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TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

March 27, 2014

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Highland Independent School District from Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

FIRST QUALIFYING YEAR 2015

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Highland Independent School District is notifying Lone Star Industries, Inc. d/b/a Buzzi Unicem USA of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted an Application to the school district on March 19, 2014. The Board voted to accept the application on March 26, 2014. The application has been determined complete as of March 27, 2013. Please prepare the economic impact report.

Please note, there is existing property for the existing plant adjacent to the project site. This property is specifically excluded from the application. The appraisal district has assigned a tax identification number and appraised value for this property (this information is included in the Attachment 12 of the application). No construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement.

The Applicant has requested portions of Tab 5, portions of Tab 10 and all of Tab 11 of the Application be kept confidential. The redacted portions of the application are marked as such. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the supplemental materials submitted contemporaneously with this application, that is, the proprietary commercial information regarding the specific location of the possible project. The confidential materials are being submitted separately to protect against unintended disclosure.

The public release of this information would reveal information which the company considers to be a trade secret. Furthermore, the public production of this information would cause the company to suffer substantial competitive harm and weaken its position in competitive siting decisions.

Please note, the project is located entirely within a county created reinvestment zone.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Nolan County Appraisal District.

A hard copy of the application will be hand delivered to your office tomorrow. Please feel free to contact me with questions.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Nolan County Appraisal District

Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

John Duane Hyde, Highland ISD

TAB 01

Application

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

Economic Development and Analysis

Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links on this Web page to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School DIstrict Information

1. Authorized School District Representative

March 19, 2014
Date Application Received by District

John Duane
First Name

Hyde
Last Name

Superintendent
Title

Highland Independent School District
School District Name

6625 FM 608
Street Address

6625 FM 608
Mailing Address

Roscoe
City

Texas
State

79545-9801
ZIP

(325) 766-3652
Phone Number

(325)766-2281
Fax Number

Mobile Number *(optional)*

dhyde@highland.esc14.net
Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application? . . . . . ☐ Yes ☐ No

SECTION 1: School DIstrict Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

First Name: Kevin
Last Name: O'Hanlon
Title: Attorney
Firm Name: O'Hanlon, McCollom & Demerath
Phone Number: 512-494-9949
Fax Number: 512-494-9919
Mobile Number *(optional)*:
Email Address: kohanlon@808west.com; mhanley@808west.com

4. On what date did the district determine this application complete? . . . . . March 27, 2014

5. Has the district determined that the electronic copy and hard copy are identical? . . . . . ☑ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name: Nancy
Last Name: Krial
Title: CFO & Senior Vice President
Organization: Lone Star Industries, Inc. d/b/a Buzzi Unicem USA
Street Address: 100 Brodhead Road Suite 230
Mailing Address:
City: Bethlehem
State: PA
ZIP: 18017
Phone Number: 610-882-5010
Fax Number: 610-866-9430
Mobile Number *(optional)*:
Business Email Address: Nancy.krial@buzziunicemusa.com

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? . . . . . ☑ Yes ☐ No

2a. If yes, please fill out contact information for that person.

First Name: Meredith
Last Name: Horishny
Title: Tax Manager
Organization: Lone Star Industries, Inc. d/b/a Buzzi Unicem USA
Street Address: 100 Brodhead Road Suite 230
Mailing Address:
City: Bethlehem
State: PA
ZIP: 18017
Phone Number: 610-882-5056
Fax Number: 610-866-9430
Mobile Number *(optional)*:
Business Email Address: Meredith.horishny@buzziunicemusa.com

3. Does the applicant authorize the consultant to provide and obtain information related to this application? . . . . . ☑ Yes ☐ No

SECTION 2: Applicant Information (continued)

4. **Authorized Company Consultant** ***(If Applicable)***

First Name: Alan
Last Name: Carmichael
Title: Attorney
Firm Name: Wetsel & Carmichael, LLP
Phone Number: 325-235-3999
Fax Number: 325-235-3526
Business Email Address: alan@wetsel-carmichael.com

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☑ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☑ No ☐ N/A

3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☐ No ☑ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Lone Star Industries, Inc.

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 11309826607

3. List the NAICS code 327310

4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☑ No

4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Corporation

2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☑ Yes ☐ No

2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

3. Is the applicant current on all tax payments due to the State of Texas? ☑ Yes ☐ No

4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☑ Yes ☐ No ☐ N/A

5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. *(If necessary, attach explanation in **Tab 3**)*

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☑ Yes ☐ No
2. The property will be used for one of the following activities:
   - (1) manufacturing ☑ Yes ☐ No
   - (2) research and development ☐ Yes ☑ No
   - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☑ No
   - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☑ No
   - (5) renewable energy electric generation ☐ Yes ☑ No
   - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☑ No
   - (7) nuclear electric power generation ☐ Yes ☑ No
   - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☑ No
   - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☑ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☑ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☑ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☑ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☑ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
   - ☐ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☑ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☑ Yes ☐ No
2. Has the applicant entered into any agreements or contracts for work to be performed related to the proposed project? ☐ Yes ☑ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☑ Yes ☐ No
4. Has the applicant made public statements in SEC filings or other official documents regarding its intentions regarding the proposed project location? ☑ Yes ☐ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☑ Yes ☐ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☑ Yes ☐ No
7. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☑ Yes ☐ No
8. Has the applicant considered or is the applicant considering other locations not in Texas for the proposed project? ☑ Yes ☐ No
9. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☑ Yes ☐ No
10. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☑ Yes ☐ No

If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board ..... July 2014
2. Beginning of qualifying time period ..... Fourth Quarter 2014
3. First year of limitation 2017
4. Begin hiring new employees ..... Third Quarter 2016
5. Commencement of commercial operations ..... Third Quarter 2016
6. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
7. When do you anticipate the new buildings or improvements will be placed in service? ..... Third Quarter 2016

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Nolan County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Nolan County Central Appraisal District
3. Will this CAD be acting on behalf of another CAD to appraise this property? ..... ☐ Yes ☑ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County:	Nolan County, .3407%, 100%	City:	
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Hospital District:	Nolan County Hospital .2218%, 100%	Water District:	Wes Tex Groundwater .005%, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*
Other *(describe)*:	FM-KT Road .054%, 100%	Other *(describe)*:	Highland ISD 1.445%, 100%
	(Name, tax rate and percent of project)		*(Name, tax rate and percent of project)*

5. Is the project located entirely within the ISD listed in Section 1? ..... ☑ Yes ☐ No

   5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☑ No

   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at **www.texasahead.org/tax_programs/chapter313/**.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ..... ☑ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of new buildings or new improvements with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ..... ☑ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
   - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
   - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? . . . . . ☑ Yes ☐ No
   - 2a. If yes, attach complete documentation including:
     - a. legal description of the land (**Tab 9**);
     - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
     - c. owner (**Tab 9**);
     - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
     - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . . ☑ Yes ☐ No
   - 3a. If yes, attach the applicable supporting documentation:
     - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
     - b. legal description of reinvestment zone (**Tab 16**);
     - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
     - d. guidelines and criteria for creating the zone (**Tab 16**); and
     - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
   - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? . . . . . _____

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): . . . . . $ 53,000,000.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property *(that property described in response to question 2)*: . . . . . $ 17,300,000.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 109

2. What is the last complete calendar quarter before application review start date:

   ☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☑ Fourth Quarter of 2013 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 109

   Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 10

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? . . . . . ☐ Yes ☑ No

   6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

   a. Average weekly wage for all jobs (all industries) in the county is 720.00

   b. 110% of the average weekly wage for manufacturing jobs in the county is 930.00

   c. 110% of the average weekly wage for manufacturing jobs in the region is 800.00

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? . . . . . ☑ §313.021(5)(A) or ☐ §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 42,000.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 42,000.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? . . . . . ☑ Yes ☐ No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.024(d-2)? . . . . . ☐ Yes ☑ No

    12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? . . . . . ☐ Yes ☑ No

    13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. *(not required)*

3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17. NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Duane Hyde
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here Duane Hyde
Signature *(Authorized School District Representative)*

3-25-14
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Nancy L. Krial
Print Name *(Authorized Company Representative (Applicant))*

CFO & Senior Vice President
Title

sign here Nancy L Krial
Signature *(Authorized Company Representative (Applicant))*

3/7/2014
Date

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cindy E. Cazarez, Notary Public
Hanover Twp., Northampton County
My Commission Expires Sept. 18, 2014
Member, Pennsylvania Association of Notaries

(Notary Seal)

GIVEN under my hand and seal of office this, the

7th day of March, 2014

Cindy E. Cazarez
Notary Public in and for the State of ~~Texas~~ Pennsylvania

My Commission expires: 9-18-2014

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS	
TAB	**ATTACHMENT**
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation *(if applicable)*
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property *(if applicable)*
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of new buildings or new improvements c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size **Note:** Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact *(if applicable)*
15	Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* *** To be submitted with application or before date of final application approval by school board**
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative *(applicant)*

TAB 2

Proof of payment of filing fee received by the Comptroller of Public Accounts per TAC Rule §9.1054 (b)(5)

(Page Inserted by Office of Texas Comptroller of Public Accounts)

TAB 3

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TX2013
Ver. 4.0 05-158-A
(Rev.9-11/6)

Texas Franchise Tax Report - Page 1

■ Tcode 13250 Annual

■ Taxpayer number	■ Report year	Due date	Privilege period covered by this report
15624272512	2013	11/15/2013	01/01/2013 –12/31/2013

Taxpayer Name RC Lonestar Inc. and Subsidiaries

Secretary of State file number or Comptroller file number

Mailing address: 100 Brodhead Road, Suite 230

City	State	Country	ZIP Code	Plus 4	Check box if the address has changed ■ ☐
Bethlehem	PA		18017	8989	

Check box if this is a combined report ■ [X]

Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions ■ ☐

Check box if this is a Corporation or Limited Liability Company [X]

Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

**If not twelve months, see instructions for annualized revenue

Accounting year begin date** ■ (m m d d y y)	Accounting year end date ■ (m m d d y y)	SIC code ■	NAICS code ■
010112	123112	3241	327300

REVENUE *(Whole dollars only)*

1. Gross receipts or sales	1. ■	562197495 .00
2. Dividends	2. ■	61683 .00
3. Interest	3. ■	33465723 .00
4. Rents *(can be negative amount)*	4. ■	517576 .00
5. Royalties	5. ■	85362 .00
6. Gains/losses *(can be negative amount)*	6. ■	13235627 .00
7. Other income *(can be negative amount)*	7. ■	3502708 .00
8. Total gross revenue *(Add items 1 thru 7)*	8. ■	613066174 .00
9. Exclusions from gross revenue *(see instructions)*	9. ■	706126 .00
10. TOTAL REVENUE *(item 8 minus item 9 if less than zero, enter 0)*	10. ■	612360048 .00

COST OF GOODS SOLD *(Whole dollars only)*

11. Cost of goods sold	11. ■	497137342 .00
12. Indirect or administrative overhead costs *(Limited to 4%)*	12. ■	912976 .00
13. Other *(see instructions)*	13. ■	0 .00
14. TOTAL COST OF GOODS SOLD *(Add items 11 thru 13)*	14. ■	498050318 .00

COMPENSATION *(Whole dollars only)*

15. Wages and cash compensation	15. ■	75158869 .00
16. Employee benefits	16. ■	28000818 .00
17. Other *(see instructions)*	17. ■	0 .00
18. TOTAL COMPENSATION *(Add items 15 thru 17)*	18. ■	103159687 .00

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TX2013 05-158-B
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Texas Franchise Tax Report - Page 2

■ Tcode 13251 Annual

■ Taxpayer number	■ Report year	Due date	Taxpayer name
15624272512	2013	11/15/2013	RC Lonestar Inc. and Subsidiaries

MARGIN *(Whole dollars only)*

19. Revenue *(item 10 X 70%)*	19. ■	428652034 .00
20. Revenue *(item 10 minus item 14 COGS)*	20. ■	114309730 .00
21. Revenue *(item 10 minus item 18 Compensation)*	21. ■	509200361 .00
22. MARGIN *(Enter the lowest amount from item 19, 20 or 21)*	22. ■	114309730 .00

APPORTIONMENT FACTOR

23. Gross receipts in Texas *(Whole dollars only)*	23. ■	88756922 .00
24. Gross receipts everywhere *(Whole dollars only)*	24. ■	612360048 .00
25. APPORTIONMENT FACTOR *(Divide item 23 by item 24, round to 4 decimal places)*	25. ■	0.1449

TAXABLE MARGIN *(Whole dollars only)*

26. Apportioned margin *(Multiply item 22 by item 25)*	26. ■	16563480 .00
27. Allowable deductions *(see instructions)*	27. ■	0 .00
28. TAXABLE MARGIN *(item 26 minus item 27)*	28. ■	16563480 .00

TAX DUE

29. Tax rate *(see instructions for determining the appropriate tax rate)*	X X X 29. ■	0.0100
30. Tax due *(Multiply item 28 by the tax rate in item 29) (Dollars and cents)*	30. ■	165634.80

TAX ADJUSTMENTS *(Dollars and cents) (Do not include prior payments)*

31. Tax credits *(item 23 from Form 05-160)*	31. ■	0.00
32. Tax due before discount *(item 30 minus item 31)*	32. ■	165634.80
33. Discount *(see instructions, applicable to report years 2008 and 2009)*	33. ■	0.00

TOTAL TAX DUE *(Dollars and cents)*

34. TOTAL TAX DUE *(item 32 minus item 33)*	34. ■	165634.80

Do not include payment if item 34 is less than $1,000 or if annualized total revenue is less than the no tax due threshold (see instructions). If the entity makes a tiered partnership election, ANY amount in item 34 is due. Complete Form 05-170 if making a payment.

Print or type name	Area code and phone number
Nancy L Krial	6108825056

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.

sign here ▶ Nancy L Krial

Date 11/15/2013

Mail original to:
Texas Comptroller of Public Accounts
P.O. Box 149348
Austin, TX 78714-9348

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 252-1381 or (512) 463-4600.
Instructions for each report year are online at www.window.state.tx.us/taxinfo/taxforms/05-forms.html.

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PM Date	

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TX2013 05-166

Ver. 4.0 (Rev.9-11/4)

Texas Franchise Tax Affiliate Schedule

■ **Tcode** 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
RC Lonestar Inc	15624272512	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	32591825 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	12469 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Buzzi Unicem USA (MidWest) Inc.	562427265	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	17769047 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	13851885 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Buzzi Unicem USA Inc.	233022369	561110

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	512151 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	572328 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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TX2013 05-166
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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Heartland Cement Company	232985470	493100

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	8434940 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	9448481 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Heartland Cement Sales Company	233062932	423300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	5296196 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	4673319 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Hercules Cement Company - Purchase Accounting	239999999	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Hercules Cement Company, LP	233050359	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	54417233 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	59796048 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Hercules Cement Holding Company	510401847	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	5 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
KCOR Corporation	132513633	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Lone Star Hawaii Cement Corporation	990093221	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Lone Star Hawaii, Inc.	061072341	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Lone Star Industries, Inc.	11309826607	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☐	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	308768627 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
74350806 .00	237330362 .00

Check box if this is a Corporation or Limited Liability Company ☒ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Lone Star Properties, Inc.	060865227	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
River Cement Company	436042361	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	91287224 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	92199340 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
River Cement Company - Purchase Accounting	439999999	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
River Cement Sales Company	14318542389	423300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☐	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	180073426 .00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
14406116 .00	167645832 .00

Check box if this is a Corporation or Limited Liability Company ☒ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Rosebud Holdings, Inc.	061385247	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Rosebud Real Properties	10613943488	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☐	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☒ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

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Texas Franchise Tax Affiliate Schedule

■ Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
15624272512	2013	RC Lonestar Inc. and Subsidiaries

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Signal Mountain Cement Company	621140653	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	36513620 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	38566518 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Utah Portland Quarries, Inc.	870165650	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	0 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	0 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
Buzzi Unicem Ready Mix LLC	261549555	327300

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0 .00	16989074 .00
■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0 .00	14247045 .00

Check box if this is a Corporation or Limited Liability Company ☐ Check box if this is an Entity other than a Corporation or Limited Liability Company ☐

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only

VE/DE	☐	FM	☐

7002

TAB 4

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 4

Section 7 - Project Description

As background, Lone Star Industries, Inc. (or "the Company") is a cement manufacturer which currently operates cement plants in Indiana, Missouri, Oklahoma, and Texas. The Company distributes the product through a network of distribution terminals located in several states. The Maryneal, Texas cement plant began production in 1951 with 2 kilns, adding a third kiln in 1953. The plant is currently capable of producing over 500,000 tons/year of cement, mainly Type I and oil well cement. The average life for a cement plant is approximately 50 years, which our Maryneal plant surpassed years ago. The industry has less than 3.5% of its clinker capacity produced by pre-1953 kilns. As a result of the plant's age, Buzzi Unicem USA spends a significant amount annually to maintain the facility. The amount spent makes the Maryneal plant the highest cost plant to operate within the Buzzi Unicem USA group.

Lone Star Industries, Inc. is proposing a project that is currently estimated to be a $235 million capital investment to build a brand new cement production line employing state-of-the-art equipment and technology. The new plant will yield a capacity of 1.1 million tons/year of clinker and 1.2 million tons/year of cement. The project will assure that Buzzi Unicem USA will retain and secure jobs for the foreseeable future in Nolan County and ensure that the Company continues to be a sustainable member of the community in which we operate. Without approval of the appraised value limitation application, this project is in jeopardy, which likely leads to the Company ceasing production at the outdated plant resulting in the loss of approximately 100 jobs.

The proposed project includes construction of equipment and support systems needed for the installation of a new production line with a capacity of 1.1 million tons of Portland cement clinker per year. In addition, the updated equipment further enhances safety for our employees. The Company will also invest in its employees by providing training related to the new equipment and technologies. The project will take place over approximately two years commencing in the first half of 2014. The project equipment will be installed on land already owned by the company. In general terms, the project will include the following:

1) Site preparation, grading and excavations
2) Foundation installations and civil construction
3) Installation of crushing, conveying and storage for limestone
4) Installation of a raw material grinding system
5) Installation of a Portland cement grinding system and attending conveying system
6) Procurement and installation of equipment and materials for construction of:
    a. Secondary raw materials storage/conveying
    b. Portland cement clinker kiln and cooler system
    c. Portland cement kiln fuel preparation and delivery system
    d. Portland cement clinker conveying and storage system
    e. Storage and conveying of secondary materials for cement grinding
    f. Ancillary systems for the supply of compressed air, process water, hydraulic systems

TAB 5

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 5
Section 8 – Limitation as Determining Factor

1) See Exhibit I in Tab 5 for listing of current land which is owned by the facility.

2) N/A

3) As discussed in Tab 4, Lone Star Industries, Inc. d/b/a Buzzi Unicem USA ("the Company") currently has a cement plant located in Nolan County at the site of the new project. The existing plant is capable of producing over 500,000 tons/year of cement, mainly Type I and oil well cement. The new facility would be constructed on property which is already owned by the Company and mainly within the general footprint of the existing plant.

4) Please see Exhibit II in Tab 5 for a copy of a press release for the proposed project at the Maryneal facility. The Company released this announcement only after receiving approval of tax abatements by the boards of the various Nolan County taxing districts. The Company received approval from the Nolan County and FM-KT tax districts on September 23, 2013, from the Nolan County Hospital taxing district on September 23, 2013, and from the Highland Independent School District board on October 14, 2013.

5) The Company filed a General Application for an Air Preconstruction Permit and received an Air Quality Permit from the Texas Commission on Environmental Quality (TCEQ) in 2009 when the Company was first considering an expansion project. TCEQ has informed the Company that amendments to this original application will be required since the location of the proposed project has changed. The TCEQ has indicated that the permit amendment process must be completed before a new kiln line would commence operation. The Company has begun preliminary work on the amendments to the permit application. However, this process cannot be completed until the proposed project design specifications would be finalized.

6) The Company has received property tax abatement for 10 years from the Nolan County Hospital District, Nolan County Appraisal District and FM-KT Road. Please see Exhibit III for copies of the applicable documents which approve the abatement.

7) **CONFIDENTIAL

8) Over the last year, the Company has considered opportunities to modernize several of its facilities. In order to determine where the Company's limited capital resources would best be spent, the Company evaluated modernizing either its Pryor, Oklahoma or Maryneal, Texas cement plants. When presenting the options to the Board of Directors for approval of a modernization project, the Maryneal Texas project had a stronger financial justification due to the Highland Independent School District appraised value limitation and tax abatements granted by other Nolan County taxing districts.

9) **CONFIDENTIAL

10) The increased capacity at the Maryneal facility will allow the Company to distribute additional cement to its other Texas distribution terminals via rail along with additional direct sales to customers from the Maryneal plant. In addition, should the Company proceed with the proposed project, it would plan to build a new distribution terminal in Texas which would receive all product from the Maryneal facility via rail.

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 5 - Existing Appraisal District Information
Section 8 - Limitation as Determining Factor

Account Number	Legal Description	Type of Property	Acres	Assessed Value
N0134-0002-00	0134 Abst 193 H&TC BLK/TRACT 1A	Land	311.21	10,891
N0276-0018-00	0276 Abst 043 T&P BLK/TRACT 22	Land	6.447	6,447
N1428-0007-00	1428 ABST 044 S/RR T&P BLK/TRACT 22	Land	18.759	18,759
N1428-0007-20	1428 ABST 044 S/RR T&P BLK/TRACT 22	Land	17.534	17,534
N1589-0001-00	1589 ABST 192 E/2 H&TC BLK/TRACT 1A	Land	408	8,622
N1836-0001-00	1836 ABST 192 W/2 H&TC BLK/TRACT 1A	Land	221	50,940
M.99000100.0705326	Limestone Quarry	Quarry		2,800,000
M.99000040.0057601	Land Improvements	Land Improvements		12,020
M.99000050.0057601	Buildings	Buildings		1,531,100
M.99000370.0057601	Machinery & Equipment	Tangible Personal Property		20,631,220
M.99000450.0057601	Furniture & Fixtures/ Data Processing	Tangible Personal Property		86,300
M.99000500.0057601	Automotive	Tangible Personal Property		160,740
M.99000530.0057601	M Machinery & Equipment	Tangible Personal Property		1,220,400
M.99000550.0057601	Inventory	Tangible Personal Property		6,770,040
M.99000380.0057601	Pollution Control Equipment	Tangible Personal Property		0
	Total Assessed Value			**33,325,013**

Buzzi Unicem USA

FOR IMMEDIATE RELEASE

Buzzi Unicem USA Announces Major Expansion of the Maryneal, Texas Cement Plant

Bethlehem, PA and Maryneal, TX 26 November 2013 –

Buzzi Unicem USA announced today that it plans to modernize and expand its cement production facility located at Maryneal, Texas. The project will reduce the plant's environmental footprint while more than doubling capacity to serve the increasing demand for cement for the construction and oil and gas industries. With the expansion, cement production capacity at the Maryneal, Texas plant will be increased from 550,000 short tons per year to 1.2 million short tons per year. Buzzi Unicem USA also will install state-of the-art pollution control equipment that will significantly reduce the plant's emissions of NOx and allow for compliance with other stringent environmental limits.

"As an industry leader in quality and service, Buzzi Unicem USA is committed to sustainable, environmentally responsible manufacturing at all of its plants," said David Nepereny, the Company's President and Chief Executive Officer. "The Maryneal plant expansion will result in a world-class facility that has the latest pyroprocessing, environmental and safety equipment."

The major components of the proposed expansion include a new Raw Mill, a new Preheater/Precalciner Kiln and Cooler System, a new 4500KW Finish Mill, and continued use of the newly commissioned Fives FCB Horomill® Finish Mill. A new solid fuel grinding and feed system will also be added as part of the project.

Buzzi Unicem USA currently employs approximately 100 full-time employees at the Maryneal plant, 80% of whom live in Nolan County, Texas. This expansion will solidify the jobs for the plant's workforce and create more than 200 full-time construction jobs during the estimated 2-3 year time period to install the project.

About Buzzi Unicem USA

Headquartered in Bethlehem, Pennsylvania, Buzzi Unicem USA is one of the leading cement manufacturing companies in the US. The Company operates 7 cement manufacturing plants and 30 distribution terminals in the United States. Buzzi Unicem USA, with approximately 1,400 valued employees, supplies cement and masonry cement to over 3,800 ready-mix concrete, highway and airport paving firms, concrete block companies and concrete product firms.

RESOLUTION

SUPPORTING APPLICATION OF LONE STAR INDUSTRIES, INC., D/B/A BUZZI UNICEM, USA FOR AN AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES *(AUTHORIZED BY TEXAS TAX CODE, CHAPTER 313)*

WHEREAS, the Highland Independent School District (hereinafter the "District") has been approached by Lone Star Industries Inc. d/b/a Buzzi Unicem USA (hereinafter the "Company") about a possible Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code for a cement manufacturing plant to be located with the school district boundaries; and,

WHEREAS, under the Texas Economic Development Act, school districts may offer property value limitations to attract major economic development projects for qualifying activities, such as manufacturing plants; and,

WHEREAS, a school board may not grant a property value limitation until the formal application and review process has been completed, which includes an economic analysis prepared by the state and a financial analysis of the impact of the value limitation on the finances of Highland ISD, as well as negotiation of an implementation agreement between the District and the Company; and,

WHEREAS, Lone Star Industries Inc. d/b/a Buzzi Unicem USA desires a preliminary indication of intent of the Highland Independent School District with respect to the Application in order to proceed with final financing arrangements for the Project; and,

WHEREAS, it appears from the evidence accumulated to date that Lone Star Industries Inc. d/b/a Buzzi Unicem USA would be eligible for the limitation on the appraised value of the Applicant's qualified property once it makes a qualified investment under Chapter 313, Texas Tax Code within the District, and that the approval of the Application and the District's entering into an Agreement would be in the best interest of the District and the State;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE HIGHLAND INDEPENDENT SCHOOL DISTRICT:

That the Board of Trustees of the Highland Independent School District hereby finds that it would favorably consider an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, provided:

1. A formal application and application fee is submitted to Highland ISD in a manner that is consistent with state law and school board policy;

2. The economic and financial analyses indicate that the project would benefit the area;

3. Suitable language is included in an implementation agreement to protect the school district from any potential revenue losses as a result of entering into the agreement, which is also required by state law; and

4. The agreement includes language that would spell out the process for covering future expansion at the site under an existing agreement or by filing a new application, whichever is most beneficial to the Company and Highland ISD.

PASSED, APPROVED AND ADOPTED on this 14th day of October, 2013.

HIGHLAND INDEPENDENT SCHOOL DISTRICT

By: _____

BRENT ALLEN
President
Board of Trustees

ATTEST:

_____

DALE ADAMS
Secretary
Board of Trustees

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF NOLAN §

THIS AGREEMENT FOR PAYMENT IN LIEU OF TAXES ("Agreement") is made and entered into by and between the NOLAN COUNTY HOSPITAL DISTRICT, dba ROLLING PLAINS MEMORIAL HOSPITAL, ("NCHD") and Lone Star Industries, Inc. d/b/a Buzzi Unicem USA ("BUZZI UNICEM"), the owner of taxable real property, and the improvements to be constructed thereon, within a reinvestment zone designated under Chapter 312, TEXAS TAX CODE.

WHEREAS, BUZZI UNICEM has developed plans to upgrade the plant and facilities at Buzzi Unicem's cement plant at Maryneal, Texas; and,

WHEREAS, BUZZI UNICEM has options to purchase all materials and equipment to be installed for the construction of the new plant ("Purchase Options"), including but not limited to a new kiln system, related material receiving and processing systems, additional finish grinding capacity and upgraded utilities and auxiliary systems for use in the development of a cost effective cement plant in Nolan County, Texas ; and,

WHEREAS, BUZZI UNICEM intends to construct a cost effective cement plant (the "Project") on the Property (as defined in Section 2(d) of this Agreement); and

WHEREAS, BUZZI UNICEM intends to operate the cement plant and service the Project; and

WHEREAS, BUZZI UNICEM would not exercise the Purchase Options or expend the funds to construct the Improvements (as defined in Section 2(c) of this Agreement) or establish the upgraded cement plant without receipt of an ad valorem tax abatement from Nolan County; and an Agreement for Payment in Lieu of Taxes from the NCHD; and,

WHEREAS, it is contemplated that the Project will ultimately yield an approximate capacity of 1.1 million short tons/year of clinker and 1.2 million short tons/year of cement and will reduce NOx emissions annually in Nolan County; and

WHEREAS, the Board of Directors of BUZZI UNICEM will determine the feasibility and viability of the Project and if the decision is made to move forward with the Project, BUZZI UNICEM anticipates commencing construction by the end of 2014, with an earliest possible projected completion date in 2017.; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, BUZZI UNICEM and the NCHD hereby agree as follows:

1. Authorization. This Agreement is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS TAX CODE, as amended and the Tax

Abatement Guidelines and Criteria as adopted by both the Commissioners Court of Nolan County and the NCHD (the "Guidelines and Criteria") appended hereto as **Exhibit "B"**. The Board of Directors of the NCHD have determined that the terms of this Agreement and the property subject to this Agreement meet the Guidelines and Criteria adopted by the NCHD.

2. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Certified Appraised Value" shall mean the appraised value of the Property and existing improvements as certified by the Nolan County Central Appraisal District for each taxable year.

(b) "Nolan County" and "BUZZI UNICEM REINVESTMENT ZONE" shall mean that certain area qualified for tax abatement pursuant to the Guidelines and Criteria.

(c) "Improvements" shall mean the buildings and structures (or additions, upgrades, or portions thereof) and other improvements, including, but not limited to fixed machinery, equipment, crushing system, raw grinding system, raw materials handling and storage, kiln system, additional finish grinding capacity, and upgraded utilities and auxiliary systems, or used on the Property by or for Owner, as defined in Section 2(f) below, after the effective date of this Agreement.

(d) The approximate 940.21 acres situated in 0134 Abst 193 H&TC Blk/Trk 1A; 1589 Abst 192 E/2 H&TC Blk/Tract 1A; 1836 Abst 192 W/2 H&TC Blk/Tract 1A , a map of which is appended to this Agreement as **Exhibit "A"**, and incorporated herein by reference. The "Property" shall, therefore, mean the above described tract of land.

(e) "Board" shall mean the governing body of the NCHD.

(f) "Owner" shall mean the owner of the rights and interests in the Property, which shall be BUZZI UNICEM and its successors and/or assigns, who are assigned or conveyed rights or interests in the Property and/or the who acquires rights or interests in the Property, or any combination thereof.

(g) "Certificate" means a letter, provided by Owner to the County Judge of Nolan County, certifying that Owner has completed construction of the Project, outlining the Improvements included in the Project. At any time before or after receipt of the Certificate, NCHD may inspect the Property within the Reinvestment Zone in accordance with this Agreement to determine the status of the Improvements.

(h) "Project" shall mean the project consisting of acquiring, constructing, equipping and improving a new cement kiln, together with all related facilities and all related special purpose structures, more particularly described in 2(c) "Improvements" above.

3. Administration of Agreement. This Agreement shall be administered by the Board of the NCHD.

4. Term. This Agreement and the term of the tax abatement granted hereunder shall be effective for ten (10) full calendar years beginning on January 1 of the next tax year after the date that the Nolan County Judge receives the Certificate.

5. Construction of the Improvements. BUZZI UNICEM anticipates that construction will commence by the end of 2014, with an earliest possible projected completion date in 2017. Based on information provided by BUZZI UNICEM, it is estimated that the completed Improvements will have a market value of $225,000,000 upon completion. The County Authorities understand that specific decisions by the Company, its Board of Directors or its affiliates or its parent companies, including but not limited to Buzzi Unicem S.p.A. may cause the Project to be cancelled, smaller or larger depending upon facts and circumstances that develop during the design and engineering phase of the project.

6. Job Creation. In its Tax Abatement Agreement with Nolan County, Owner has agreed to maintain at least 100 permanent full time jobs (inclusive of those individuals employed by contractors working exclusively for owner) at the BUZZI UNICEM cement plant and make reasonable efforts to employ persons who are residents of Nolan County, Texas in such jobs as qualified and explained in Paragraph 6 of the Tax Abatement Agreement with Nolan County.

7. Local Goods and Services.

(a) In its Tax Abatement Agreement with Nolan County, Owner has agreed to use reasonable commercial efforts to maximize its use of Nolan County businesses in the construction, operation and maintenance of the Improvements and the Project; provided, however, that Owner shall not be required to use goods and services provided by Nolan County residents that are not (i) of similar quality to those provided by nonresidents or (ii) made available on terms and conditions (including price) comparable to those offered by nonresidents.

(b) Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as a liaison between any individuals, businesses and contractors residing or doing business in Nolan County who are interested in obtaining information about providing goods or services related to the construction of the Project. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Nolan County for local contractors to perform work on the construction of the Project.

8. Tax Abatement.

A. For and in consideration of payments, promises, covenants and obligations set forth herein, the sufficiency of which is hereby acknowledged, the NCHD and Owner agree as follows:

(1) For the purposes of computing the payment in lieu of taxes to be paid to NCHD, there shall be granted and allowed hereunder to Owner a property tax abatement on the Property and Improvements constructed, expanded or acquired hereunder on the Property at a rate of 60% for ten (10) years commencing on January 1st of the next tax year after the date that the Nolan County Judge receives the Certificate. The property tax abatement granted and allowed hereunder shall extend only to all real and personal property ad

valorem taxes assessable on the Property and Improvements, as constructed, expanded, replaced, upgraded or acquired. The payment in lieu of taxes shall be calculated using the tax rate in effect for the tax year in which the payment is made. Payments called for hereunder will be due and payable on or before January 31.

(2) It is specifically understood and agreed that the abatement granted herein for payment in lieu of taxes is nonexclusive and does not prevent the NCHD from dealing with any other or subsequent owner or owners of the Project; provided, however, the NCHD agrees that the abatement provided in Paragraph 8 (a) above shall extend to Owner (whether BUZZI UNICEM, its successors and assigns who acquires right or interests in the Property, or any combination thereof, as applicable) for the period of the above specified tax abatements.

9. Representations.

(a) Owner represents that (i) Owner, its successors or assigns, will have a taxable interest in the Improvements to be placed on the Property; (ii) construction of the proposed Improvements will be performed by Owner, its successors or assigns, and/or Owner's contractors and/or subcontractors; (iii) Owner, its successors or assigns, use of the Improvements and the Property within the BUZZI UNICEM REINVESTMENT ZONE will be consistent with the general purpose of encouraging development or redevelopment of the area during the term of this Agreement; and (iv) all representations made in the Application for Abatement in Nolan County are true and correct to the best of Owner's knowledge and belief.

(b) The parties to this Agreement represent that the BUZZI UNICEM REINVESTMENT ZONE has been created in accordance with Chapter 312 of the TEXAS TAX CODE and the Guidelines and Criteria, as both exist on the effective date of this Agreement and the Property is located in the BUZZI UNICEM REINVESTMENT ZONE.

(c) NCHD shall not cause any rollback of taxes or assess additional taxes against any fee owner of the Properties due to the existence of the Project, or otherwise change the classification of the Property upon which the Project is located for such fee owners because of the existence of the Project during the period of the tax abatements.

(d) No member of the NCHD owns or leases the Property or the Improvements contemplated by this Agreement.

10. Administrative.

(a) Access to and Inspection of Property by NCHD Employees. Owner shall allow the NCHD Authorities' employees and/or designated representatives of the NCHD access to the Improvements for the purpose of inspecting any Improvements erected to ensure that such Improvements are completed and maintained in accordance with the terms of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours advance notice

and shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner and in accordance with all applicable safety standards. Upon completion of construction, the designated representative of the NCHD Authorities shall annually evaluate the Improvements receiving abatement to ensure compliance with the Agreement, and a formal report shall be made to Commissioners Court.

(b) On May 1st of each year that this Agreement is in effect Owner shall certify to the NCHD Authorities that Owner is in compliance with each applicable term of this Agreement.

(c) The Chief Appraiser of the Nolan County Appraisal District annually shall determine (i) the Certified Appraised Value of the Property and the Improvements and (ii) the taxable value, pursuant to the terms of abatement under this Agreement, of the Property and Improvements. The Chief Appraiser shall record both the abated taxable value and the Certified Appraised Value in the appraisal records. The Certified Appraised Value listed in the appraisal records shall be used to compute the amount of abated taxes that are required to be recaptured and paid in the event this Agreement is terminated in a manner that results in recapture. During the term of this Agreement, each year, Owner shall furnish the Chief Appraiser with such information outlined in Chapter 22, TEXAS TAX CODE, as may be necessary for the administration of the abatement specified herein. Nothing contained herein shall preclude the Owner from contesting the Certified Appraised Value according to the County's rules and procedures.

11. Default.

(a) The NCHD may declare a default hereunder if Owner (1) fails, refuses, or neglects to comply with any of the material terms, conditions, or representations of this Agreement and fails to cure during the cure period described herein; or (2) allows ad valorem taxes owed to the NCHD or any other taxing jurisdiction in Nolan County to become delinquent and fails either to cure during the cure period or to timely and properly follow the legal procedures for their protest or contest.

(b) If the NCHD Authorities declare a default of this Agreement, this Agreement shall terminate (after notice and opportunity to cure as provided for herein), and the NCHD Authorities, in such event, shall be entitled to recapture any and all property taxes which have been abated as a result of this Agreement. The NCHD Authorities shall notify Owner of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default, and Owner shall have sixty (60) days from the date of such notice to cure any default; provided, however, where fulfillment of any obligation requires more than sixty (60) days, performance shall be commenced within sixty (60) days after the receipt of notice, and such performance shall be diligently continued until the default is cured; provided, however, that if such default is not cured within one hundred and fifty (150) days from the date of notice of default from the NCHD Authorities, the failure to cure such default shall constitute a default hereunder. If the default cannot be cured, or if Owner fails to cure within the period herein specified, Owner shall be liable for and will pay to the NCHD Authorities within sixty (60) days following the termination of this Agreement (1) the amount of all property taxes abated under this Agreement, (2) interest on the abated amount at the rate provided for in the

Texas Tax Code for delinquent taxes, and (3) penalties on the amount abated in the year of default at the rate provided for in the Texas Tax Code for delinquent taxes.

(c) Notwithstanding any other provision contained herein to the contrary, in the event of termination of this Agreement due to default, the NCHD shall be entitled to recapture all property taxes which have been abated by this Agreement.

12. Changes in Tax Laws. The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

13. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation of the County or laws of the State of Texas.

14. Assignment of Agreement. This Agreement may not be assigned by Owner without the approval of the NCHD Authorities by resolution or order of the Board of the NCHD, except that Owner may assign its rights and responsibilities hereunder without the NCHD Authorities' consent to any entity or entities which acquires all or any portion of Owner's interest in the Improvements, the Property or the Project; provided, however, that Owner shall give written notice of any such assignment to the NCHD Authorities, whereupon the NCHD Authorities shall cause any property taxes applicable to the interest in the Improvements acquired by the entity or entities to be assessed separately to the entity or entities. Any assignment, including without limitation an assignment to another entity, shall require that all conditions and obligations in this Agreement applying to the interest acquired by the assignee shall be assumed by the assignee, and upon such assumption, Owner (Lone Star Industries, Inc.), or any entity other than such assignee) shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee. No assignment shall be approved if (a) the NCHD Authorities have declared a default hereunder that has not been cured, or (b) the assignee is delinquent in the payment of ad valorem taxes owed to the NCHD Authorities or any other taxing jurisdiction in Nolan County. Approval by the NCHD Authorities shall not be unreasonably withheld. 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. A collateral assignment of the Owner's Property or Improvements to any lender(s) shall not be considered an assignment for purposes of this Agreement.

15. Notice. All notices shall be in writing. If mailed, any notice or communication shall be deemed to be received three (3) days after the date of deposit in the United States mail, first-class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To BUZZI UNICEM: Buzzi Unicem USA Inc.
Attn: Senior Vice President & CFO
100 Brodhead Road, Suite 230
Bethlehem, PA 18017-8989
With Copy to:
Tax Manager
(Same address as above)

To NCHD: Donna Boatright
Chief Executive Officer
Nolan County Hospital District
Rolling Plains Memorial Hospital
200 Arizona
Sweetwater, Texas 79556

Either party may designate a different address by giving the other parties at least ten (10) days written notice in the manner prescribed above.

16. Entire Agreement. This Agreement and **Exhibits "A"** and **"B"** attached hereto contains the entire and integrated tax abatement agreement between the parties and supersedes all other negotiations and agreements between the parties relating to the grant of tax abatement for the Improvements located on the Property, whether written or oral. In the event that there is a conflict between any of the Exhibits to this Agreement or the Guidelines and Criteria and this Agreement, the provisions of this Agreement shall control over the provisions in the Exhibit or the Guidelines and Criteria.

17. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be declared or held to be invalid or unenforceable by any court, governmental authority or agency having jurisdiction over the subject matter of this Agreement, the remaining terms of this Agreement and the application of such term or provision to any other person or circumstance shall not be affected by such declaration or holding and shall be valid and enforceable as allowed by law.

18. Governing Law. The terms and provisions of this Agreement shall be interpreted in accordance with the laws of the State of Texas.

19. Headings. The section headings contained in this Agreement are for purposes of reference and convenience only and shall not limit or otherwise affect in any way the meaning of this Agreement.

20. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one original.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties as of the _____ day of _____, 2013.

Lone Star Industries, Inc. d/b/a Buzzi Unicem USA
"BUZZI UNICEM"

By:_____
Name:_____
Title:_____

NOLAN COUNTY HOSPITAL DISTRICT
"NCHD"

By:_____
STEVE HOLCOMB
Chairman of the Board

ATTEST:

By:_____
_____
Secretary of the Board

Date of Execution:_____

EXHIBIT "A"

MAP OF MARYNEAL PROPERTY

**CONFIDENTIAL

EXHIBIT "B"
(NCHD Guidelines and Criteria)

TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS	)	
	)	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF NOLAN	)	

THIS TAX ABATEMENT AGREEMENT ("Agreement") is made and entered into by and between NOLAN COUNTY, TEXAS, (the "County"), the NOLAN COUNTY FARM -TO-MARKET ROAD DISTRICT (THE "Farm-to-Market Road District") and LONE STAR INDUSTRIES, INC. DBA BUZZI UNICEM USA ("the Company"); the owner of the Improvements described herein and to be placed and to be constructed on the Property described in Exhibit "A" attached hereto which constitutes the reinvestment zone designated under Chapter 312, Texas Tax Code.

WHEREAS, the Company has developed plans and proposes to upgrade, improve and expand the plant and facilities at Company's cement plant at Maryneal, Texas;

WHEREAS, the Company has options to purchase all materials and equipment to be installed for the construction of the new plant ("Purchase Options"), including but not limited to a new kiln system, related material receiving and processing systems, additional finish grinding capacity and upgraded utilities and auxiliary systems for use in the development of a cost effective cement plant in Nolan County, Texas; and

WHEREAS, the Company intends to construct a cost effective cement plant (the "Project") on the Property (as defined in Section 2(d) of this Agreement; and

WHEREAS, on September 23, 2013, the Commissioners' Court of Nolan County, Texas, pursuant to Chapter 312, Texas Tax Code, designated approximately 940.21 acres of land owned by the Company and located in Nolan County, Texas as the Buzzi Unicem Reinvestment Zone ("Reinvestment Zone"); and

WHEREAS, the Board of Directors of Company will determine the feasibility and viability of the Project and if the decision is made to move forward with the Project, the Company anticipates commencing construction by the end of 2014, with an earliest possible projected completion date in 2017; and

WHEREAS, the completion of the construction project and the resulting facility will allow the continuation of operations by Owner and will allow the County to retain a significant employer for Nolan County; and

WHEREAS, it is contemplated that the Project will cost approximately Two Hundred Twenty-five Million Dollars ($225,000,000.00) and significantly increase the operating capacity of Owner's Maryneal Plant located in Nolan County; and

WHEREAS, it is contemplated that the Project will ultimately yield an approximate capacity of 1.1 million short tons/year of clinker and 1.2 million short tons/year of cement and will reduce NOx emissions annually in Nolan County; and

WHEREAS, the Company would exercise the Purchase Options or expend the funds to construct the Improvements (as defined in Section 2(c) of this Agreement) or establish the upgraded cement plant without receipt of an ad valorem tax abatement from the County; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, the Company, the County and the Farm-to-Market Road District hereby agree as follows:

1. Authorization. This Agreement is authorized and governed by the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS TAX CODE, as amended and the Tax Abatement Guidelines and Criteria as adopted by the Commissioners Court of Nolan County (the "Guidelines and Criteria"). The Commissioners Court of Nolan County has elected to become eligible to participate in tax abatements and determined that the terms of this Agreement and the Property subject to this Agreement meet the Guidelines and Criteria adopted by the County.

2. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

(a) "Certified Appraised Value" shall mean the appraised value of the Property and existing Improvements as certified by the Nolan County Appraisal District for each taxable year.

(b) "Reinvestment Zone" shall mean that certain area qualifying for tax abatement designated by the Commissioner's Court on September 23, 2013 as the Buzzi Unicem Reinvestment Zone pursuant to Guidelines and Criteria adopted by Nolan County.

(c) "Improvements" shall mean the buildings and structures (or additions, upgrades, or portions thereof) and other improvements, including, but not limited to fixed machinery, equipment, crushing system, raw materials handling and storage, kiln system, additional finish grinding capacity and upgraded utilities and auxiliary system, or used on the Property by or for Owner, as defined in Section 2(f) below, after the effective date of this Agreement.

(d) "Property" shall mean the approximate 940.21 acres situated in 0134 Abst 193 H&TC Blk/Trk 1A; 1589 Abst 192 E/2 H&TC Blk/Tract 1A; 1836 Abst 192 W/2 H&TC Blk/Tract 1A, a map of which is appended to this Agreement as **Exhibit "A"**, and incorporated herein by reference, and all Improvements and tangible personal property located thereon, which comprise Reinvestment Zone.

(e) "Commissioners Court" shall mean the governing body of Nolan County, Texas.

(f) "Owner" shall mean the owner of the rights and interests in the Property, which shall be Lone Star Industries, Inc. dba Buzzi Unicem USA and its successors and/or assigns, who are assigned or conveyed rights or interests in the Property and/or who acquires rights or interests in the Property, or any combination thereof.

(g) "County Authorities" shall mean Nolan County and the Farm-to-Market Road District acting by and through its duly elected and appointed representatives.

(h) "Certificate" means a letter, provided by Owner to the County Judge of Nolan County, certifying that Owner has completed construction of the Project, outlining the Improvements included in the Project. At any time before or after receipt of the Certificate, the County may inspect the Property within the Reinvestment Zone in accordance with this Agreement to determine the status of the Improvements.

(i) "Project" shall mean the project consisting of acquiring, constructing, equipping and improving a new cement kiln, together with all related facilities and all related special purpose structures, more particularly described in 2(c) "Improvements" above.

3. Administration of Agreement. This Agreement shall be administered by the County Judge of Nolan County, Texas.

4. Term. This Agreement and the term of the tax abatement granted hereunder shall be effective for ten (10) full calendar years beginning on January 1 of the next tax year after the date that the County Judge of Nolan County receives the Certificate.

5. Construction of the Improvements. Owner anticipates construction will commence by the end of 2014, with a projected completion date in 2017. Based on information provided by the Company, it is estimated that the completed Improvements will have a market value of $225,000,000 upon completion. The County Authorities understand that specific decisions by the Company, its Board of Directors or its affiliates or its parent companies, including but not limited to Buzzi Unicem S.p.A., may cause the project to be cancelled, smaller or larger depending on facts and circumstances that develop during the design and engineering phases of the Project.

6. Job Retention. During the term of this Abatement Agreement, Owner agrees to maintain at least 100 permanent full time jobs (inclusive of those individuals employed by contractors working exclusively for Owner) at Owner's cement plant and to make reasonable efforts to employ persons who are residents of Nolan County, Texas in the construction of the Project; provided, however, that Owner shall not be required to employ Nolan County residents who are not (i) equally or more qualified than nonresident applicants; (ii) available

for employment on terms and/or salaries comparable to those required by nonresident applicants or (iii) able to become qualified with 72 hours of training. In the event a Nolan County resident could become qualified with a maximum of 72 hours of training, Owner shall provide for such training. Each of the persons employed in such jobs shall perform a portion of their work in Nolan County, Texas.

7. Local Goods and Services.

(a) Owner agrees that it and its contractors, if any, will use reasonable commercial efforts to maximize its use of Nolan County businesses in the construction, operation and maintenance of the Improvements and the Project; provided, however that Owner shall not be required to use goods and services provided by Nolan County residents that are not (i) of similar quality to those provided by nonresidents or (ii) made available on terms and conditions and price comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the non-resident price for goods and services of equivalent quality, conditions and terms, including reasonable bonding capacity and /or reasonable insurance).

(b) Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as a liaison between any individuals, businesses and contractors residing or doing business in Nolan County who are interested in obtaining information about providing goods or services related to the construction of the Maryneal Project. Additionally, Owner or its construction contractor, if any, shall advertise in all regularly published newspapers in Nolan County (Roscoe Times and Sweetwater Reporter) for local contractors to perform work on the construction of the Project.

8. Tax Abatement.

(a) There shall be granted and allowed hereunder to Owner by the County Authorities a property tax abatement on the Property and Improvements described herein and located on the Property at a rate of sixty percent (60%) for the first five (5) years, and forty percent (40%) for the second five (5) years, commencing on January 1 of the next tax year after the date that the County Judge of Nolan County receives the Certificate.

(b) It is specifically understood and agreed that the abatement granted herein is nonexclusive and does not prevent the County Authorities from dealing with any other or subsequent owner or owner of the Project; provided, however, the County Authorities agree that the abatement provided in Paragraph 8(a) above shall extend to Owner (whether Buzzi Unicem USA, its successors and assigns, as applicable) for the period of the above specified tax abatements.

(c) Owner agrees that the Improvements described in paragraph 2(c), once constructed, shall remain in place and operational, to the extent commercially reasonable

until at least twenty (20) years after the date the Certificate for such Improvements is provided by the Owner.

9. Representations.

(a) Company represents that Company, its successors or assigns will each be the owner of and have a taxable interest in the Improvements to be placed on the Property. Further; construction of the proposed Improvements will be performed by Company, its successors or assigns, and/or their contractors and/or subcontractors. Further, Company, its successors or assigns each represent that use of the Improvements and the Property within the Buzzi Unicem Reinvestment Zone will be consistent with the general purpose of encouraging development or redevelopment of the area during the term of this Agreement; and all representations made in the Application for Abatement in Nolan County are true and correct to the best of Owner's knowledge and belief.

(b) The County Authorities represent that

(1) Reinvestment Zone has been created in accordance with Chapter 312 of the TEXAS TAX CODE and the Guidelines and Criteria, as both exist on the effective date of this Agreement;

(2) The Property is located in Reinvestment Zone; and

(3) Absent as a response to an unfunded mandate by an agency of the State of Texas or the government of the United States, the Commissioners Court of Nolan County shall not cause a rollback of taxes unless as a necessary response to an unfunded or underfunded mandate of an agency of the State of Texas or the government of the United States.

(c) Owner and the County Authorities represent that no member of Commissioners Court owns or leases the Property or the Improvements.

10. Administrative.

(a) Access to and Inspection of Property by County Employees. Owner shall allow the County Authorities' employees and/or designated representatives of the County Authorities access to the Improvements for the purpose of inspecting any Improvements erected to ensure that such Improvements are completed and maintained in accordance with the terms of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours advance notice and shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner and in accordance with all applicable safety standards. Upon completion of construction, the designated representative of the County Authorities shall annually evaluate each facility receiving

abatement to ensure compliance with the Agreement, and a formal report shall be made to Commissioners Court.

(b) On May 1st of each year that this Agreement is in effect Owner shall certify to the County Authorities, that Owner is in compliance with each applicable term of this Agreement.

(c) The Chief Appraiser of the Nolan County Appraisal District annually shall determine (i) the Certified Appraised Value of the Property and the Improvements and (ii) the taxable value, pursuant to the terms of abatement under this Agreement, of the Property and Improvements. The Chief Appraiser shall record both the abated taxable value and the Certified Appraised Value in the appraisal records subject to the rights of Owner to contest and appeal the value set by the Chief Appraiser. The Certified Appraised Value listed in the appraisal records shall be used to compute the amount of abated taxes that are required to be recaptured and paid in the event this Agreement is terminated in a manner that results in recapture. During the term of this Agreement, each year, Owner shall furnish the Chief Appraiser with such information outlined in Chapter 22, TEXAS TAX CODE, as may be necessary for the administration of the abatement specified herein. Nothing contained herein shall preclude the Owner from contesting the Certified Appraised Value according to the County's rules and procedures.

11. Default.

(a) The County Authorities may declare a default hereunder if Owner (1) fails, refuses, or neglects to comply with any of the material terms, conditions, or representations of this Agreement and fails to cure during the cure period described herein; or (2) allows ad valorem taxes owed to the County Authorities or any other taxing jurisdiction in Nolan County to become delinquent and fails either to cure during the cure period or to timely and properly follow the legal procedures for their protest or contest.

(b) If the County Authorities declare a default of this Agreement, this Agreement shall terminate (after notice and opportunity to cure as provided for herein), and the County Authorities, in such event, shall be entitled to recapture any and all property taxes which have been abated as a result of this Agreement. The County Authorities shall notify Owner of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default, and Owner shall have sixty (60) days from the date of such notice to cure any default; provided, however, where fulfillment of any obligation requires more than sixty (60) days, performance shall be commenced within sixty (60) days after the receipt of notice, and such performance shall be diligently continued until the default is cured; provided, however, that if such default is not cured within one hundred and fifty (150) days from the date of notice of default from the County Authorities, the failure to cure such default shall constitute a default hereunder. If the default cannot be cured, or if Owner fails to cure within the period herein specified, Owner shall be liable for

and will pay to the County Authorities within sixty (60) days following the termination of this Agreement (1) the amount of all property taxes abated under this Agreement, (2) interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes, and (3) penalties on the amount abated in the year of default at the rate provided for in the Texas Tax Code for delinquent taxes.

(c) Notwithstanding any other provision contained herein to the contrary, in the event of termination of this Agreement due to default, the County shall be entitled to recapture all property taxes which have been abated by this Agreement.

12. Changes in Tax Laws. The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

13. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation of the County or laws of the State of Texas.

14. Assignment of Agreement. This Agreement may not be assigned by Owner without the approval of the County Authorities by resolution or order of Commissioners Court, except that the Company may assign its rights and responsibilities hereunder without the County's prior consent to any affiliate or subsidiary provided however that the Company shall give written notice of any such assignment to the County. Any consent to assignment by the County Authorities shall require that all conditions and obligations in this Agreement applying to the interest acquired by the assignee shall be assumed by the assignee, and upon such assumption, Owner (or any entity or Investor Group other than such assignee) shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee. No assignment shall be approved if (a) the County Authorities have declared a default hereunder that has not been cured, or (b) the assignee is delinquent in the payment of ad valorem taxes owed to the County Authorities or any other taxing jurisdiction in Nolan County. Approval by the County Authorities shall not be unreasonably withheld. The parties hereto agree that a transfer of all 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. A collateral assignment of the Owner's Property or Improvements to any lender(s) of Owner shall not be considered an assignment for purposes of this Agreement.

15. Notice. All notices shall be in writing. If mailed, any notice or communication shall be deemed to be received three (3) days after the date of deposit in the United States mail, first-class, postage prepaid. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To Company:	Buzzi Unicem USA Senior Vice President and Chief Financial Officer Buzzi Unicem USA 100 Brodhead Road, Suite 230 Bethlehem, PA 18017
With a copy to:	Vice President & Comptroller Buzzi Unicem USA 100 Brodhead Road, Suite 230 Bethlehem, PA 18017
To County:	Tim Fambrough Nolan County Judge Nolan County Courthouse 100 East Third Street Sweetwater, Texas 79556
To Farm-to-Market Road District:	Tim Fambrough Nolan County Judge Nolan County Courthouse 100 East Third Street Sweetwater, Texas 79556

Either party may designate a different address by giving the other parties at least ten (10) days written notice in the manner prescribed above.

16. Entire Agreement. This Agreement and Exhibit "A" attached hereto contains the entire and integrated tax abatement agreement between the parties and supersedes all other negotiations and agreements between the parties relating to the grant of tax abatement for the Improvements located on the Property, whether written or oral. In the event that there is a conflict between any of the Exhibits to this Agreement or the Guidelines and Criteria and this Agreement, the provisions of this Agreement shall control over the provisions in the Exhibit or the Guidelines and Criteria.

17. Road Maintenance. During construction of the Improvements, Owner shall use commercially reasonable efforts to minimize the disruption to all public and county roads caused by the construction process and shall promptly cause the repair any damages caused to county roads by the construction process. Should any public road, whether maintained by the State of Texas, Nolan County or other entity, become impassable or hazardous as a result of the construction process, Owner shall immediately notify the appropriate authority and shall take steps to safeguard the motoring public. It shall be Owner's responsibility to have access to an emergency number for those entities responsible for the roads at all times. After

construction, Owner shall leave such public and county roads in a state of equal condition as they were prior to construction, excepting normal wear and tear.

18. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be declared or held to be invalid or unenforceable by any court, governmental authority or agency having jurisdiction over the subject matter ofthis Agreement, the remaining terms ofthis Agreement and the application of such term or provision to any other person or circumstance shall not be affected by such declaration or holding and shall be valid and enforceable as allowed by law.

19. Governing Law. The terms and provisions ofthis Agreement shall be interpreted in accordance with the laws of the State of Texas.

20. Headings. The section headings contained in this Agreement are for purposes of reference and convenience only and shall not limit or otherwise affect in any way the meaning of this Agreement.

21. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one original.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties as of the 23rd day of December, 2013.

LONE STAR INDUSTRIES, INC. DBA
BUZZI UNICEM USA

By: _____

Name: _____

Title: _____

Approved for signature of Tim Fambrough, County Judge, in the Commissioners Court of Nolan County, Texas, sitting as the governing body of Nolan County December 23, 2013 on the motion of Commissioner Lara second by Commissioner White. Signed this 27th day of December, 2013

Nolan County

Tim Fambrough

Tim Fambrough
County Judge" Nolan County

Approved as to Form:

Lisa L. Peterson
Nolan County Attorney

Date: December 27, 2013

Attest:

Pat McGowan
Nolan Cfunty Clerk

NOLAN FARM-TO-MARKET ROAD DISTRICT

By: Tim Fambrough
Tim Fambrough, County Judge

ATTEST:

By: Pat McGowan
Pat McGowan, County Clerk

Date of Execution: 1-3-14

EXHIBIT A

THE FOLLOWING REAL PROPERTY LOCATED IN NOLAN COUNTY, TX:

940.21 acres situated in 0134 Abst 193 H&TC Blk/Trk 1A; 1589 Abst 192 E/2 H&TC Blk/Tract 1A; 1836 Abst 192 W/2 H&TC Blk/Tract 1A

Approximately 940.21 acres.

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 5 - Section 8 Limitation as Determining Factor

Question 7 and 9 - Exhibit IV

** CONFIDENTIAL

Buzzi Unicem USA

** CONFIDENTIAL

Buzzi Unicem USA
100 Brodhead Road Suite 230
Bethlehem, Pennsylvania 18017
Phone (610) 882-5000
Fax (610) 866-9430

TAB 6

NOT APPLICABLE

TAB 7

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 7
Section 11– Investment

Description of Qualified Investment

4. a. The Company is proposing a project that is currently estimated to be a $235 million capital investment to build a brand new cement production line employing state-of-the-art equipment and technology. The purpose of this project is to create a more productive, efficient and cost effective plant. The new plant will yield a capacity of 1.1 million tons/year of clinker and 1.2 million tons/year of cement.

Spending for the project is scheduled to begin the first half of 2014 with an expected completion date of fourth quarter 2016. The project includes construction of equipment and support systems needed for the installation of a new production line with a capacity of 1.1 million tons of Portland cement clinker per year. The project will take place over approximately two years commencing in 2014. In general terms, the project will include the following:

1) Site preparation, grading and excavations
2) Foundation installations and civil construction
3) Installation of crushing, conveying and storage for limestone
4) Installation of a raw material grinding system
5) Installation of a Portland cement grinding system and attending conveying system
6) Procurement and installation of equipment and materials for construction of:
    a. Secondary raw materials storage/conveying
    b. Portland cement clinker kiln and cooler system
    c. Portland cement kiln fuel preparation and delivery system
    d. Portland cement clinker conveying and storage system
    e. Storage and conveying of secondary materials for cement grinding
    f. Ancillary systems for the supply of compressed air, process water, hydraulic systems

4. b. The Company estimates in the range of 3,000 tons of structural steel will be needed for the proposed project. In general, due to the mild climate, in Nolan County, structures seldom include walls. Identifiable structural entities will include the preheater (~18’ x 18’ x 400’ tall), finish mill structure (~65’x125’x80’ tall), coal mill (~40’x80’x60’tall) and clinker silos. Any new buildings at the location would include such things as electrical rooms, control room, an addition to the cement lab and a storage hall.

4. c. Please refer to the aerial view map provided in Tab 11 for location of the proposed project.

TAB 8

PLEASE REFER TO TAB 7

TAB 9

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property

Tab 9 - Section 12 Qualified Property
Land Information

Account Number	Owner	Legal Description	Acres	Assessed/Taxable Value
N0134-0002-00	Lone Star Industries, Inc.	0134 Abst 193 H&TC BLK/TRACT 1A	311.21	11,140
N0276-0018-00	Lone Star Industries, Inc.	0276 Abst 043 T&P BLK/TRACT 22	6.447	59,080
N1428-0007-00	Lone Star Industries, Inc.	1428 ABST 044 S/RR T&P BLK/TRACT 22	18.759	171,910
N1428-0007-20	Lone Star Industries, Inc.	1428 ABST 044 S/RR T&P BLK/TRACT 22	17.534	160,680
N1589-0001-00 *	Lone Star Industries, Inc.	1589 ABST 192 E/2 H&TC BLK/TRACT 1A	408	9,030
N1836-0001-00	Lone Star Industries, Inc.	1836 ABST 192 W/2 H&TC BLK/TRACT 1A	221	240,450
		Total Assessed Value		**652,290**

* Denotes land which the proposed project would be located.

See Tab 11 for a detailed map and aerial photograph.

TAB 10

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 10
Section 13– Information on Property Not Eligible to Become Qualified Property

1) **CONFIDENTIAL - EXHIBIT I

Exhibit II is a letter from the Nolan County Central Appraisal District stating that a new owner number will be established for properties that are qualified under the agreement. This will allow for ease in appraising the non-qualified and qualified property.

2) Please see attached Exhibit III which includes a listing of property which may be relocated from other facilities for use in the proposed project at Maryneal, Texas.

EXHIBIT I

** CONFIDENTIAL

Exhibit II

CENTRAL APPRAISAL DISTRICT
Of
NOLAN COUNTY

208 Elm Street
P. O. Box 1256
Sweetwater, Texas 79556

Brenda Klepper, RPA, RTA
Chief Appraiser
325/235-8421
Fax 325/235-8165

Mr. Robert Wood
Director of Economic Development and Analysis
Texas State Comptroller of Public Accounts
PO Box 13528
Austin, TX 78711-3528

Re: Lone Star Industries, Inc. d/b/a Buzzi Unicem USA: Highland ISD Chapter 313 Agreement with

Dear Mr. Wood:

Lone Star Industries, Inc. d/b/a Buzzi Unicem USA, recently submitted an application to the Highland Independent School District, pursuant to Chapter 313 of the Texas Property Tax Code for a Value Limitation of Qualified Property. The Central Appraisal District of Nolan County intends to identify and segregate the existing property of the owner as it is listed on the 2013 Appraisal Roll, and to then identify and segregate all new additions of both real and personal property. These new accounts will include all the necessary data and will receive appropriate treatment as required pursuant to Chapter 313 Agreement and the Texas Property Tax Code.

Our appraisal district currently appraises numerous properties involved in nine Chapter 313 agreements with five different school districts located in Nolan County. Representatives of Pritchard and Abbott, Inc., our contracted appraisal and software firm, currently handle the listing and appraisal of these properties. The procedure in the past has been to establish a new owner number for properties that are qualified under the agreement. We are confident that they will continue to identify, list, track and appraise property pertaining to this new agreement as they have in the past.

Property currently owned by Lone Star Industries, Inc. d/b/a Buzzi Unicem USA, and listed on the 2013 Appraisal Roll, is identified on the following page. New accounts will be created for new investment related to the Chapter 313 Agreement for 2014 and subsequent years.

Exhibit II

Account #	Account Description	Assessed Value	Taxable Value	Taxes
0057601-0-9900055	Inventory – Personal	9,732,980	9,732,980	190,917.47
0057601-0-9900037	Machinery & Equipment	40,386,230	40,386,230	802,725.59 *
0057601-0-9900038	Pollution Control	4,808,070	0	0
0057601-0-9900053	M M&E	1,748,230	1,748,230	34,748.21
0057601-0-9900045	Furniture & Fixtures	39,350	39,350	782.13
0057601-0-9900050	Automotive	84,810	84,810	1,685.70
0057610-0-9900004	Land Improvements	9,430	9,430	187.43
0057601-0-9900005	Buildings	1,426,690	1,426,690	28,357.20
0057601-0-9900010	Limestone Quarry	2,800,000	2,800,000	55,653.42
		61,035,790	56,227,720	1,115,057.15

If you have any questions regarding this matter or would like additional details, please contact me at 325-235-8421 or Dale Heiskell of Pritchard and Abbott, Inc. 817-926-7861.

Sincerely,

Brenda Klepper
Chief Appraiser

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 10 - Assets to be transferred to Maryneal

The following is a list of assets, which may be relocated from other facilities for use in the proposed project at Maryneal, Texas:

Area of Process	Company Asset #	Description	Original Cost
Storage Building	110428	Rock Storage Building	3,955,452
Storage Building	110506	Maintenance Shop	685,245
Storage Building	119741	New Door on Rock Storage Shed	25,980
Primary Crushing/Screening Process	108163	South Quarry Crusher Vibration Control	31,460
Primary Crushing/Screening Process	108292	Primary Crusher	439,053
Primary Crushing/Screening Process	108334	Oversize Screen Station	867,400
Limestone Conveying Equipment	108336	Belt Conveyors	5,199,715
Limestone Conveying Equipment	108349	Switch Gear	706,604
Primary Crushing/Screening Process	108351	Product Screen Station	357,746
Primary Crushing/Screening Process	108387	Primary Crusher	3,307,794
Primary Crushing/Screening Process	108389	Product Screen Station	1,746,275
			17,322,723

** CONFIDENTIAL **

TAB 11

** CONFIDENTIAL **

TAB 12

NOT APPLICABLE

TAB 13

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$847
2012	2nd Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$789
2012	3rd Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$828
2012	4th Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$906
2013	1st Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$842
2013	2nd Qtr	Nolan County	Total All	31	2	31-33	Manufacturing	$813

Quarterly Employment and Wages (QCEW)

Back

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$690
2013	1st Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$700
2012	2nd Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$668
2013	2nd Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$706
2012	3rd Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$692
2013	3rd Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$718
2012	4th Qtr	Nolan County	Total All	00	0	10	Total, All Industries	$761

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 13 - Section 14 Wage and Employment Information

TOTAL ALL INDUSTRY

	Avg Weekly Wages
2012 4th Quarter	$ 761.00
2013 1st Quarter	$ 700.00
2013 2nd Quarter	$ 706.00
2013 3rd Quarter	$ 718.00
Average	$ 721.25
110% of Average Wages	$ 790.00

TOTAL MANUFACTURING

	Avg Weekly Wages
2012 3rd Quarter	$ 828.00
2012 4th Quarter	$ 906.00
2013 1st Quarter	$ 842.00
2013 2nd Quarter	$ 813.00
Average	$ 847.25
110% of Average Wages	$ 930.00

TOTAL REGION MANUFACTURING

Hourly Wage	$18.29
Weekly	$731.60
110% of Average Wages	$800.00

TAB 15

NOT REQUIRED

TAB 14

Schedule A1 Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name **Lone Star Industries, Inc. d/b/a Buzzi Unicem USA**
ISD Name **Highland Independent School District**

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2014-2015	2014	Not eligible to become Qualified Property		560,200.00		560,200.00
Investment made after filing complete application with district, but before final board approval of application							189,800.00	189,800.00
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				8,975,000.00	29,375,000.00	8,650,000.00		47,000,000.00
Complete tax years of qualifying time period	QTP1	2015-206	2015	55,975,000.00	29,375,000.00	8,650,000.00		94,000,000.00
	QTP2	2016-2017	2016	94,000,000.00	-			94,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				158,950,000.00	58,750,000.00	17,860,200.00	189,800.00	235,750,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				235,000,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2 Total Investment for Economic Impact (including Qualified Property and other investments

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem U

ISD Name Highland Independent School District

Form 50-296A

Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qua ified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property {SEE NOTE]	**Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*		**TOTALS FROM SCHEDULE A1**		158,950,000.00	58,750,000.00	17,860,200.00	189,800.00	235,750,000.00
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2014-2015	2014/2015	158,950,000.00	58,750,000.00	17,300,000.00	189,800.00	235,189,800.00
Value limitation period***	1	2015-2016	2017	0	0			-
	2	2016-2017	2018	0	0			-
	3	2017-2018	2019	0	0			-
	4	2018-2019	2020	0	0			-
	5	2019-2020	2021	0	0			-
	6	2020-2021	2022	0	0			-
	7	2021-2022	2023	0	0			-
	8	2022-2023	2024	0	0			-
	9	2023-2024	2025	0	0			-
	10	2024-2025	2026	0	0			-
			Total Investment made through limitation	158,950,000.00	58,750,000.00	17,300,000.00	189,800.00	235,189,800.00
Continue to maintain viable presence	11	2025-2026	2027					
	12	2026-2027	2028					
	13	2027-2028	2029					
	14	2028-2029	2030					
	15	2029-2030	2031					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2030-2031	2032					
	17	2031-2032	2033					
	18	2032-2033	2034					
	19	2033-2034	2035					
	20	2034-2035	2036					
	21	2035-2036	2037					
	22	2036-2037	2038					
	23	2037-2038	2039					
	24	2038-2039	2040					
	25	2039-2040	2041					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row.**

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

ISD Name Highland Independent School District

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				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2014-2015	2014		29,375,000	8,975,000		8,975,000	8,975,000
		2015-2016	2015		29,375,000	55,975,000		55,975,000	55,975,000
		2016-2017	2016			217,700,000	5,000,000	212,700,000	212,700,000
Value Limitation Period	1	2017-2018	2017			188,000,000	10,000,000	178,000,000	30,000,000
	2	2018-2019	2018			209,231,504		209,231,504	30,000,000
	3	2019-2020	2019			207,585,824		207,585,824	30,000,000
	4	2020-2021	2020			202,581,010		202,581,010	30,000,000
	5	2021-2022	2021			196,806,312		196,806,312	30,000,000
	6	2022-2023	2022			167,995,860		167,995,860	30,000,000
	7	2023-2024	2023			161,810,190		161,810,190	30,000,000
	8	2024-2025	2024			179,198,667		179,198,667	30,000,000
	9	2025-2026	2025			179,198,667		179,198,667	30,000,000
	10	2026-2027	2026			179,198,667		179,198,667	30,000,000
Continue to maintain viable presence	11	2027-2028	2027			179,198,667		179,198,667	179,198,667
	12	2028-2029	2028			179,198,667		179,198,667	179,198,667
	13	2029-2030	2029			179,198,667		179,198,667	179,198,667
	14	2030-2031	2030			179,198,667		179,198,667	179,198,667
	15	2031-2032	2031			179,198,667		179,198,667	179,198,667
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			179,198,667		179,198,667	179,198,667
	17	2033-2034	2033			179,198,667		179,198,667	179,198,667
	18	2034-2035	2034			179,198,667		179,198,667	179,198,667
	19	2035-2036	2035			179,198,667		179,198,667	179,198,667
	20	2036-2037	2036			179,198,667		179,198,667	179,198,667
	21	2037-2038	2037			179,198,667		179,198,667	179,198,667
	22	2038-2039	2038			179,198,667		179,198,667	179,198,667
	23	2039-2040	2039			179,198,667		179,198,667	179,198,667
	24	2040-2041	2040			179,198,667		179,198,667	179,198,667
	25	2041-2042	2041			179,198,667		179,198,667	179,198,667

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

ISD Name Highland Independent School District

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2014-2015	2014	0	0	0	0	0
		2015-2016	2015	475,000 man-hours	$45	0	0	0
		2016-2017	2016	700,000 man-hours	$45	0	2	$42,000
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2017-2018	2017	325,000 man-hours	$45	0	5	$42,000
	2	2018-2019	2018	0	0	0	7	$42,000
	3	2019-2020	2019	0	0	0	10	$42,000
	4	2020-2021	2020	0	0	0	10	$42,000
	5	2021-2022	2021	0	0	0	10	$42,000
	6	2022-2023	2022	0	0	0	10	$42,000
	7	2023-2024	2023	0	0	0	10	$42,000
	8	2024-2025	2024	0	0	0	10	$42,000
	9	2025-2026	2025	0	0	0	10	$42,000
	10	2026-2027	2026	0	0	0	10	$42,000
Years Following Value Limitation Period	11 through 25			0	0	0	10	$42,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs
Only include jobs on the project site in this school district.

C1. Are he cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☐ Yes ☒ No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No

C1b. Will the applicant avail itself of he provision in 313.021(3)(F)? ☒ Yes ☐ No

Schedule D: Other Incentives (Estimated)

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

ISD Name Highland Independent School District

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State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Nolan County/Nolan County Roads and Bridge	January 1 of first tax year following completion of construction	10 years	$650,000	$330,000	$320,000
	City:					
	Other: Hospital Disctrict	January 1 of first tax year following completion of construction	10 years	$370,000	$220,000	$150,000
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions	Nolan County	Historic Benefit	Yearly	110,100.00	11,900.00	98,200.00
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other: Pollution Control	Nolan County	2016	Yearly		$103,320	
Other:	Nolan County	2017			$206,640	
Other:						
Other:						
			TOTAL	1,130,100.00	871,860.00	568,200.00

Additional information on incentives for this project:

Nolan County agreed to an abatement of 60% over the first 5 years and 40% over the last 5 years for a total 10 year abatement. The calculations above include an average annual savings based on the total 10 year savings. The hospital district agreed to a property tax abatement of 60% over 10 years. The calculations above include an average annual savings based on the total 10 year savings. Pollution Control is $15m which we estimate as the amount which will qualify for the proposed project.

TAB 16

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 16
Section 12 – Qualified Property

On September 23, 2013, Judge Tim Fambrough, Nolan County Judge, approved three Lone Star Industries, Inc. parcels located in Maryneal as a reinvestment zone.

3a) a) Texas Chapter 312.202 discusses the criteria for a reinvestment zone. Lone Star Industries, Inc. meets the criteria for a reinvestment zone under Chapter 312.202(a)(6). The Texas Statute states the following:

> To be designated as a reinvestment zone under this subchapter, an area must be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the municipality.

The proposed project will contribute to the retention of Lone Star Industries, Inc. current employees in Maryneal,Texas.

3a) b) Please see Exhibit I attached for legal description of reinvestment zone.

3a) c) Please see Exhibit II for a copy of the signed resolution establishing the reinvestment zone.

3a) d) The guidelines for creating the zone are discussed in Texas Code Section 311.003.

Sec. 311.003. PROCEDURE FOR CREATING REINVESTMENT ZONE.

> (a) The governing body of a county by order may designate a contiguous geographic area in the county and the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality, in the extraterritorial jurisdiction of the municipality, or in both to be a reinvestment zone to promote development or redevelopment of the area if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future. The designation of an area that is wholly or partly located in the extraterritorial jurisdiction of a municipality is not affected by a subsequent annexation of real property in the reinvestment zone by the municipality.
>
> (b) Before adopting an ordinance or order designating a reinvestment zone, the governing body of the municipality or county must prepare a preliminary reinvestment zone financing plan.

(c) Before adopting an ordinance or order providing for a reinvestment zone, the municipality or county must hold a public hearing on the creation of the zone and its benefits to the municipality or county and to property in the proposed zone. At the hearing an interested person may speak for or against the creation of the zone, its boundaries, or the concept of tax increment financing. Not later than the seventh day before the date of the hearing, notice of the hearing must be published in a newspaper having general circulation in the municipality or county.

(d) A municipality or county proposing to designate a reinvestment zone must provide a reasonable opportunity for the owner of property to protest the inclusion of the property in a proposed reinvestment zone.

3a) e) See Tab 11 for a map of the reinvestment zone

Lone Star Industries, Inc.
d/b/a Buzzi Unicem USA
Application for Appraised Value Limitation on Qualified Property
Tab 16 - Section 12 Qualified Property
Land Information

Account Number	Owner	Legal Description	Acres	Assessed Value
N0134-0002-00	Lone Star Industries, Inc.	0134 Abst 193 H&TC BLK/TRACT 1A	311.21	10,891
N1589-0001-00	Lone Star Industries, Inc.	1589 ABST 192 E/2 H&TC BLK/TRACT 1A	408	8,622
N1836-0001-00	Lone Star Industries, Inc.	1836 ABST 192 W/2 H&TC BLK/TRACT 1A	221	50,940
		Total Assessed Value		**70,453**

AN ORDER DESIGNATING CERTAIN REAL PROPERTY WITHIN
UNINCORPORATED NOLAN COUNTY, TEXAS AS A REINVESTMENT ZONE

WHEREAS, on the 23rd day of September, 2013, the Commissioners Court of Nolan County, Texas, held a public hearing to consider the designation of an area within unincorporated Nolan County, Texas, as a reinvestment zone; and

WHEREAS, the Commissioners Court of Nolan County finds that the designation of the area as a reinvestment zone would contribute to the retention and/or creation of primary employment; and

WHEREAS, the Commissioners Court of Nolan County, Texas finds that the designation of the area as a reinvestment zone would attract major investment in the zone that would be a benefit to the property to be included in the zone; and

WHEREAS, the Commissioners Court of Nolan County, Texas finds that the designation of the area as a reinvestment zone would contribute to the economic development of Nolan County, Texas; and

WHEREAS, the Commissioners Court of Nolan County, Texas finds that the area to be designated as a reinvestment zone is not within the taxing jurisdiction of any municipality;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF NOLAN COUNTY, TEXAS:

Section 1. That the findings and recitals in the preamble to this Order are found to be true and correct and are hereby RATIFIED, APPROVED and ADOPTED.

Section 2. That, pursuant to Chapter 312 of the Texas Tax Code, real property contained within that certain tract of land consisting of approximately 940.21 acres situated in 0134 Abst 193 H&TC Blk/Trk 1A; 1589 Abst 192 E/2 H&TC Blk/Tract 1A; 1836 Abst 192 W/2 H&TC Blk/Tract 1A is hereby designated as a reinvestment zone to be called the Buzzi Unicem Reinvestment Zone.

PASSED and APPROVED this the 23RD day of September, 2013.

Tim Fambrough
TIM FAMBROUGH, County Judge
Nolan County, Texas

ATTEST:

Pat McGowan
Pat McGowan, County Clerk

TAB 17

Signature and Certification Page

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17. NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Duane Hyde
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here Duane Hyde
Signature *(Authorized School District Representative)*

3-25-14
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Nancy L. Krial
Print Name *(Authorized Company Representative (Applicant))*

CFO & Senior Vice President
Title

sign here Nancy L Krial
Signature *(Authorized Company Representative (Applicant))*

3/7/2014
Date

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Cindy E. Cazarez, Notary Public
Hanover Twp., Northampton County
My Commission Expires Sept. 18, 2014
Member, Pennsylvania Association of Notaries

(Notary Seal)

GIVEN under my hand and seal of office this, the

7th day of March, 2014

Cindy E. Cazarez
Notary Public in and for the State of ~~Texas~~ Pennsylvania

My Commission expires: 9-18-2014

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name **Lone Star Industries, Inc. d/b/a Buzzi Unicem USA**

ISD Name **Highland Independent School District**

Form 50-296A

Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year below) YYYY	New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2014-2015	2014	Not eligible to become Qualified Property		560,200.00		560,200.00
Investment made after filing complete application with district, but before final board approval of application							189,800.00	189,800.00
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				8,975,000.00	29,375,000.00	8,650,000.00		47,000,000.00
Complete tax years of qualifying time period	QTP1	2015-206	2015	55,975,000.00	29,375,000.00	8,650,000.00		94,000,000.00
	QTP2	2016-2017	2016	94,000,000.00	-			94,000,000.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				158,950,000.00	58,750,000.00	17,860,200.00	189,800.00	235,750,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				235,000,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

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PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property {SEE NOTE]	Column E **Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		158,950,000.00	58,750,000.00	17,860,200.00	189,800.00	235,750,000.00
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2014-2015	2014/2015	158,950,000.00	58,750,000.00	17,300,000.00	189,800.00	235,189,800.00
Value limitation period***	1	2015-2016	2017	0	0			-
	2	2016-2017	2018	0	0			-
	3	2017-2018	2019	0	0			-
	4	2018-2019	2020	0	0			-
	5	2019-2020	2021	0	0			-
	6	2020-2021	2022	0	0			-
	7	2021-2022	2023	0	0			-
	8	2022-2023	2024	0	0			-
	9	2023-2024	2025	0	0			-
	10	2024-2025	2026	0	0			-
Total Investment made through limitation				158,950,000.00	58,750,000.00	17,300,000.00	189,800.00	235,189,800.00
Continue to maintain viable presence	11	2025-2026	2027					
	12	2026-2027	2028					
	13	2027-2028	2029					
	14	2028-2029	2030					
	15	2029-2030	2031					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2030-2031	2032					
	17	2031-2032	2033					
	18	2032-2033	2034					
	19	2033-2034	2035					
	20	2034-2035	2036					
	21	2035-2036	2037					
	22	2036-2037	2038					
	23	2037-2038	2039					
	24	2038-2039	2040					
	25	2039-2040	2041					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row.**

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

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				Qualified Property			Estimated Taxable Value		
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2014-2015	2014		29,375,000	8,975,000		8,975,000	8,975,000
		2015-2016	2015		29,375,000	55,975,000		55,975,000	55,975,000
		2016-2017	2016			217,700,000	5,000,000	212,700,000	212,700,000
Value Limitation Period	1	2017-2018	2017			188,000,000	10,000,000	178,000,000	30,000,000
	2	2018-2019	2018			209,231,504		209,231,504	30,000,000
	3	2019-2020	2019			207,585,824		207,585,824	30,000,000
	4	2020-2021	2020			202,581,010		202,581,010	30,000,000
	5	2021-2022	2021			196,806,312		196,806,312	30,000,000
	6	2022-2023	2022			167,995,860		167,995,860	30,000,000
	7	2023-2024	2023			161,810,190		161,810,190	30,000,000
	8	2024-2025	2024			179,198,667		179,198,667	30,000,000
	9	2025-2026	2025			179,198,667		179,198,667	30,000,000
	10	2026-2027	2026			179,198,667		179,198,667	30,000,000
Continue to maintain viable presence	11	2027-2028	2027			179,198,667		179,198,667	179,198,667
	12	2028-2029	2028			179,198,667		179,198,667	179,198,667
	13	2029-2030	2029			179,198,667		179,198,667	179,198,667
	14	2030-2031	2030			179,198,667		179,198,667	179,198,667
	15	2031-2032	2031			179,198,667		179,198,667	179,198,667
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			179,198,667		179,198,667	179,198,667
	17	2033-2034	2033			179,198,667		179,198,667	179,198,667
	18	2034-2035	2034			179,198,667		179,198,667	179,198,667
	19	2035-2036	2035			179,198,667		179,198,667	179,198,667
	20	2036-2037	2036			179,198,667		179,198,667	179,198,667
	21	2037-2038	2037			179,198,667		179,198,667	179,198,667
	22	2038-2039	2038			179,198,667		179,198,667	179,198,667
	23	2039-2040	2039			179,198,667		179,198,667	179,198,667
	24	2040-2041	2040			179,198,667		179,198,667	179,198,667
	25	2041-2042	2041			179,198,667		179,198,667	179,198,667

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	**Column B**	**Column C**	**Column D**	**Column E**
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	**Average** annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	**Average** annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2014-2015	2014	0	0	0	0	0
		2015-2016	2015	475,000 man-hours	$45	0	0	0
		2016-2017	2016	700,000 man-hours	$45	0	2	$42,000
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2017-2018	2017	325,000 man-hours	$45	0	5	$42,000
	2	2018-2019	2018	0	0	0	7	$42,000
	3	2019-2020	2019	0	0	0	10	$42,000
	4	2020-2021	2020	0	0	0	10	$42,000
	5	2021-2022	2021	0	0	0	10	$42,000
	6	2022-2023	2022	0	0	0	10	$42,000
	7	2023-2024	2023	0	0	0	10	$42,000
	8	2024-2025	2024	0	0	0	10	$42,000
	9	2025-2026	2025	0	0	0	10	$42,000
	10	2026-2027	2026	0	0	0	10	$42,000
Years Following Value Limitation Period	11 through 25			0	0	0	10	$42,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☐ Yes ☒ No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☐ Yes ☒ No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☒ Yes ☐ No

Schedule D: Other Incentives (Estimated)

Applicant Name Lone Star Industries, Inc. d/b/a Buzzi Unicem USA

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State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Nolan County/Nolan County Roads and Bridge	January 1 of first tax year following completion of construction	10 years	$650,000	$330,000	$320,000
	City:					
	Other: Hospital Disctrict	January 1 of first tax year following completion of construction	10 years	$370,000	$220,000	$150,000
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions	Nolan County	Historic Benefit	Yearly	110,100.00	11,900.00	98,200.00
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other: Pollution Control	Nolan County	2016	Yearly		$103,320	
Other:	Nolan County	2017			$206,640	
Other:						
Other:						
			TOTAL	1,130,100.00	871,860.00	568,200.00

Additional information on incentives for this project:

Nolan County agreed to an abatement of 60% over the first 5 years and 40% over the last 5 years for a total 10 year abatement. The calculations above include an average annual savings based on the total 10 year savings. The hospital district agreed to a property tax abatement of 60% over 10 years. The calculations above include an average annual savings based on the total 10 year savings. Pollution Control is $15m which we estimate as the amount which will qualify for the proposed project.