shall be all property described in Exhibit B thereby being and included in the Improvements and that are constructed after the date this Agreement is approved by the Commissioners Court, but no property or improvements shall be eligible for tax abatement under this Agreement unless such property is described in Exhibit B and constructed and in use not later than December 31, 2016.

1.5 **Spacing of Wind Turbines.** No wind turbine shall be erected: (i) within 1,800 feet from a residence which is occupied as of the Effective Date of this Agreement unless the property owner of such residence has agreed otherwise in a written lease agreement or other agreement with Owner or (ii) within 400 feet of the property line of a tract on which Owner does not have a lease for wind generation as measured from the center of the turbine base.

1.6 **Plans and Specifications, Governmental Requirements and Workmanship.** All Improvements shall be constructed and installed in accordance with plans and specifications (the "Plans and Specifications") prepared by an engineer or architect licensed within one of the states of the United States of America and in accordance with all regulations of any governmental agency or entity having jurisdiction over any aspect of the construction. Owner



shall take such steps as are reasonably necessary to see that all work on the Improvements is completed in a good and workmanlike manner.

**ARTICLE 2.  
TAX ABATEMENT**

2.1 Tax Abatement Granted. Subject to the terms and conditions of this Agreement, the County agrees to abate all property taxes levied by the County on the Eligible Property during the Abatement Period (hereinafter defined) provided by this Agreement. As used in this Agreement the term "Abatement Period" shall refer to the period of time during which property taxes are abated determined in accordance with Section 2.2 below.

2.2 Abatement Period; Term of Agreement. Subject to the limitations set forth in Section 1.2 above, Owner may elect to begin the Abatement Period on either January 1, 2015 or January 1, 2016 (the date elected by Owner being hereinafter referred to as the "Abatement Commencement Date"). The Abatement Period will terminate on December 31 of the tenth (10<sup>th</sup>) year following the Abatement Commencement Date, unless sooner terminated in accordance with the terms of this Agreement. Termination of this Agreement shall not relieve either party of any covenants, obligations or payments owing to the other as of the date the Agreement is terminated. The parties agree that the date of this Agreement shall be the Abatement Commencement Date.

2.3 Payments In Lieu of Taxes. As consideration for the abatement granted by County under this Agreement, Owner agrees to timely perform all covenants undertaken by Owner pursuant to the terms of this Agreement including the making of an annual payment to the County, in arrears, for each year during the Abatement Period. The payment required by this Agreement must be paid not later than the last day of January of the year following the year for which abatement is granted (e.g., the payment for the abatement granted for 2015 would be due and payable not later than January 31, 2016).

(a) The amount of each payment in lieu of taxes ("PILOT") will be as follows:

YEAR	PAYMENT AMOUNT
1	\$41,000.00
2	\$71,750.00
3	\$102,500.00
4	\$133,250.00
5	\$164,000.00
6	\$194,750.00
7	\$225,500.00
8	\$256,250.00
9	\$287,000.00
10	\$317,750.00

(b) The parties agree that (i) each PILOT will be in lieu of any property taxes which would otherwise be owed by Owner to the County for any year during the Abatement Period, with respect to the value of any Improvements for which owner would owe property taxes to the County pursuant to the Texas Tax Code ("Taxable Property") except as provided in (c) below, and (ii) that by payment of the PILOT, the owner hereby fulfills any obligation the Owner may owe the County to pay taxes on the Taxable Property. The parties agree that abatement will not be granted with respect to the 1 meteorological tower which was installed prior to the execution of this Agreement.

(c) In the event the capacity of the Facilities exceeds 41 megawatts at any time during the term of this Agreement, the PILOT will be increased at the rate of \$4,375 per megawatt per year for each megawatt in excess of 41 megawatts. As of January 1 of each year during the Abatement Period (the "Determination Year"), a determination will be made by the County or the Clay County Appraisal District (the "Appraisal District") of any generating capacity which has been added to the Facilities in excess of the 41 megawatt capacity referred to above in the year prior to the Determination Year. The adjustment in the PILOT attributable to any such additional generating capacity in excess of 41 megawatts shall be due and payable not later than January 31 of the year following the Determination Year along with the remainder of the PILOT, in accordance with the provisions of the first paragraph of this Section 2.3 above.

2.4 Conditions to Tax Abatement. The tax abatement granted by this Agreement is expressly conditioned upon the following conditions which must be satisfied throughout the entire term of this Agreement and with which Owner agrees to comply with at all times, subject, however, to the notice and cure rights of Owner set forth in Article 5 hereof:

(a) Construction of the Improvements. Owner's timely construction of the Improvements in accordance with this Agreement.

(b) Operations. Owner's operation of the Facilities (as defined in Section 7.3) in accordance with this Agreement, including those provisions requiring commercial viability.

(c) Compliance with this Agreement. Owner's compliance with all covenants and obligations undertaken by Owner pursuant to the terms of this Agreement.

(d) Accuracy of Representations. The accuracy and truthfulness of the representations by Owner contained in this Agreement as of the date this Agreement is executed.

(e) Payment of Taxes. The payment by Owner and all affiliates and subsidiaries of Owner, prior to delinquency, of all taxes levied by the County, any other taxing unit within the County, the State of Texas or the United States of America related to the Facilities or the Improvements. It shall not be a violation of this provision if the party who is assessed the tax in good faith protests the levy or assessment of a particular tax by the timely filing of appropriate proceedings to prosecute a protest or contest of the tax, makes payment of the disputed tax during such protest or contest as required by applicable law and pays the tax, as finally determined, prior to delinquency as required by applicable law.

(f) Annual Applications. In accordance with the requirements of Section 11.43 of the Texas Tax Code, in order to qualify for tax abatement pursuant to this Agreement, Owner must apply for the applicable exemption prior to May 1 each year. The applicable exemption application form must be filed with the Chief Appraiser for the Clay County Appraisal District.

(g) Continued Operations following Abatement. Owner agrees to continue operation of the Facilities in a commercially viable manner (as defined in Section 3.4 below) for a period of seven (7) years after the end of the Abatement Period.

**ARTICLE 3.  
COVENANTS APPLICABLE TO CONSTRUCTION  
AND OPERATIONS AFTER CONSTRUCTION**

3.1 Job Creation. Owner agrees to provide not fewer than 2 new full time jobs in connection with the operation of the Facilities either through direct employment by Owner or through employment by contractors or service providers engaged to provide goods or services in connection with the construction of the Improvements and thereafter in the course of operating the Facilities.

3.2 Road Repairs and Alterations. Owner shall repair any damage to County roads caused by Owner or Owner's contractors or suppliers during the course of constructing, repairing or maintaining the Improvements or resulting from any permitted changes or alterations by Owner or Owner's contractors or suppliers to County roads and shall return such roads to the condition such roads were in prior to their use by Owner or Owner's contractors or suppliers. .

(a) All such repairs or alterations by Owner or Owner's contractors or suppliers, including the widening of roads pursuant to subsection (d) below, shall have the prior approval of the County and shall be done in accordance with the standards and specifications for road repair generally used by the County for other county roads; provided that all roads repairs or altered shall have not less than four (4) inches of crushed rock or "crusher run" on those portions of the road altered or repaired.

(b) In the event this covenant for road repair by Owner cannot be performed by Owner or in the event Owner fails to perform this covenant within 14 days of a demand that it do so from the County, then the County may perform the road repair required of Owner pursuant to this section and Owner agrees to reimburse the County for its reasonable and necessary costs in repairing such roads. The County's cost for such repairs shall be determined using the applicable rates used by the Federal Emergency Management Administration for equipment and personnel and the County's actual cost of materials. Owner agrees to pay the cost of any such repairs within 30 days of the date Owner is billed for such services by the County.

(c) Prior to the commencement of any construction activity, Owner agrees to provide the County with a performance bond by a good and sufficient surety acceptable to the

County, in an amount not less than \$250,000 to secure the faithful performance of these road maintenance covenants by Owner (the "Performance Bond"), during the construction of the Improvements, which Performance Bond may also cover road maintenance and construction for the contemplated South Clay Wind Farm project in the Reinvestment Zone. A corporate surety licensed to do business in the State of Texas shall be deemed acceptable by the County. A bond acceptable to the County must be obtained and filed with the County prior to the commencement of construction of any of the Improvements.

(d) Owner may widen any County road located within the Reinvestment Zone and those portions of Cobb Road and Watson Road which are adjacent to the Reinvestment Zone subject to the following conditions:

(1) Such roads may only be widened within the generally recognized and deeded or dedicated right of way of the County and then only to the extent required to enable passage of the vehicles or equipment required for construction of the Improvements.

(2) If Owner proposes to widen a road outside of the area of its deeded or dedicated right of way or generally recognized right of way, Owner shall first obtain an instrument from all property owners whose land is adjacent to the side or sides of the road being widened, which instrument shall evidence such landowner(s) consent to the widening of the road and shall release the County from any claims as a result of the activities of Owner (such provisions relating to the release of the County to be in a form reasonable acceptable to the County).

(3) During the widening of a road Owner will prosecute the widening of the road continuously (subject to Section 9.7 below) and shall always maintain at least one lane open for traffic including passenger vehicles, trucks and farm equipment.

(4) If a road must be closed, Owner shall:

(A) Prosecute the work in a manner so that the road will not be closed more than 24 hours;

(B) Obtain the County's consent to a particular closure date;

(C) Notify all persons who are residents or that own property which they access using the road of the closure not less than 1 week prior to its closure; and

(D) Maintain at least one lane of traffic open for passenger vehicles, trucks and farm equipment unless there is an alternate route by which residents and landowners can access their property during the 24 hour closure period.

(5) Any widened road shall include drainage ditches which will prevent flooding to adjacent property in a manner not less effectively than the drainage ditches in existence prior to the widening of the road.

(6) Not later than 90 days following the completion of the construction of the Improvements Owner shall return any widened road to its prior condition or better, including the installation of drainage ditches, unless otherwise agreed by the County.

(e) County will release requirement for Performance Bond upon both (i) completion of construction of the Improvements and (ii) upon Owner meeting Section 3.2 requirements. In the event Owner engages in any retrofitting or repairs which required the transportation of heavy equipment, other than routine types of equipment that typically use such roads, across County roads during the term of this Agreement but after the Performance Bond has been released, Owner agrees to post another performance bond meeting the requirements of the previous Performance Bond unless the County agrees that no bond is required and the County agrees to release the Performance Bond upon completion of any required repairs to the roads.

3.3 Insurance. Owner agrees to maintain in full force at all times starting at commencement of construction and continuing throughout the term of this Agreement the following insurance coverage issued by insurance companies authorized to conduct business in the State of Texas:

(a) Commercial general liability coverage (including coverage for all equipment and vehicles) with aggregate limits of not less than \$2,000,000.00; and

(b) Worker's compensation coverage for all full time employees to the extent required by Texas law.

3.4 Commercial Viability of Operations. After construction of the Improvements is completed and throughout the term of this Agreement the Facilities shall be operated in a manner that insures it commercial viability and in a manner consistent with the County's generally purpose of encouraging development of the Reinvestment Zone.

3.5 Local Spending. Owner agrees it will use commercially reasonable efforts to give preference to contractors and vendors located in the County in the construction of the Improvements and the operation and maintenance of the Facilities provided that Owner will not be required to use goods and services provided by local contractors or vendors where such local goods or services are not comparable to those provided by nonresidents or where such goods and services are not available on terms and conditions (including price and bonding capacity) comparable to those offered by nonresidents. Owner agrees to designate a coordinator of local services who will act as a liaison between any individuals, businesses or contractors residing or doing business in the County who are interested in obtaining information about providing goods or services related to the construction of the Improvements. Additionally, Owner agrees to do the following:

(1) Not later than one month prior to the start of construction of the Improvements Owner will hold a job fair in Henrietta, Texas advertising construction employment positions. Two weeks prior to the job fair, Owner shall publish a notice in the *Clay County Leader* announcing the date, time and location of the job fair and the procedure

for application. Applications from the job fair shall be distributed to the various subcontractors for consideration.

(2) Not later than one month prior to filling a full time position (excepting internal transfer and promotions) for the operation of the Facilities, Owner shall publish notice of the position in the *Clay County Leader* describing the position and the procedure for application. Any position requiring more than 35 hours per week shall be considered full time.

(3) Not less than 2 weeks prior to entering into any contract or subcontract during construction of the Improvements, Owner and its contractors or subcontractors will provide notice of such contracts with respect to any contract for the purchase of goods or services in excess of \$50,000. Owner (or its contractor or subcontractors) shall publish a notice in the *Clay County Leader* describing the nature of the services or goods sought and the procedure to submit a bid.

The publication requirements set forth above do not apply to any position or contract awarded to a resident of the County or to a firm controlled by an individual who is a resident of the County.

3.6 Annual Certification On or before January 31 of each calendar year that this Agreement is in effect Owner shall certify to the County its compliance with all provisions of this Agreement. The annual certification shall contain a statement, sworn to by an authorized officer of Owner, stating that Owner is in compliance with each applicable term of this Agreement.

3.7 Determination of Value. The Chief Appraiser of the Appraisal District shall annually determine the Certified Appraised Value of all real and personal property making up the Facilities without regard to the abatement granted by this Agreement and the Certified Appraised Value of such property after applying the abatement granted this Agreement. The Chief Appraiser shall then record both values in the appraisal records. The value of the Facilities without regard to the abatement shall be used to compute the amount of abated taxes that are required to be recaptured and paid to the County in the event recapture of such taxes is required by this Agreement or applicable law. During the term of this Agreement, Owner shall each year furnish the Chief Appraiser of the Appraisal District with such information as is required by applicable law (including Chapter 22 of the Texas Tax Code) and as may be necessary for the administration of the abatement specified in this Agreement. The Appraisal District will determine the values required herein in any manner permitted by applicable law, but without limitation of Owner's rights in Section 3.8 hereinbelow.

3.8 Owner's Right of Protest. Nothing in this Agreement shall limit Owner's right to protest and contest any appraisal or assessment of the Facilities in accordance with applicable law. The abatement to which Owner is entitled will be governed by the values finally determined in proceedings relative to any such protest or contest by Owner.

3.9 Estoppel Certificates. Either party hereto may request an estoppel certificate from the other party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate shall certify, as of the date of the certificate: (i) that this

Agreement is in full force and effect without default if such is the case, (ii) the remaining term of this Agreement, and (iii) such other matters as may be agreed upon by the parties.

3.10 Use of Improvements. The Improvements shall be used solely for the generation and distribution of electricity using wind powered turbines in furtherance of the County's development goals to achieve a major investment in the Reinvestment Zone that will be a benefit to the Reinvestment Zone and will contribute to the economic development of the County.

3.11 Damage or Destruction of Improvements. If the Improvements, or any portion thereof, are destroyed or damaged by fire, windstorm or other causes, regardless of whether such causes are based upon an act or omission of Owner or an agent, employee or officer of Owner, Owner shall be required to replace or repair the damaged or destroyed item(s) unless any lender or equity partner of Owner with a right to do so demands that all available insurance proceeds be applied to an obligation of Owner rather than being used to replace or rebuild the Improvements. If Owner is required to replace damaged or destroyed item(s) in accordance with this Section, Owner agrees to do so as soon as practicable. There shall be no reduction in the payments in lieu of taxes payable to the County under this Agreement if Owner is required to repair or replace the Improvements under the terms of this Section. If the items replacing the destroyed items, or the damaged item which is repaired, is of substantially like kind to the item being replaced but has a value in excess of the damaged or destroyed item, such excess value shall continue to be subject to abatement under this Agreement. If, as the result of the repair or replacement of damaged equipment the generating capacity of the Facilities is increased the PILOT will be adjusted in accordance with Section 2.3(c) above.

3.12 Criteria for Insurance, Bonding Companies. The insurance policies required by Section 3.3 and the bonds required by Section 3.2 shall be issued by companies authorized to do business in the State of Texas and shall be rated "A" or above by A.M. Best and Company or Standard and Poors or a comparable rating agency acceptable to the County.

#### **ARTICLE 4. REPRESENTATIONS**

4.1 By the County: The County hereby warrants and represents to Owner:

(1) That none of the tracts on which the Improvements or the Facilities are located are owned or leased by any member of the Commissioners Court.

(2) That this Agreement was authorized by an order of the Commissioners Court adopted at its meeting on March 10, 2014 authorizing the County Judge to execute this Agreement on behalf of the County.

4.2 By Owner. Owner hereby warrants and represents to the County:

(1) That Owner is a limited liability company organized under the laws of the State of Texas and in good standing with the State of Texas.

(2) That Owner is not in default in the payment of any taxes owing to the federal, state or any local governmental units.

(3) That the officers of Owner signing this Agreement are properly authorized to enter into this Agreement and bind Owner to the terms thereof and Owner is thereby authorized to perform all covenants undertaken by Owner pursuant to this Agreement.

(4) That there is no operating agreement, certificate of formation provision, or agreement between Owner and any third party which in any way limits Owner's authority to enter into this Agreement and perform all covenants and agreements set forth herein.

(5) That none of the tangible property which will be a part of the Improvements located within the Reinvestment Zone is located within the Reinvestment Zone as of the date of this Agreement other than the 1 meteorological tower currently located in the area where the Facilities will be constructed.

## **ARTICLE 5. DEFAULT; REMEDIES**

5.1 Default In Constructing Improvements. If Owner fails to complete the Improvements in the manner, and within the time period, stated in this Agreement, and Owner's failure to comply with those provisions of this Agreement are not cured following notice to Owner pursuant to Section 5.3 below, Owner shall be in default under the terms of this Agreement. In the event of a default in the construction of the Improvements the County may terminate or cancel this Agreement and Owner shall pay to the County all property tax revenues (including penalties, interest, attorney's fees and costs) that would have been payable to the County in the absence of this Agreement.

5.2 Default In Operations, Payments or Performance of Other Covenants. The occurrence of any of the following circumstances shall be an event of default under the terms of this Agreement:

(1) The Facilities are not operated in accordance with the terms of this Agreement;

(2) Owner fails to timely pay any amounts owing to County pursuant to this Agreement, including any payments in lieu of taxes or any ad valorem taxes owed to any other taxing unit within the County, or fails to timely and properly follow applicable procedures for protest or contest of any such ad valorem taxes; or

(3) Owner fails to timely perform any covenant, condition or agreement it has undertaken pursuant to the terms of this Agreement; or

(4) Any representation made by Owner in Section 4.2 of this Agreement is untrue;



(5) Default under the terms that certain Tax Abatement Agreement of even date herewith between South Clay Wind Farm, L.L.C. and County.

5.3 Notice, Right to Cure. Upon the occurrence of an event of default (including default under Sections 5.1 or 5.2 above), the County shall give the Owner written notice specifying the default.

(1) Monetary Defaults. If the event of default relates to the payment of money, Owner shall cure such default within 30 days of the date of the notice from the County.

(2) Non-Monetary Defaults. If the event of default is based upon an event other than a default in the payment of money, Owner shall cure such default within 60 days of the date of the notice of default by the County. This cure period shall be extended for the period of time referred to in Section 9.7 of this Agreement if any circumstance identified in Section 9.7 delays the cure of any such default. This cure period may be extended if the goods and services necessary to cure same are not reasonably available to Owner within the 60 day time period; provided, that Owner shall provide the County with documentation and proof sufficient to satisfy the County that such goods or services are not available. If the County agrees that the goods and services are not reasonably available to Owner within the 60 day cure period, the cure period shall be extended for a period of an additional 30 days or such additional time period as the County deems reasonably necessary to cure the default.

(3) Public Safety Default. If the event of default relates to a matter of public safety then Owner shall cure such default by the shortest of the following periods of time: (i) the time by which such default is required to be cured under any applicable law or regulation, (ii) as soon as the goods and services necessary to remedy such default are reasonably available to Owner, or (iii) 60 days from the date of the notice of default by the County.

5.4 Remedies. If an event of default is not cured in accordance with Section 5.3 above, then the County may, in addition to any other remedies it may have at law or in equity, avail itself any of the following remedies:

(1) The County shall be entitled to avail itself of any remedy available to it for the collection of property taxes under the Texas Tax Code or applicable law including: (i) the charging of interest on past due payments in lieu of taxes, penalties, attorney's fees and costs (in each case in the amounts provided by the Texas Tax Code for charges in connection with delinquent property taxes.

(2) The County may cancel this Agreement unilaterally or modify this Agreement with Owner's consent.

(3) Within 90 days of the date of a demand by the County that it do so, the Owner shall pay to the County an amount equal to all taxes abated to the date of such notice together with penalties and interest as provided for in the Texas Tax Code.

(4) File suit against Owner seeking a judgment for any amounts owed to the County under this Agreement or applicable law.

The exercise by the County of any of the remedies provided in this Section 5.4 or 5.1 above shall not constitute an election of remedies and will not in any way limit the County's ability to exercise any other remedy available to it under this Agreement or applicable law.

5.5 No Abatement for Calendar Year of Default. If there is a default (other than a default pursuant to Section 5.1 above) and the County does not elect to collect all abated taxes pursuant to Section 5.4(1) above, Owner shall not be entitled to abatement of taxes for the calendar year in which the default occurs or for any portion of the remaining term of this Agreement. If a default continues over more than one day, it will be considered to have occurred on the date on which it first occurred.

5.6 Mortgagee Protection. Notwithstanding any other provision hereof, County agrees that Owner may mortgage, pledge, or otherwise encumber its interest in the Improvements and Facilities to any lender or to any trustee or beneficiary under a deed of trust or to any master or special servicer (a "Mortgagee") for the purpose of financing operations of the Facilities, constructing the Improvements or acquiring additional equipment for the Facilities following any initial phase of construction, and that any Mortgagee shall be entitled to receive notice of any default hereunder so long as County has been provided notice of the identity and address of such Mortgagee if same is not of public record, and such Mortgagee shall be entitled to cure or commence cure of any such defaults in the same manner as Owner; provided, however, that Mortgagee shall be entitled to an additional thirty (30) days beyond the periods permitted to Owner in order to cure any such default (or commence the cure of such default if same is non-monetary in nature). Any such Mortgagee shall be a third party beneficiary of this Section 5.6. Following receipt of the annual certification required by Section 3.6 above, County agrees, upon request by the Mortgagee, to provide the Mortgagee with an estoppel certificate certifying, as of the date of the certificate: (i) whether or not any monetary default exists under this Agreement and (ii) whether or not County is aware of any non-monetary default under the terms of this Agreement.

## **ARTICLE 6. ASSIGNMENT**

6.1 Assignment. So long as no default exists and is continuing at the time of the proposed assignment Owner shall have the right to assign, in whole or in part, any of its rights or obligations under the terms of this Agreement or in the Improvements or the Facilities to any entity or entities which acquires all or any portion of the Facilities and/or Improvements without the consent of the County; provided, however, that Owner shall give written notice of any such assignment to the County no later than 30 days thereafter. Any assignment other than an assignment under Section 6.2, including without limitation an assignment to another entity or entities, shall require that all conditions and obligations in this Agreement applying to the Facilities and/or Improvements acquired by the assignee shall be assumed by the assignee, and upon such assumption, Owner shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the Facilities and/or Improvements acquired by the assignee. The parties

hereto agree that a transfer of stock or a portion of stock or other ownership interest in Owner to a third party shall not be considered an assignment under the terms of this Agreement.

6.2 Assignment in Connection with Financing. The County further expressly acknowledges and agrees that Owner shall have the right to assign this Agreement to one or more Mortgagees without the consent of the County, as more particularly addressed in Section 5.6 hereof. Upon the request of Owner or its Mortgagee(s) the County agrees to execute and deliver to Owner's Mortgagees an acknowledgment of such assignment in a form reasonably acceptable to the County, such Mortgagee(s) and Owner and a certificate conforming to Section 3.9 and Section 5.6 of this Agreement.

6.3 Assignment to Subsidiary. Owner may assign this Agreement to an Affiliate or Subsidiary at any time without the consent of the County provided that there is a contemporaneous assignment by the Owner to such subsidiary of the Improvements, Facilities and leases for such Facilities and any power purchase agreements held by Owner related to power produced by the Improvements facilities.

6.4 Sale or Transfer to Non-taxable Entity. In the event of a permitted transfer or assignment of this Agreement to an entity which is not subject to property taxes levied by the County, the following provisions shall apply:

(1) If the assignment takes place during the Abatement Period this Agreement shall terminate and Owner shall pay to the County an amount equal to all taxes which were abated under the terms of this Agreement less a credit for all PILOTs paid to the County under the terms of this Agreement. Such payment shall be made on or before the effective date of any assignment to a non-taxable entity.

(2) If the assignment takes place after expiration of the Abatement Period but before the expiration of the period of time during which Owner is required to maintain a viable presence pursuant to Section 2.4(g) above, Owner shall pay the County an amount equal to \$4,000 per installed megawatt for each year remaining on Owner's viable presence covenant in Section 2.4(g) above. In addition, the PILOT otherwise due for the year in which any such assignment takes place shall also be payable. All of these amounts shall be payable in full prior to the effective date of any such assignment to a non-taxable entity.

## **ARTICLE 7. DEFINITIONS**

As used in this Agreement, the following terms shall have the respective meanings assigned to them below:

7.1 "Affiliate" shall have the meaning assigned to it in the Texas Business Organizations Code.

7.2 "Certified Appraised Value" shall mean the appraised value of property that is subject to property taxation under the Texas Tax Code determined and certified by the Chief Appraiser of the Clay County Central Appraisal District for each taxable year.

7.3 "Facilities" shall mean the Improvements and all other tangible property or fixtures used by Owner in connection with its wind power electric generation operations in the Reinvestment Zone and shall include any property added to the Improvements because of repairs, retrofitting or additional improvements during the term of this Agreement.

7.4 "Subsidiary" shall have the meaning assigned to it in the Texas Business Organizations Code.

#### **ARTICLE 8. NOTICES**

8.1 Notices. All notices or other communications required or permitted by this Agreement shall be in writing and shall be deemed to be properly given when delivered personally to any of the hereinafter designated addresses or the named representatives thereof, or when mailed by prepaid certified mail, return receipt requested, addressed to such party at the respective addresses set forth below:

If to the County:

Clay County, Texas  
Attn: County Judge  
214 North Main Street  
Henrietta, Texas 76365

If to the Owner:

Shannon-1 Wind Farm, LLC  
Attn: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Either party may change the address for notices by a written notice forwarded in accordance with the foregoing.

#### **ARTICLE 9. GENERAL PROVISIONS**

9.1 Governing Law; Venue. This Agreement shall be construed and governed in accordance with the laws of the State of Texas without giving effect to its conflict of law rules. Venue for any action relating to the interpretation or performance of this Agreement or to enforce any right or obligation relating to this Agreement shall be in a court of competent jurisdiction having venue over cases arising in Clay County, Texas.

9.2 Waiver. The failure of either party to enforce any right or demand strict performance of any obligation of the other party under this Agreement shall not operate as, or be construed to be, a waiver of such right or obligation.

9.3 Entire Agreement, Interpretation. This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior or contemporaneous discussions, representations, correspondence or agreements, written or oral. This Agreement may only be amended by a written instrument signed by both parties or their duly authorized officers or representatives. The language of this Agreement shall be construed as a whole according to its fair and common meaning and shall not be construed for or against either of the parties hereto. All titles or headings to sections or other divisions of this Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the content of this Agreement, such content being controlling as to the agreement between the parties hereto.

9.4 Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement.

9.5 Agreement Subject to Rights of Bondholders. This Agreement is subject to the rights of the holders of outstanding bonds of the County.

9.6 Owner as Party to Litigation. In the event any litigation is initiated questioning or challenging the validity of this Agreement or any part hereof or any of the underlying orders or Commissioners Court actions authorizing the same, the County agrees not to object to the Owner's joinder or intervention in such litigation.

9.7 Force Majeure. If Owner's performance of any obligation or obligations under this Agreement is interrupted, delayed, or prevented by any contingency or cause beyond the control of Owner and which is not directly or indirectly caused by the acts or omissions of Owner's officers, employees or agents, then Owner shall be excused from the performance of any such obligation or obligations during the period of time that Owner is reasonably unable to perform such obligation or obligations as a result of such contingency or cause. Contingencies or causes beyond the control of Owner include, without limitation:

(1) Acts of God, or the public enemy, any natural disaster, war, riot, civil commotion, insurrection, fires, explosions, accidents, floods, and labor disputes or strikes;

(2) To the extent it affects the Owner's ability to perform a non-monetary covenant or obligation under this Agreement:

(A) A change in a governmental law or regulation shall be considered a contingency or cause beyond the control of Owner if Owner complies with the

changed or revised law or regulation within the time limits, and in the manner, provided by such changed or revised law or regulation;

(B) A delay occasioned by the fact that supplies or materials are not reasonably available or the fact that a contractor or subcontractor is delayed in performing services and in either case the circumstance is not directly or indirectly caused by the acts or omissions of Owner.

9.8 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constituted, collectively, one agreement. Once all parties to this Agreement have signed a counterpart, this Agreement shall be binding upon all parties in accordance with the terms hereof.

9.9 Recording of Agreement. The parties agree to execute this Agreement in recordable form and that a duplicate of this Agreement shall be recorded in the Official Public Records of the County Clerk of Clay County, Texas.

9.10 Adoption of Agreement. The County agrees that any other taxing unit eligible to enter into agreements relating to the abatement of taxes may adopt all or any portion of this Agreement.

9.11 Further Acts. The parties each agree to cooperate fully with the other and to take such further action and execute such other documents or instruments as necessary or appropriate to implement the terms of this Agreement.

9.12 Reimbursement of Expenses. Owner agrees to reimburse the County for its reasonable and necessary attorney's fees incurred in the negotiation and preparation of this. Owner agrees to pay such expenses to the County within 30 days of the date it is billed for such expenses by the County.

9.13 Exhibit B. Exhibit B includes a general description of the kind, nature and maps of the Improvements for the project which is the subject of this Agreement and for another project also contemplated to be located within the Reinvestment Zone. In the event of any conflict between the more particular provisions set forth within the body of this Agreement and the more general descriptions contained in Exhibit B, the more particular provisions within the body of this Agreement shall control.

Attachments:

Exhibit A — copy of *Order Designating the Southwest Clay County Wind Power Reinvestment Zone*

Exhibit B — Description of Improvements and Maps

IN TESTIMONY OF WHICH this Agreement has been executed by the County Judge of Clay County, Texas effective this the \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

COUNTY:

Clay County, Texas

\_\_\_\_\_  
Sasha Kelton, County Clerk

By: \_\_\_\_\_  
Kenneth Liggett, County Judge

OWNER:

Shannon-1 Wind Farm, LLC

By: \_\_\_\_\_

STATE OF TEXAS )

COUNTY OF CLAY )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by Kenneth Liggett, County Judge of Clay County, Texas on behalf of said County.

\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS )

COUNTY OF CLAY )

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2014 by \_\_\_\_\_ Manager of Shannon-1 Wind Farm, LLC, a Texas limited liability company on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas

Exhibit A

Order of Commissioners Court of Clay County follows this page.



## Exhibit B

### Improvements

All wind turbines, transmission and distribution lines and associated transformers and junction boxes, substations, operations and maintenance buildings, laydown yards, roads, meteorological towers added after July 8, 2013, and all other related equipment and facilities comprising a part of, and for Owner's use or operation in conjunction with, the South Clay Wind Farm, LLC wind energy project within the Reinvestment Zone contemplated by this Agreement and that qualifies as Eligible Property under Section 1.4 of this Agreement and includes, without limitation, a sufficient number of GE turbines, required to produce the megawatt capacity contemplated by this Agreement. The wind turbines installed will be located within the Reinvestment Zone at the locations designated with numbers on the attached map or plat of the project. Provided, however, that the Improvements shall not include the transformer station and related transformers or equipment located adjacent to, or near, the Facilities and which will be owned or operated by ONCOR Electric Delivery, LLC, the operator of the electric lines over which electric energy generated by the Facilities will be transmitted.