

**TAX ABATEMENT AGREEMENT**

**STATE OF TEXAS                    §**  
**§**  
**COUNTY OF JOHNSON           §**

**WHEREAS**, the City of Cleburne, Texas (the "City") adopted Ordinance No. OR05-2001-35 designating Texas Reinvestment Zone No. 1 , City of Cleburne (referred to herein as the "Zone") under the provisions Title 3, Subtitle B, of Chapter 312 of V.T.C.A., Tax Code; and

**WHEREAS**, the City desires to enter into an agreement ("Agreement") with Delek Renewables, LLC, as owner of the leasehold interest and/or the owner of the taxable real property for the abatement of ad valorem taxes pursuant to Section 312.204 of V.T.C.A., Tax Code and Ordinance No. OR01-2013-01 (the "Ordinance") of the City; and

**WHEREAS**, Johnson County, herein after referred to as the County, has determined that the proposed improvements, as described in this Agreement, are to be constructed by Delek Renewables, LLC, meet the requirements for eligibility for tax abatement under V.T.C.A. Tax Code and the "Ordinance"; and

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

**WHEREAS**, the County has determined that the Improvements are practical and are of benefit to the area within the Zone and to the County; and

**WHEREAS**, Commissioners Court of Johnson County, Texas (the "Commissioners Court") finds that the terms of this Agreement meet the applicable requirements of the Guidelines and Criteria for the Johnson County Tax Abatement Policy Statement, adopted by the Commissioners Court; and

**WHEREAS**, this Agreement shall become effective upon the approval by Johnson County and the execution of said agreement by both the County and Delek Renewables, LLC;

**NOW, THEREFORE**, the parties hereto, for and in consideration of the premises and mutual promises stated herein, agree as follows:

**Section 1.** The real property, improvements thereto, and related items of tangible personal property, which are described in Section 2 hereof, shall be those constructed on the property constituting the Zone as described by the following legal description; That tract or parcel of land located at 3102 Windmill Rd., Cleburne, Texas, and more particularly described on Exhibit "A" with proposed improvements shown on Exhibit "B" that are both attached hereto and incorporated by reference herein for all purposes.

**Section 2.** Delek Renewables, LLC shall install equipment and new technology to manufacture biodiesel that will be blended with other diesel fuel, distributed and consumed by companies, public entities and end users in Texas and other states. The investment will be made at the existing biodiesel facility located at 3102 Windmill Rd, in Cleburne, Texas along with other tangible personal property on the Premises for the retail, commercial and industrial fuel markets which improvements shall be utilized for biodiesel manufacturing purposes, and are hereinafter referred to as the "Improvements". The cost of the proposed improvements are \$3,125,000. The facility construction will create approximately 12 new jobs. Delek Renewables, LLC anticipates that the improvements will be completed by December 2013.

**Section 3.** For purposes of this Agreement:

- (a) the "Abatement Property" means the Premises, the Improvements and the related items of tangible personal property described in Sections 1 and 2 hereof,
- (b) the "Effective Date of Abatement" means January 1, 2014; and
- (c) the "Abatement Period" means that period commencing on the first day of the Effective Date of Abatement and ending three (3) years thereafter.

**Section 4.** Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the County, forty percent (40%) of the appraised value for property tax purposes of the Abated Property (to the extent the appraised value of the Abated Property for each year exceeds its value as of January 1, 2013) shall be abated and exempted from taxation for a period of three (3) years beginning with the first day of the Effective Date of Abatement. As a result, said abatement shall result in a reduction by forty percent (40%) of the taxes that would otherwise be assessed upon that portion of the appraised value of the Abated Property that for each year of abatement exceeds its value as of January 1, 2013. It is the intent of the parties that the abatement granted hereby shall extend for a period of three (3) years beginning with the first day of the Effective Date of Abatement, and shall apply only to all Improvements and items of tangible personal property constructed or placed on the Premises that resulted from this expansion. To the extent necessary, it is the intent of the parties that this Agreement shall not be amended to include such additional improvements and items of tangible personal

property. A separate tax abatement agreement shall be entered into with respect to any additional property. It is also agreed that if the increase in the appraised value of the Premises from January 1, 2013 should fall below \$2,500,001.00 the percent abated will be reduced per the table on page four (4) of the Guidelines and Criteria For Johnson County Tax Abatement Policy.

**Section 5.**

It is agreed that employees of the County shall have access to the premises for inspection to ensure that the Improvements are made according to the conditions of this Agreement and that the Improvements are of substantially the same character as described in Section 2 hereof (subject to the right of Delek Renewables, LLC, to revise the plans and specifications for the Improvements prior to and during construction). All inspections will be made only after giving Delek Renewables, LLC, at least twenty-four (24) hours advance notice and will be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the project. All inspections will be made with one or more representatives of Delek Renewables, LLC, and in accordance with Delek Renewables, LLC's safety standards.

Delek Renewables, LLC, shall indemnify, hold harmless and defend the County, its members, agents, officials, employees, from and against any and all obligations, claims, suits, damages, and liability, or alleged liability, including, but not limited to liability without fault and liability by virtue of the obligations of Delek Renewables, LLC, pursuant to this Agreement or the acts or omissions of Delek Renewables, LLC, its agents, contractors, employees, licensees, or invitees, on or with respect to the Premises, Improvements and/or equipment, including costs of suit, attorney fees and other related costs and expenses of whatever kind or character arising directly or indirectly from any cause whatsoever in connection with or incidental to this Agreement or such acts or omissions, provided, however, that Delek Renewables, LLC, shall not be required to indemnify and hold harmless any indemnified party for any such injury or harm caused by the gross negligence or willful misconduct of any indemnified party. The indemnity set forth herein shall specifically include, without limitation all actions, damages, claims and liabilities for personal injury, death or property damage occurring on, or arising out of or resulting from the use of premises, improvements and/or equipment by Delek Renewables, LLC, its sublessee or representative, agents, contractors, employees, licensees or invitees.

**Section 6.**

- (a) During the Abatement Period, the County may declare a default hereunder by Delek Renewables, LLC, only if Delek Renewables, LLC, fails to commence construction of the Improvements within two (2) years from the date this Agreement is executed, fails to construct the Improvements, or refuses or neglects to comply with any of the terms of this Agreement, or if any representation made by Delek Renewables, LLC, in this Agreement is false or misleading in any material respect, or if Delek Renewables, LLC, allows its ad valorem taxes owed the County to become delinquent and fails

to timely and properly follow the legal procedures for their protest and/or contest.

- (b) Should the County determine Delek Renewables, LLC, to be in default of this agreement, the County shall notify Delek Renewables, LLC, in writing prior to the end of the abatement period, and if such default is not cured within one hundred twenty (120) days from the date of such notice (the "Cure Period"), then the Agreement may be terminated; provided, however, that in the case of a default that, for causes beyond Delek Renewables, LLC's reasonable control, cannot with due diligence be cured within such one hundred twenty day period, the "Cure Period" shall be deemed extended if Delek Renewables, LLC, (i) shall immediately, upon the receipt of such notice, advise the County of Delek Renewables, LLC's intention to institute all steps necessary to cure such default, and (ii) shall institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.
- (c) Except as provided in Subsection (d) below, if Delek Renewables, LLC, violates any of the terms and conditions of this Agreement and fails to cure during the Cure Period, this Agreement may then be terminated and all taxes previously abated by virtue of this Agreement will be recaptured and paid within one hundred twenty (120) days of the termination.
- (d) During the period of time when Delek Renewables, LLC, is constructing, renovating, repairing, or installing the improvements and/or equipment on the premises, and at all times thereafter, during the term of this Agreement, Delek Renewables, LLC, shall keep the improvements and equipment insured against all loss or damage by fire or any other casualty. Delek Renewables, LLC, shall furnish the County with all Certificates of Insurance that are required by this Agreement within thirty (30) days after the initiation of construction, repairs, or installation, and within thirty (30) days succeeding the renewal of each policy required herein.

In the event, improvements and/or equipment are damaged by fire or any other casualty, should Delek Renewables, LLC, decide not to repair, remodel, renovate or reinstall; or fails to begin repair, remodeling, renovation or reinstallation on the damaged Improvements and/or equipment within six (6) months of the fire and/or other casualty, then the abatement shall terminate and all taxes previously abated by virtue of this Agreement will be recaptured and paid within one hundred twenty (120) days of the termination.

**Section 7.** For purposes of this Agreement, the value of the Premises, the Improvements and all items of tangible personal property situated on the Premises shall be the same as the value of such property as determined annually by the Chief Appraiser of the Johnson County Appraisal District, subject to the appeal procedures set forth in the Texas Property Tax Code (V.T.C.A. Tax Code). Any reduction in the increase in value of the Premises from the amount anticipated in Sections 2 and 4 of this Agreement during any tax year subject to this Agreement shall reduce the amount of abated tax per the table on page four (4) of the tax abatement policy for Johnson County.

Prior to October 1<sup>st</sup> of each year that this Agreement is in effect, Delek Renewables, LLC, shall certify to the County that Delek Renewables, LLC, is in compliance with each applicable term of this Agreement. This annual certification shall include a rendition of the property value.

Delek Renewables, LLC, is solely responsible for meeting any and all additional requirements for the completion of this Agreement. These additional requirements include the application for the Abatement which will need to be filed with the Central Appraisal District of Johnson County, Texas.

**Section 8.** If the County terminates this Agreement upon an event of default as defined in Section 6 hereof, it shall provide Delek Renewables, LLC, written notice of such termination. If Delek Renewables, LLC, believes that such termination was improper, Delek Renewables, LLC, may file suit in Johnson County District Courts appealing such termination within one hundred twenty (120) days after receipt from the County of written notice of the termination. If an appeal suit is filed, Delek Renewables, LLC, shall remit to the County, within one hundred twenty (120) days after receipt of the notice of termination, any additional and/or recaptured taxes as may be payable pursuant to Section 6 of this Agreement during the pendency of the litigation pursuant to the payment provisions of section 42.08, V.T.C.A. Tax Code. If the final determination of the appeal increases Delek Renewables, LLC, tax liability above the amount of tax paid, Delek Renewables, LLC, shall remit the additional tax to the County pursuant to section 42.42, V.T.C.A. Tax Code and this agreement. If the final determination of the appeal decreases Delek Renewables, LLC's tax liability, the County shall refund to Delek Renewables, LLC, the difference between the amount of tax paid and the amount of tax for which Delek Renewables, LLC, is liable pursuant to section 42.43, V.T.C.A. Tax Code, and this agreement.

**Section 9.** Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the County or Delek Renewables, LLC, at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in

the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To Delek Renewables, LLC:

Delek Renewables, LLC  
M. T. Page, Vice President  
3102 Windmill Rd.  
Cleburne, Texas 76033

To the County:

Johnson County Courthouse  
2 Main Street  
Cleburne, Texas 76031  
Attention: Roger Harmon  
County Judge

Any party may designate a different address by giving the other parties ten days' written notice.

**Section 10.** All provisions of this Agreement shall be executed in compliance with the Order of the Commissioners Court. A copy of the Order is attached hereto as Attachment I and incorporated herein by reference for all purposes.

**Section 11.** Delek Renewables, LLC, warrants to the best of its knowledge that the Premises do not include any property that is owned by a member of the Commissioners' Court or any board, commission or other governmental body approving, or having responsibility for the approval of this Agreement.

**Section 12.** If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**Section 13.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

**Section 14.** This Agreement was authorized by the Order adopted by the Commissioners Court of Johnson County, Texas, at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, V.T.C.A., government code, Chapter 551, and such Order authorizes the County Judge to execute this Agreement on behalf of the County. This Agreement shall constitute a valid and binding agreement between the County and Delek Renewables, LLC, upon (i) execution by the County and Delek

Renewables, LLC. This Agreement shall constitute a covenant running with the land and shall be recorded upon execution in the Real Property Records of Johnson County, Texas. This agreement is performable in Johnson County, Texas, and venue over any action to enforce any of the provisions hereof shall lie exclusively in Johnson County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of this Agreement.

**Section 15.** This Agreement has been executed by the parties in multiple originals, each having full force and effect.

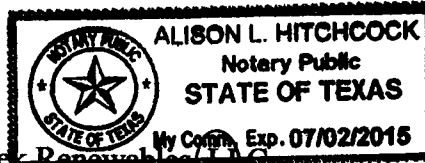
EXECUTED THE 25<sup>th</sup>, DAY OF February, 2013.

JOHNSON COUNTY, TEXAS

By: Roger Harmon  
Roger Harmon  
County Judge

This instrument was acknowledged before me on the 25<sup>th</sup> day of February, 2013, by Roger Harmon as County Judge.

Alison L. Hitchcock  
Notary Public Signature  
My commission expires: 7/2/2015



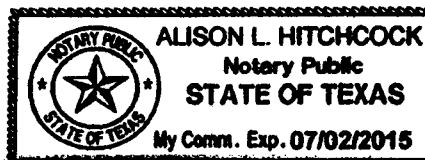
Dele. Renewables, LLC

By: M.T. Page  
Title: VP

State of  
County of

This instrument was acknowledged before me on the 25<sup>th</sup> day of February, 2013, by M.T. Page as vice President.

Alison L. Hitchcock  
Notary Public Signature  
My commission expires: 7/2/2015



**EXHIBIT "A"**  
**DESCRIPTION OF PREMISES**

Property located at 3102 Windmill Rd. Cleburne, Texas with the following legal description;

**EXHIBIT A TO APPLICATION**  
**LEGAL DESCRIPTION**

**Tract I:**

BEING a tract of land in the J. J. Ware Survey, Abstract No. 859, Johnson County, Texas and being a part of Lot 1, Block 2, Section One, Cleburne Industrial Park West, as per the plat recorded in Volume 8, Page 804, Slide B-479, Plat Records, Johnson County, Texas, and being that certain tract of land conveyed to Best BioFuels LLC according to that certain deed recorded in Book 3511, Page 819, Official Public Records, Johnson County, Texas, and being more particularly described as follows: (bearings and coordinates are correlated to the Texas State Plane Coordinate System, North Central Zone, NAD 83(93) Datum, Grid factor=0.99990).

BEGINNING at a 1/2" steel pin with orange plastic cap stamped "Recer-Fox" set for a corner having a coordinate value of N=6829353.56, E=2299272.83, in the South line of said Lot 1, Block 2, Section One, Cleburne Industrial Park West, and bearing S 89° 48' 32" W, 2341.40' from the Southeast corner of said Lot 1, Block 2, Section One, Cleburne Industrial Park West;

THENCE S 89° 48' 32" W, along the South line of said Lot 1, Block 2, Section One, 80.00' to a 1/2" steel pin found for a corner in the Southwest line of said Lot 1, Block 2, Section One;

THENCE N 47° 15 ' 34" W, along the Southwest line of said Lot 1, Block 2, Section One, 751.04' to a 1/2" steel pin found for a corner in the West line of said Lot 1, Block 2, Section One, and the East line of County Road No. 1017 (Windmill Road);

THENCE N 0° 06' 31" W, along the East line of County Road No. 1017 (Windmill Road), and the West line of said Lot 1, Block 2, Section One, 220.00' to a 1/2" steel pin with orange plastic cap stamped "Recer-Fox" set for a corner;

THENCE N 89° 48 ' 32" E, 570.64' to a 1/2" steel pin with orange plastic cap stamped "Recer-Fox" set for a corner;

THENCE S 0° 06' 31" E, 531.55' to a 1/2" steel pin with orange plastic cap stamped "Recer-Fox" set for a corner;

THENCE N 89° 48' 32" E, 60.00' to a 1/2" steel pin with orange plastic cap stamped "Recer-Fox" set for a corner;



THENCE S 0° 06' 31" E, 200.00' to the PLACE of BEGINNING and CONTAINING 6.626 acres of land.

**Tract II:**

BEING, a 0.155 acres of land in the M. J. Falvel Survey, Abstract Number 299, being a portion of that certain tract of land conveyed to S. L. Meek according to the instrument recorded in Volume 680, Page 416, Deed Records, Johnson County, Texas and subsequently conveyed to Best BioFuels LLC according to the instrument recorded in Book 3486, Page 906, Official Public Records, Johnson County, Texas and being more particularly described as follows:

BEGINNING at a 1/2" iron rod found being the northwest corner of said Meek tract and being the most southerly southwest corner of Lot 1, Block 2, Cleburne Industrial Park West according to the plat recorded in Volume 8, Page 804, Slide B-479, Plat Records, Johnson County, Texas and also being in the existing northerly right-of-way line of the G.C. & S.F. Railroad;

THENCE N 89° 47' 11" E, along the south line of said Lot 1, Block 2, 120.40' to a 1/2" iron rod set for corner with a red cap stamped "CSI";

THENCE S 0° 12' 49" E, 111.92' to a 1/2" iron rod set for corner with a red cap stamped "CSI", said rod being in the existing northerly right-of-way line of the said G.C. & S.F. Railroad;

THENCE N 47° 18' 20" W, along the existing northerly right-of-way line of the said G.C. & S.F. Railroad, 164.38' to the POINT OF BEGINNING and CONTAINING 6,737 square feet or 0.155 acres of land.

**EXHIBIT "B"**  
**DESCRIPTION OF IMPROVEMENTS**

Pretreatment Equipment Improvements -	\$975,000
Process Improvements -----	\$1,800,000
Estimated labor cost -----	\$350,000
Total Estimated Cost-----	\$3,125,000

**Timeline**

Installation to begin date – January 15, 2013  
Estimated completion – December 31, 2013

February 22, 2013

The Honorable Roger Harmon  
Johnson County Mayor  
2 North Main, Room 120  
Cleburne, TX 76033

RE: Tax Abatement Application of Delek Renewables, LLC

Dear Judge Harmon:

Enclosed please find the Application of Delek Renewables, LLC ("Delek"), for a tax abatement in connection with its expansion and modernization of the biodiesel refinery that it acquired from Beacon Energy (Texas) Corp. on January 10, 2013. This Application is being submitted in accordance with and pursuant to the Guidelines and Criteria for Johnson County Tax Abatement Policy Statement (the "Guidelines").

Pursuant to the Guidelines, Delek is requesting a 40% abatement of the property taxes on the additional equipment that we intend to acquire for the expansion and modernization of the refinery for a period of three (3) years, commencing on January 1, 2014.

As noted in the Application, (i) the EMPLOYMENT IMPACT from the expansion and modernization is that the facility will continue to employ at least 12 people, and there may be the need for two additional employees when operations re-commence. These jobs range in pay scale from about \$13 per hour to \$24 per hour for non-salaried employees, with top management level employees averaging over \$80,000 per annum, (ii) the most important FISCAL IMPACT as a result of the acquisition of the refinery by Delek is that it will continue to operate after it is modernized and upgraded. Delek anticipates investing approximately \$3,290,300 in modernizing the plant. The facility will continue to pay over \$162,000 in City, School, County and farm to market taxes (the amount of 2012 taxes paid), plus 60% of the business and personal property taxes for the expansion (after taking into account the proposed tax abatement), which will then grow to 100% after the end of the three year abatement period. The refinery will be placed on stronger financial footing, since it will be owned by a subsidiary of a public company that has a need for the use of the product of the refinery at its affiliate's refinery in Tyler, Texas; and (iii) the COMMUNITY IMPACT is that since the refinery will continue to operate, its employees will continue to have jobs and to spend money in the local economy, and the installation of the upgraded equipment will bring temporary skilled employment to the area. There are no adverse environmental impacts as a result of the expansion and modernization, and indeed there are positive environmental impacts as a result of the improvements to the wastewater processing as a result of the modernization.

The \$3,290,300 that Delek intends to invest in the facility will be used (i) for feedstock pretreatment improvements ("Pretreatment Improvements"), to replace broken, damaged or

inadequate equipment in order to decrease yield loss, and to enable feed stock analysis that will better condition the feedstock before it is processed, and (ii) for process improvements (“Process Improvements”), that will double the capacity to process low cost feed stock, increase storage capacity, and to implement further process improvements that will decrease yield loss. A breakdown of the estimated cost of these improvements and the time period for anticipated completion thereof follows. Note that all of these Action Items will be capitalized:

<u>Action</u>	<u>Estimated Cost</u>	<u>Start Date</u>	<u>End Date</u>
<b>Pretreatment Improvements:</b> For expansion of the feedstock pretreatment system. Note that the pretreatment improvements are not repairs and maintenance to existing depreciated system and are not for the waste water system.	\$975,000	Jan 2013	Mar 2013
<b>Process Improvement:</b> Equipment, all of which will go onto the tax rolls	\$1,800,000	Apr 2013	Jul 2013
<b>Labor:</b> Associated with installation of equipment, the cost of which is capitalized	\$515,300		
<b>Total</b>	<b>\$3,290,300</b>		

Please place this matter on the agenda for the next meeting of the Court of Johnson County. We greatly appreciate the consideration of this matter by the commissioners. If you have any questions, please do not hesitate to let me know.

Very truly yours,

Delek Renewables, LLC

Cc: Jerry Cash

APPLICATION FOR TAX ABATEMENT

Johnson County, Texas

This application should be filed with the County Judge's Office of Johnson County.

1. Property Owner:

Delek Renewables, LLC ("Delek")

Mailing Address:

7102 Commerce Way, Brentwood, Tennessee 37027

Telephone number:

(615) 435-1347

2. Property Owner's Representative:

Mark Page, Vice President

Mailing Address

7102 Commerce Way, Brentwood, Tennessee 37027

Telephone Number:

Direct: (615) 435-1347; Cell: (615) 293-1381

3. Property Address:

3102 Windmill Road, Cleburne, Texas 76033

Property Legal Description:

(Provide Attachments If By Metes and Bounds)

See Attached Exhibit A

4. Located Within:

City of Cleburne, Johnson County

If not within a municipality, address within County: N/A

School District: Cleburne ISD

5. Description of Project:

Biodiesel facility engaged in the production of biodiesel fuel and related activities.

6. Projected Occupancy Date of Project.

Initiation of Operation: January 10, 2013 (acquisition date)

7. Projected Occupancy Date of Project/Initiation of Operations

8. Description of Project:

Delek acquired the biodiesel refinery from Beacon Energy (Texas) Corp. on January 10, 2013. The facility is currently not operating while Delek completes plans for the modernization of the facility. These upgrades will include improvements to the wastewater treatment system, improving operating costs and yields, and increasing plant capacity.

9. Narrative Response to Criteria Questions in Section III:

The **EMPLOYMENT IMPACT** from the expansion and modernization is that the facility will continue to employ at least 12 people, and there may be the need for two additional employees when operations re-commence. These jobs range in pay scale from about \$13 per hour to \$24 per hour for non-salaried employees, with top management level employees averaging over \$80,000 per annum, (ii) the most important **FISCAL IMPACT** as a result of the acquisition of the refinery by Delek is that it will continue to operate after it is modernized and upgraded. Delek

anticipates investing approximately \$3,290,300 in modernizing the plant. The facility will continue to pay over \$162,000 in City, School, County and farm to market taxes (the amount of 2012 taxes paid), plus 60% of the business and personal property taxes for the expansion (after taking into account the proposed tax abatement), which will then grow to 100% after the end of the three year abatement period. The refinery will be placed on stronger financial footing, since it will be owned by a subsidiary of a public company that has a need for the use of the product of the refinery at its affiliate's refinery in Tyler, Texas; and (iii) the COMMUNITY IMPACT is that since the refinery will continue to operate, its employees will continue to have jobs and to spend money in the local economy, and the installation of the upgraded equipment will bring temporary skilled employment to the area. There are no adverse environmental impacts as a result of the expansion and modernization, and indeed there are positive environmental impacts as a result of the improvements to the wastewater processing as a result of the modernization.

The \$3,290,000 that Delek intends to invest in the facility will be used (i) for feedstock pretreatment improvements ("Pretreatment Improvements"), to replace broken, damaged or inadequate equipment in order to decrease yield loss, and to enable feed stock analysis that will better condition the feedstock before it is processed, and (ii) for process improvements ("Process Improvements"), that will double the capacity to process low cost feed stock, increase storage capacity, and

to implement further process improvements that will decrease yield loss. A breakdown of the estimated cost of these improvements and the time period for anticipated completion thereof follows:

<u>Action</u>	<u>Estimated Cost</u>	<u>Start Date</u>	<u>End Date</u>
<b>Pretreatment Improvements:</b> For expansion of the feedstock pretreatment system. Note that the pretreatment improvements are not repairs and maintenance to existing depreciated system and are not for the waste water system.	\$975,000	Jan 2013	Mar 2013
<b>Process Improvement:</b> Equipment, all of which will go onto the tax rolls	\$1,800,000	Apr 2013	Jul 2013
<b>Labor:</b> Associated with installation of equipment, the cost of which is capitalized	\$515,300		
<b>Total</b>	<b>\$3,290,300</b>		

Upon receipt of this application, Johnson County shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.