

FINDINGS

of the

**BAY CITY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

under the

TEXAS ECONOMIC DEVELOPMENT ACT

STATE OF TEXAS §
 §
COUNTY OF MATAGORDA §

On the 19th day of October, 2015, a public meeting of the Board of Trustees (“Board”) of the Bay City Independent School District (“District”) was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board took up and considered Oxea Corporation’s (“Applicant”) Application for a limitation on appraised value on qualified property (“Application”), pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter.

The Board considered the presentations made at the meeting, the issuance of certification by the Texas Comptroller of Public Accounts (“Comptroller”), and the Comptroller’s Economic Impact Evaluation, and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Comptroller published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On August 25, 2014, the District received the Application on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as **Attachment A**.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(b). A copy of the Application was delivered to the Matagorda County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.
5. The Application was reviewed by the Comptroller pursuant to Texas Tax Code §§ 313.025 and 313.026. After receipt of the Application, the Comptroller caused an Economic Impact Evaluation to be conducted. The Comptroller, pursuant to Texas Tax Code § 313.025(h),

determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code § 313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on March 17, 2015 (“Certification”). The Board of Trustees has carefully considered such Evaluation and Certification. Copies of the Certification and Economic Impact Evaluation are attached to these Findings as **Attachment B**.

6. The Board also directed that a specific school district financial analysis be conducted of the impact of the proposed value limitation on the finances of Bay City Independent School District. A copy of such report prepared by Moak, Casey & Associates is attached to these Findings as **Attachment C**.

7. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (“Agreement”), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. In November 2014, the Comptroller announced its intention to modify Comptroller Form 50-286 and to permit amendments to existing agreements including the Agreement for which these Findings are being made. The parties were able to agree upon language for inclusion into the draft of agreement pursuant to Texas Tax Code § 313.027. At the specific direction of the Comptroller, the parties used the template Texas Economic Development Agreement. As required by the Comptroller, the parties changed only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these Findings as **Attachment D**, and that form of the Agreement was submitted to and approved by the Comptroller as set forth in the Comptroller’s letter of approval of the proposed Agreement, which is attached to these Findings as **Attachment E**. The Texas Education Agency (“TEA”) has evaluated the impact of the project on the District’s facilities. TEA’s determination is attached to these findings as **Attachment F**.

8. Findings as to each of the criterion listed in Texas Tax Code § 313.026:

a. Based upon the Application and the Comptroller’s Certification, the Property meets the requirement of Texas Tax Code § 313.024 for eligibility for a limitation on appraised value under Texas Tax Code § 313.024(b)(1) as a manufacturing project.

In support of this finding, the Comptroller’s Certification states the following:

Determination required by 313.025(h)

- | | |
|-------------------|--|
| Sec. 313.024(a) | Applicant is subject to tax imposed by Chapter 171. |
| Sec. 313.024(b) | Applicant is proposing to use the property for an eligible project. |
| Sec. 313.024(d) | Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located. |
| Sec. 313.024(d-2) | Not applicable to Application #1028. |

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

b. The Project proposed by Applicant is reasonably likely to generate, before the twenty-fifth (25th) anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the Project, and any other tax revenue attributable to the effect of the Project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.

In support of this finding, the Comptroller's Certification states the following:

Certificate decision required by 313.025(d)
Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period.

Also in support of this finding, the Comptroller's Economic Impact Evaluation states the following:

Attachment B—Tax Revenue over 25 Years

This represents the Comptroller's determination that Oxea Corp. (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

See Attachment B.

c. Based upon Applicant's representation, Applicant will provide a total of nineteen (19) new qualifying jobs.

In support of this finding, see Section 14 of the Application for Appraised Value Limitation on Qualified Property attached hereto as Attachment A.

d. Based upon representations in the Application, Applicant's ability to locate the Project in another state or another region of this state is significant because of the competitive marketplace for economic development. The limitation on appraised value is a

determining factor in Applicant's decision to invest capital and construct the Project in Texas.

In support of this finding, the attachment marked as "C" to the Comptroller's Certification states the following:

The Comptroller determines that the limitation on appraised value is a determining factor in the Oxea Corp.'s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the Comptroller notes the following:

- According to a media report dated November 5, 2012, Oxea Corp. was in the final stages of completing a feasibility study of plant expansion projects for the Bay City facility.
- Per a media report dated April 4, 2014, the applicant began basic engineering for two additional production units at the Bay City plant. It also states that, "Key elements of the basic engineering work will also be utilized for the construction of Oxea's future Asian Oxo chemicals platform in Duqm, Oman."
- Another media report states that, "Once on line, our customers of 2-EH in the Americas will be able to benefit from our enhanced delivery capability for this important chemical."
- Per another media report, a company executive states, "This expansion takes advantage of the US shale gas economics, and it enables us to meet the needs of our regional customer portfolio and help them grow in their business."
- The applicant states that, "Oxea Corporation in the US attempts to attract the described projects in direct competition with the Duqm/Oman location and leverage the existing infrastructure, superb technological know-how and long manufacturing experience in Bay City."
- The applicant also states that the property tax for the capital intensive investment in Bay City is not present in other locations, i.e. Duqm. It also states, "The lack of this tax in Duqm/Oman is a significant benefit over Bay City/TX, which might well shift the investment decision away from Bay City."

See Attachment A, Section 8 of the Application; attachments provided under Tab 5 of the Application; and additional information provided by the Applicant to the Comptroller noted in Attachment B.

e. The project is not expected to affect the District in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in school-age population, but this project is unlikely to have much impact on a stand-alone basis.

See page 7 of Attachment C, and see Attachment F.

f. The proposed limitation on appraised value of the qualified property is \$30,000,000.00, which is consistent with the minimum values currently set out by Tax Code § 313.054(a).

See Attachment A.

g. The Project will be located within an area that is currently designated as a reinvestment zone.

See Attachment A.

h. Based upon the information provided in the Application and in the Comptroller's Certificate package, the number of jobs to be created and the wages to be paid comply with the statutory requirements, and the Texas Economic Development Agreement found attached hereto as Attachment D contains all required provisions and information related to the required job creation requirements.

In support of this finding, the attachment noted as "C" to the Comptroller's Certification sets forth the following:

The Applicant has committed to creating nineteen (19) new qualifying jobs. The average weekly wage of qualifying jobs committed to by applicant is \$962 per week. The minimum weekly wage required for each qualifying job is \$858.

The review of the application by the Comptroller indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay one-hundred ten percent (110%) of the county average manufacturing wage.

i. The Applicant does not intend to create any non-qualifying jobs.

See Attachment A, Section 14.

j. The local tax payers should benefit from the addition of the project to the local I&S tax roll.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project remains fully taxable for debt services taxes, with the District levying a \$0.1933 I&S rate. Under the estimates presented in the school finance analysis, the taxpayers of the District should see long-term benefit from the Project in meeting the District's future service needs, even with the expected depreciation of the Project's taxable value.

See Attachment C.

k. The Board of Trustees hired consultants to review and verify the information in Oxea Corporation's Application. Based upon Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Evaluation, the Comptroller's Certification, and the consultants' review of these and other documents, the Board has determined that the information provided by Applicant in its Application was true and correct when it was submitted.

See Attachments A, B, C, D and E.

l. Applicant is proposing to use the property for an eligible project under 313.024(b).

See Attachment B.

m. The proposed Agreement, attached hereto as Attachment D, includes adequate and appropriate revenue protection provisions for the District.

In support of this finding and based on the information provided by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss to the District over the course of the Agreement. However, the Agreement contains revenue-loss protection provisions, including the provision for maximum supplemental benefits, all as set forth under the Agreement.

See Attachment D.

n. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

o. The Applicant, Oxea Corporation (Tex. Taxpayer ID # 13006113081) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts.

p. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

q. The Agreement attached hereto as Attachment D is in the form of the template Texas Economic Development Act adopted by the Comptroller. Should a new template be adopted that corrects any broken cross-references, clarifies wording and or grammatical

errors, if any, and corrects contractual ambiguities not acceptable to either party, if any, the Board finds that it would be in the District's best interest to agree to amend the Agreement.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Bay City Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

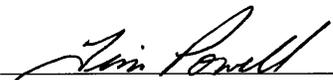
IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment D is APPROVED and is hereby authorized to be executed and delivered by the Trustee whose signature appears below on behalf of Bay City Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

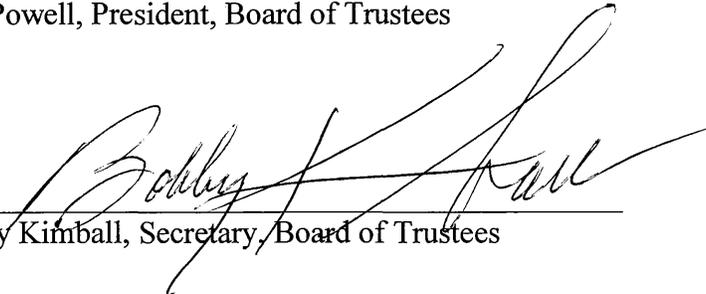
IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of Bay City Independent School District's Board of Trustees.

Dated this 19th day of October, 2015.

BAY CITY INDEPENDENT SCHOOL DISTRICT

By: 
Tim Powell, President, Board of Trustees

ATTEST:

By: 
Bobby Kimball, Secretary, Board of Trustees

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application for Appraised Value Limitation on Qualified Property
B	Texas Comptroller's Certification Letter and Economic Impact Evaluation Analysis
C	Bay City Independent School District's Financial Impact Analysis
D	Texas Economic Development Agreement
E	Texas Comptroller's Agreement Review Letter
F	Texas Education Agency's Determination of Project's Impact on Facilities

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between BAY CITY INDEPENDENT SCHOOL
DISTRICT and OXEA CORPORATION

ATTACHMENT A

Application for Appraised Value Limitation on Qualified Property



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 August 25, 2014

Date Application Received by District

Keith

Brown

First Name

Last Name

Superintendent

Title

Bay City ISD

School District Name

520 7th Street

Street Address

PO Box 2510

Mailing Address

Bay City

Texas

77414

City

State

ZIP

979-245-5766

979-241-6077

Phone Number

Fax Number

keith.brown@bcblackcats.net

Mobile Number (optional)

Email Address

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

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/
50-296-A • 02-14/1

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Francine Stefan
 First Name Last Name
Vice President
 Title
FirstSouthwest
 Firm Name
713-654-8622 713-654-8658
 Phone Number Fax Number
Francine.Stefan@firstsw.com
 Email Address
 Mobile Number (optional)

4. On what date did the district determine this application complete? September 15, 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)

Wolfgang Hackenberg
 First Name Last Name
VP/Treasurer Oxea Corporation
 Title Organization
1505 West LBJ Freeway, Suite 400
 Street Address
 Mailing Address
Dallas Texas 75234
 City State ZIP
972 481 2710 972 481 2777
 Phone Number Fax Number
214 929 2519 wolfgang.hackenberg@oxea-chemicals.com
 Mobile Number (optional) Business Email Address

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 Last Name

 Title Organization

 Street Address

 Mailing Address

 City State ZIP

 Phone Number Fax Number

 Mobile Number (optional) Business Email Address

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 _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

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? _____ Oxea Corporation
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13006113081
3. List the NAICS code 325100
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:

<input type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input checked="" type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> 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 September 2014
- 2. Beginning of qualifying time period January 2015
- 3. First year of limitation January 2017
- 4. Begin hiring new employees Q3/2016
- 5. Commencement of commercial operations Q1/2017
- 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? Q1/2017

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Matagorda County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Matagorda County 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: Matagorda County, 0.320990, 100% City: Coastal Plains Groundwater District, 0.00476, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Matagorda Co Hospit, 0.25600, 100% Water District: Drainage District #1, 0.086000, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): Port of Bay City, 0.036450, 100% Other (describe): Cons & Recl District, 0.005220, 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? 30.00
- 2. What is the amount of appraised value limitation for which you are applying? 30.00
 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

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

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 an 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): \$ 50.00
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): \$ _____

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)? 164
2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of _____ (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)? 254
 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? 19
5. What is the number of new non-qualifying jobs you are estimating you will create?
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 935.50
 b. 110% of the average weekly wage for manufacturing jobs in the county is 961.13
 c. 110% of the average weekly wage for manufacturing jobs in the region is 866.63
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? 49,967.76
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 50,000.00
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.

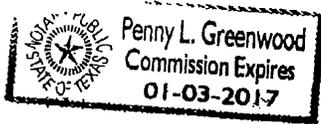
print here Keith A. Brown Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] September 15, 2014
Signature (Authorized School District Representative) Date

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 Wolfgang Hackenberg VP/Treasurer
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 8/25/2014
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

25 day of August, 2014
Penny L. Greenwood
Notary Public in and for the State of Texas
My Commission expires: 2017

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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> 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 <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> 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* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

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)*

Texas Franchise Tax Extension Request



Tcode 13258 ANNUAL

<input type="checkbox"/> Taxpayer number	<input type="checkbox"/> Report year	Due date
13006113081	2014	05/15/2014

Taxpayer name OXEA CORPORATION					Secretary of State file number or Comptroller file number	
Mailing address 1505 WEST LBJ FREEWAY, STE 400					0800765197	
City DALLAS	State TX	Country UNITED STATES	ZIP Code 75234	Plus 4	Check box if the address has changed <input type="checkbox"/>	
Check box if this is a combined report <input checked="" type="checkbox"/>						

If this extension is for a combined group, you must also complete and submit Form 05-165.

Note to mandatory Electronic Fund Transfer (EFT) payers:
 When requesting a second extension do not submit an Affiliate List Form 05-165.

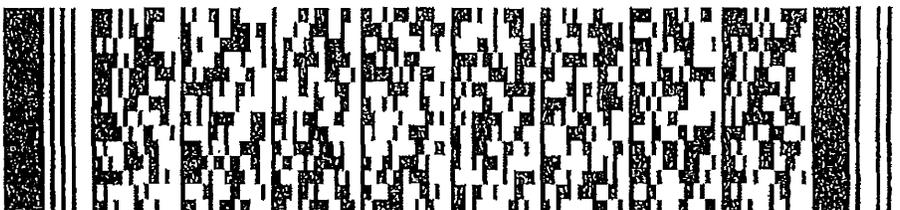
1. Extension payment (Dollars and cents)	1. <input type="text" value="319524.53"/>
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Print or type name WOLFGANG HACKENBERG		Area code and phone number (972)-481-2700
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.		Mail original to: Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348
sign here	Date	

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call 1-800-252-1381.
 Instructions for each report year are online at www.window.state.tx.us/taxinfo/taxforms/05-forms.html.

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax.
 For more information visit www.window.state.tx.us/webfile/req_franchise.html.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>
PM Date	<input type="text"/>



Texas Franchise Tax Extension Affiliate List



Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

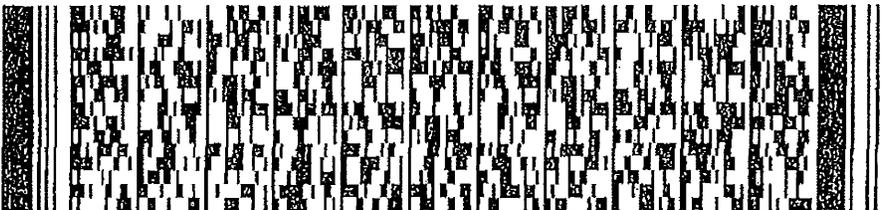
13006113081	2014	OXEA CORPORATION
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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. OXEA BISHOP, LLC	19805198280	<input checked="" type="checkbox"/>
2.		<input type="checkbox"/>
3.		<input type="checkbox"/>
4.		<input type="checkbox"/>
5.		<input type="checkbox"/>
6.		<input type="checkbox"/>
7.		<input type="checkbox"/>
8.		<input type="checkbox"/>
9.		<input type="checkbox"/>
10.		<input type="checkbox"/>
11.		<input type="checkbox"/>
12.		<input type="checkbox"/>
13.		<input type="checkbox"/>
14.		<input type="checkbox"/>
15.		<input type="checkbox"/>
16.		<input type="checkbox"/>
17.		<input type="checkbox"/>
18.		<input type="checkbox"/>
19.		<input type="checkbox"/>
20.		<input type="checkbox"/>
21.		<input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Tab 4

Oxea is a global Chemical Manufacturing company, since December 2013 owned by the Oman Oil Company (OOC), which is owned by the State of Oman. Bay City is our main U.S. manufacturing location; we also operate a smaller manufacturing operation at Bishop, TX.

Oxea intends to build two new manufacturing units for n-Propanol and for 2-Ethylhexanol. Oxea has started pre-engineering work at Bay City to define a more detailed technical scope for the two units for both Bay City, TX and Duqm/Oman. *1)

The project includes both said units, plus would include for Bay City either the expansion of the own synthesis gas production unit by a third manufacturing train or additional syngas would be sourced from Air Liquide through a pipeline currently being constructed between Freeport and Bay City. Additionally the growth would require more space for plant management, engineering, and administration – the current building would be replaced with the investment into a new building for these functions.

Bay City currently operates one n-Propanol manufacturing unit and would add a second n-Propanol unit to serve the increasing world demand. The second unit will create 15 direct manufacturing jobs, while maintaining all positions at the other unit. The second unit at Bay City would keep Bay City as the sole supplier of n-propanol within the global Oxea manufacturing network.

Presently, 2-Ethylhexanol is manufactured at our Oberhausen/Germany plant, and is not currently produced in Bay City. Construction of this unit will result in creation of four direct manufacturing jobs plus at least six indirect positions

The investment amounts (before pre-engineering) would be around \$90 million for each of the two process units, alternatively \$50 million for a syngas expansion or \$5-10 million investment in Bay City to accommodate additionally sources syngas from Air Liquide/Freeport, and \$6-8 million for a new administration/technical building. We would also introduce new inventory of 2EH to Bay City, with an estimated amount of \$5 million. The maximum investment total would add to almost \$250 million.

We would ask for the tax limitation also if only one of the two major process units plus syngas additions will be finally approved and realized.

Tab 4

*1). www.oxea-chemicals.com press release 3/21/2014, attached



News release

New facilities for 2-EH and Propanol: Oxea starts basic engineering at Bay City, Texas

Dallas, March 21, 2014 – In a move to better serve its customers in North and Latin America, the global chemical company Oxea has started basic engineering for a 2-Ethylhexanol (2-EH) and a Propanol unit at its world-scale production plant at Bay City, Texas. Both units are scheduled to come on stream in late 2016. Key elements of the basic engineering work will also be utilized for the construction of Oxea's future Asian Oxo chemicals platform in Duqm, Oman.

2-EH is used in the production of acrylates, nitrates, acids and plasticizers, and serves, among others, as a solvent in the paint and coatings industries. Propanol is used to manufacture products such as cosmetics and pharmaceuticals, printing inks, coatings and adhesives.

The new units will further add to Oxea's most recent capacity expansion of the Bay City plant, which will increase current output of Butanol and Propanol by 25%. This additional volume is planned to come on line in the second half of 2014.

"Oxea is a leading merchant supplier of Oxo products such as alcohols, aldehydes, and acids. We continue to significantly invest into our production platforms to support the growth of our customers and meet the rising demands of the markets. Once on line, our customers of 2-EH in the Americas will be able to benefit from our enhanced delivery capability for this important chemical," said Miguel Mantas, Member of Oxea's Executive Board and responsible for Marketing and Sales. "We also continue to invest in Propanol to support our customers' growth," he added.

"The new facilities for 2-EH and Propanol in North America not only support our strategy of growing the business and enhancing the efficiency of our operations. It also emphasizes our confidence in the competitiveness of the US petrochemical industry and reinforces our commitment to the North and Latin American markets," commented Dr. Martina Flöel, spokesperson for the Oxea Executive Board, who is also responsible for Production and Technology.

About Oxea

Oxea is a global manufacturer of oxo intermediates and oxo derivatives, such as alcohols, polyols, carboxylic acids, specialty esters, and amines. These products are used for the production of high-quality coatings, lubricants, cosmetics and pharmaceutical products, flavorings and fragrances, printing inks and plastics. In 2012, Oxea generated revenue of about EUR 1.5 billion with its over 1,400 employees worldwide. Oxea is owned by Oman Oil Company S.A.O.C. For more information about Oxea, visit www.oxea-chemicals.com

About Oman Oil Company

Oman Oil Company S.A.O.C (OOC) is a commercial company wholly owned by the Government established in 1996 to pursue investment opportunities in the wider energy sector both inside and outside Oman. The Company plays an important role in the Sultanate's efforts to diversify the economy and to promote domestic and foreign investments as well as fostering and building human capital.

Press contact:

OXEA GmbH, Otto-Roelen-Str. 3, D-46147 Oberhausen
Birgit Reichel, Tel. +49 (0) 208-693-3112, Fax +49 (0) 208-693-3101
birgit.reichel@oxea-chemicals.com, www.oxea-chemicals.com

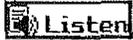
Tab 5

It is the stated strategy of Oman Oil Company to leverage Oxea to "expand OOC's downstream portfolio by bringing world-class technology and knowhow to Oman through existing assets and new investments."*1).

Both manufacturing locations, Bay City and Duqm have their unique advantages – manufacturing in Duqm/Oman has the advantage of full backward integration into oil and own refining, while Bay City currently holds the technological advantage through long manufacturing experience and technological leadership.

The amount of property tax triggered by our proposed capital intensive investment into high technology chemical manufacturing assets is not mirrored by other locations in the global competition of manufacturing locations. The lack of this tax in other jurisdictions (here esp. Duqm/Oman) is a significant benefit to other locations over Bay City/TX.

*1). www.oman-oil.com/News/2013/oxea.htm, attached



INCREASING OMAN'S COMPETITIVE DOWNSTREAM CAPABILITIES OMAN OIL COMPANY ACQUIRES OXEA CHEMICALS COMPANY

Muscat, October 12th 2013 Oman Oil Company (OOC) made the first investment of its kind in its portfolio by acquiring 100% of OXEA, the world's largest supplier of Oxo chemical products. This investment will enable Oman Oil Company to become a vertically integrated global chemical leader. The agreement was signed by H.E. Nasser bin Khamis Al Jashmi, Undersecretary of the Ministry of Oil & Gas and Chairman of OOC in the presence of Ronald Ayles, Managing Director and Head of Chemicals at Advent International, one of the leading private equity firms worldwide, and Reinhard Gradl, Chairman of the OXEA Group. Upon receipt of antitrust approvals and satisfaction of other conditions, Advent International will sell its entire equity to OOC.



(Left to Right) Mulham Al Jarf, Deputy CEO of Oman Oil Company, Ronald Ayles, Managing Director and Head of Chemicals at Advent International, H.E. Nasser bin Khamis Al Jashmi, Undersecretary of the Ministry of Oil & Gas and Chairman of Oman Oil Company, Reinhard Gradl, Chairman of the OXEA Group



(Left to Right) Ronald Ayles, Managing Director and Head of Chemicals at Advent International and H.E. Nasser bin Khamis Al Jashmi, Undersecretary of the Ministry of Oil & Gas and Chairman of Oman Oil Company

OXEA is ranked first in the world as a supplier of Oxo chemicals to the merchant market and second as producer of Oxo chemicals globally in products like aldehydes, esters and carboxylic acids. OXEA was built from two completely separate businesses which Advent International had acquired in 2007. Within less than seven years Advent created a market leader in the Oxo segment by contributing comprehensive sector and market know how. Today, OXEA has operations in the Americas, Europe and Asia and has the broadest portfolio producing more than 70 Oxo chemicals for customers in a wide range of industries, such as pharmaceuticals, aromas and scents, paints and lacquers, adhesives, safety glass, lubricants, cosmetics and plastics, selling 1.3 million tonnes. This acquisition will expand OOC’s downstream portfolio by bringing world-class technology and knowhow to Oman through existing assets and new investments.

“This landmark acquisition reaffirms Oman Oil Company’s role in supporting the goals outlined in the Sultanate’s Vision 2020 which aims to diversify the economy by reducing dependence on oil, growing In Country Value and maximizing the potential of Oman’s geographic location to reach both established and emerging markets,” said H.E. Al Jashmi. “It is necessary to continue enriching the national economy through strategic ventures that have the right mix of technology and knowhow. This is a monumental step for Oman Oil Company as we continue to expand our global footprint while positioning the Sultanate in the international arena.”

H.E. added, “Oman Oil Company’s approach is to develop the downstream industry value chain by identifying new opportunities that address the business needs of globalization. There is a unique opportunity to build an integrated chemical platform in Oman from our current investment base. We see our acquisition of OXEA as the corner stone for this platform by bringing its technology and expertise to Oman and connecting it to feedstock from our investments in Duqm’s economic zone. This will also contribute to OXEA’s expansion strategy, especially in the Asian growth markets.”

Mulham Al Jarf, Deputy Chief Executive Officer of Oman Oil Company said, “With its strong market position and unique expertise, OXEA will strengthen our position in the global chemical sector and contribute to Oman Oil Company’s long-term downstream strategy. This will provide adequate scope for growth in Duqm’s economic zone as well as other

planned projects in industrial areas in Oman. The jobs created in this relatively uncharted sector and especially from projects of this magnitude, will develop a platform for further human capital development and growth."

"Over the past 6.5 years we successfully diversified our activities and significantly invested in the expansion of capacities and our presence in both, mature and emerging markets. We thank Advent for their support in shaping OXEA and look forward to working together with Oman Oil Company. We are convinced that we can bring in our expertise, technological footprint to support Oman Oil Company's objectives while at the same time OXEA can benefit from additional access to growth regions in Asia and the Middle East," said Martina Flajel, Managing Director of OXEA on behalf of the management board.

Ronald Ayles, Managing Director and Head of Advent International's chemical practice, said: "OXEA is a highly resilient business with strong sales and earnings growth. We are convinced that the strengths and objectives of Oman Oil Company and OXEA are highly complementary and that both sides will benefit from each other as they pursue their expansion strategy. We wish Oman Oil Company and OXEA all the best on their joint path of growth."



Group Picture

The core of Oman Oil Company's success has been attracting foreign interest by executing projects that expand economic sectors and provide new employment opportunities. OOC has led the way with 40 investments in 12 countries using extensive insight across a variety of industries. The company continues to be proactive in identifying potential areas of opportunity that will maximise downstream economic value. OOC's emphasis remains on sustainable investments from existing assets and selective growth investments to add in country value.

[Go To Top](#)

Tab 5

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*1). www.oman-oil.com/News/2013/oxea.htm, attached

Tab 6

Not Applicable

Tab 7

The qualified investment includes these units:

1. n-Propanol manufacturing unit including tankage, investment \$90 million
2. 2-Ethylhexanol manufacturing unit including tankage, investment \$90 million, plus inventory of 2EH, estimated at \$5 million
3. Synthesis gas supply (raw material for above 2 units):
 - a. Option A: build 3rd train to existing 2-train operation to increase capacity, investment \$50 million
 - b. Option B: increase supply from Air Liquide/Freeport via pipeline, investment at Bay City to receive additional syngas \$10 million

Tab 8

n.a. – please see tab 7

071569

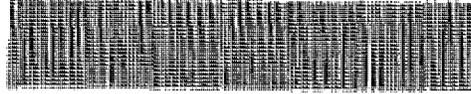
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

SPECIAL WARRANTY DEED

STATE OF TEXAS

COUNTY OF MATAGORDA

§
§
§



03500171144001

Year: 2007 Doc: 071569 Type: WD

CELANESE LTD., a Texas limited partnership, having an address of 1601 West LBJ Freeway, Dallas, Texas 75234 ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has Granted, Sold, Delivered and Conveyed, and by these presents does Grant, Sell, Deliver and Convey, unto OXEA CORPORATION, a Delaware corporation, having an address of P.O. Box 1141, Bay City, Texas 77404 ("Grantee"), all that real property situated in the County of Matagorda, State of Texas, and more particularly described on Exhibit A attached hereto and made a part hereof for all purposes, together with (i) any and all appurtenances belonging or appertaining thereto; (ii) any and all improvements, buildings and fixtures located thereon; (iii) any and all appurtenant easements or rights of way affecting said real property and any of Grantor's rights to use same, if any; (iv) any and all rights of ingress and egress to and from said real property and any of Grantor's rights to use same, if any; (v) any and all mineral rights and interests of Grantor relating to said real property (present or reversionary) and (vi) all right, title and interest of Grantor, if any, in and to (a) any and all roads, streets, alleys and ways (open or proposed) affecting, crossing, fronting or bounding said real property, including any awards made or to be made relating thereto including, without limitation, any unpaid awards or damages payable by reason of damages thereto or by reason of a widening of or changing of the grade with respect to same, (b) any and all strips, gores, or pieces of real property abutting, bounding or which are adjacent or contiguous to said real property (whether owned or claimed by deed, limitations or otherwise), (c) any and all air rights relating to said real property, (d) any and all reversionary interests in and to said real property and (e) without warranty of any type, Grantor's right to reacquire the property more fully described in instrument recorded at vol. 402, p. 51 (collectively, the "Real Property"), less and except the improvements, buildings and fixtures described on Exhibit B attached hereto and made a part hereof for all purposes, such property to be retained by Grantor as its property.

THE CONVEYANCE EVIDENCED hereby and Grantor's limited warranty of title contained herein are expressly made SUBJECT TO (1) the Permitted Liens, as that term is defined in the Purchase Agreement, dated as of December 12, 2006, by and among Grantor and Grantee, among other parties thereto (the "Purchase Agreement"); and (2) that certain Ground Lease dated on or about the date hereof by and between Grantor and Grantee (collectively, the foregoing are referred to as the "Permitted Exceptions").

TO HAVE AND TO HOLD the Real Property, together with all and singular the rights and appurtenances belonging in any way to the Real Property, unto the said Grantee, its successors and assigns forever; subject to all matters of record affecting the Real Property; provided, however, that Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Real Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Real Property, by, through, or under Grantor, but not otherwise, subject, however, to the

Permitted Exceptions. All express warranties (except as set forth herein), implied warranties, and warranties that might arise by common law as the warranties in Section 5.023 of the Texas Real Property Code (or its successor), are hereby expressly excluded. Grantor warrants that the Real Property is free from any encumbrances arising by, through or under Grantor except for the Permitted Exceptions, but does not warrant that the Property is free from any other encumbrances.

The parties hereto acknowledge that this Deed is given pursuant to the terms of the Purchase Agreement, and that in the event of a conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Deed, the term of the Purchase Agreement shall govern. Without limiting the foregoing, and notwithstanding anything herein to the contrary, (i) nothing herein shall be deemed to amend or modify any of the terms or provisions of the Purchase Agreement and such Purchase Agreement shall remain in full force and effect among the parties thereto according to its terms, (ii) the special warranty given in this Deed shall not be deemed to limit, expand, replace, supersede or void any warranty made by Grantor in the Purchase Agreement, (iii) the terms of this Deed shall not modify, limit, expand, supersede or void any rights, liabilities or obligations between Grantor and Grantee under the Purchase Agreement, as between the parties thereto only, which shall remain in full force and effect except to the extent expressly limited therein, and (iv) the special warranty given herein shall be subject to all of the limitations and restrictions on Grantor's warranties set forth in the Purchase Agreement, which such limitations and restrictions are hereby incorporated herein by this reference as if fully set forth herein, and Grantee and its successors and assigns shall not have any rights or remedies under this Deed in excess of any rights and remedies set forth in the Purchase Agreement.

[Signatures Appear on the Following Page]

EXHIBIT A

DESCRIPTION OF 898.57 ACRES, MORE OR LESS, OF LAND AREA BEING IN THE JAMES MOORE LEAGUE, ABSTRACT NO. 62, MATAGORDA COUNTY, TEXAS AND BEING THE REMAINING PORTION OF THAT TRACT DESCRIBED AS 1000.0 ACRES IN A DEED FROM WALTER W. FONDREN, JR. TO CELANESE CORPORATION OF AMERICA DATED DECEMBER 8, 1960 AND RECORDED IN VOLUME 362, PAGE 16, MATAGORDA COUNTY DEED RECORDS AND ALL THAT TRACT DESCRIBED AS 8.9876 ACRES IN A DEED FROM CHAMPLIN PETROLEUM COMPANY TO CELANESE CORPORATION DATED APRIL 22, 1968 AND RECORDED IN VOLUME 462, PAGE 123, MATAGORDA COUNTY DEED RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a capped pin found at the common northeast corner of that tract described as 9.06 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated December 21, 2001 and recorded in Volume 641, Page 596 and an exterior corner in the north line of the 1000.0 acre Celanese tract and in the approximate common north line of the James Moore League, Abstract No. 62 and the south line of the AJM Smalley League, Abstract No. 90, Matagorda County, Texas;

THENCE with the north line of the Celanese 1000.0 acre tract and the approximate common north line of the James Moore League and the south line of the AJM Smalley League N 88°37'38" E 3874.50 feet to a 1 ¼ inch iron pipe found at the northeast corner of the Celanese 1000.0 acre tract;

THENCE leaving the approximate common north line of the James Moore League and the south line of the AJM Smalley League, S 01°23'00" E (this course being the bearing basis for this description) with the east line of the Celanese 1000.0 acre tract, and joining the west line at a calculated point at a record distance of 175.29 feet at the northwest corner of that tract described as 1371.5857 acres in a Correction Deed from the Estate of Walter W. Fondren, Jr. and Doris Ledwidge Fondren to Cities Service Company dated January 20, 1981 and recorded in Volume 668, Page 184, Matagorda County Deed Records at a total distance of 5638.97 feet to 1 ¼ inch iron pipe found at the common southeast corner of the 1000.0 acre Celanese tract and an interior corner of the 1341.5857 acre Walter W. Fondren, Jr. tract;

THENCE with the common south line of the Celanese 1000.0 tract and the north line of the 1341.5857 acre Walter W. Fondren Jr. tract, North 88°36'15" E 6727.30 feet to a ½ inch iron pin set at the common southwest corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of that tract described as 94.024 acres in a deed from Celanese Corporation of America to Baycel Club dated May 6, 1963 and recorded in Volume 402, Page 51, Matagorda County Deed Records;

THENCE with the common southwest line of the remaining portion of the 1000.0 acre Celanese tract and the northeast line of the 94.024 Baycel Club tract
N 39°56'53" W 2720.20 feet to a ½ inch iron rod set at a common interior corner of the remaining portion of the Celanese 1000.0 acre tract and the Baycel Club tract;

THENCE with the common west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the Baycel Club tract N 01°31'51" W 267.24 feet to a ½ inch iron pin set at the common northeast corner of the Baycel Club tract and the southeast corner of that tract described as 1.649 acres in a deed from Celanese Corporation of America to Matagorda County Navigation District No. 2 dated January 15, 1963 and recorded in Volume 4, Page 145, Matagorda County Deed Records;

THENCE with the continuing with the west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the 1.649 acre Matagorda Navigation tract N 01°31'51" W 169.20 feet to a ½

inch iron rod set at the common southeast corner of that tract described as 180.83 acres in a deed from Walter W. Fondren Jr. to Matagorda County Navigation District No. 2 dated June 9, 1961 and recorded in Volume 3, Page 611, Matagorda County Deed Records and the southwest corner of the Celanese 8.9876 acre tract;

THENCE with the common west line of the 8.9876 acre Celanese tract and the east line of the 180.83 acre Matagorda Navigation tract N 02°38'36" W 92.00 feet to a 5/8 inch rebar found at the common southerly northwest corner of the Celanese 8.9876 acre tract and the southwest corner of the remaining portion of that tract described in a deed from Doris Ledwidge Fondren to Walter W. Fondren III, et al dated January 15, 1981 and recorded in Volume 665, Page 753, Matagorda County Deed Records;

THENCE leaving the east line of the Matagorda Navigation tract with the common northwest line of the 8.9876 acre Celanese tract and the southeast line of the remaining portion of the Walter W. Fondren III tract N 48°26'02" E 2039.10 feet to a 5/8 inch rebar found said to be in the south line of FM 3057 at the common northeasterly north corner of the 8.9876 acre Celanese tract and an exterior corner of the remaining portion of the Walter W. Fondren III tract;

THENCE with the common line of the 8.9876 acre Celanese tract, the south line of the remaining portion of the Walter W. Fondren III tract and the south line of FM 3057 the following eight (8) tracts:

- 1) N 87°39'29" E 45.63 feet to a calculated point;
- 2) N 79°15'29" E 94.00 feet to a calculated point;
- 3) N 78°31'29" E 40.94 feet to a 5/8 inch rebar found;
- 4) leaving the south line of FM 3057 S 48°21'35" W 107.35 feet to a 1/2 inch iron rod set;
- 5) S 45°44'35" W 92.61 feet to a 1/2 inch iron rod set;
- 6) S 38°12'35" W 102.70 feet to a 1/2 inch iron rod set;
- 7) S 31°32'35" W 102.99 feet to a 1/2 inch iron rod set;
- 8) S 31°12'35" W 163.74 feet to a 1/2 inch iron rod set in the common northwest line of the Celanese 1000.0 acre tract and the southwest line of the Walter W. Fondren III tract for an interior corner of this description;

THENCE with the common northwest line of the remaining portion of the 1000.0 acre Celanese tract and the southeast line of the Walter W. Fondren III tract N 48°22'34" E 2624.62 feet to a 1/2 inch iron rod set (pass at 1189.00 a 1/2 inch iron rod set at the intersection of the northwest line of the Celanese 1000.0 acre tract and FM 3057) at a common exterior corner of the remaining portion of the 1000.0 acre Celanese tract and the northwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE leaving the common northwest line of the Celanese 1000.0 acre tract and the southeast line of the Walter W. Fondren III tract with a common east line of the remaining portion of the 1000.0 acre Celanese tract and the west line of the 9.06 acre Port Assets, LLC tract the following three (3) courses:

- 1) S 19°24'50" E 207.56 feet to a 1/2 inch iron rod set;
- 2) N 70°35'10" E 111.45 feet to a 1/2 inch iron rod set;
- 3) S 19°24'50" E 338.56 feet to a capped pin found at the common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 9.06 acre Port Assets, LLC tract N 70°32'53" E 404.69 feet to a 5/8 inch rebar found at the common southeast corner of the 9.06 acre Port Assets, LLC tract and the southwest corner of that tract described as 8.10 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated October 9, 2001 and recorded in Volume 655, Page 135, Matagorda County Deed Records and on the north line of the remaining portion of the 1000.0 acre Celanese tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 8.10 acre Port Assets, LLC tract N 70°53'14" E 603.14 feet to capped pin found at a common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of the 8.10 acre Port Assets, LLC tract;

THENCE with a common west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 8.10 acre Port Assets, LLC tract N 07°46'51" W 506.07 feet to a capped pin found at the common northeast corner of the 8.10 acre Port Assets, LLC tract and the northerly southeast corner of the 9.06 acre Port Assets, LLC tract;

THENCE continuing with a west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 9.06 acre Port Assets, LLC tract N 07°45'39" W 60.40 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 898.57 acres, more or less, of land area as prepared from public records and a survey made on the ground March 23, 2004 by Bock & Clark Corporation of Austin, Texas. All ½ inch iron rods set are capped with a plastic cap stamped "B&C RPLS 5671."

ALSO THAT CERTAIN Barge Dock parcel being described as 3.680 acres of land out of the James Moore League, Abstract No. 62, in Matagorda County, Texas, and is a portion of the Navigation District No. 2 properties, and is more particularly described as follows:

BEGINNING at a point in the northwest line of the land described in a deed from Walter W. Fondren, Jr. to the Celanese Corporation of America, dated December 8, 1960, and recorded in Volume 362, on page 16, Deed Records of Matagorda County, Texas, which northwest line is the southwest line of the above-mentioned Navigation District No. 2 properties, and the said beginning point is set South 48 deg. 23 min. West 184.0 feet from a 1-1/4 inch pipe at the northwest corner of the land described in the above-mentioned deed, and an interior corner of the said Navigation District No. 2 properties;

THENCE South 48 deg. 23 min. West 316.0 feet along the recognized common line between the above-mentioned Navigation District No. 2 properties, and the land described in the above-mentioned deed, to a point for the point of curve of a 4 deg. 09 min. curve to the left;

THENCE along a 4 deg. 09 min. curve to the left, 761.2 feet, to the edge of the Turning Basin Channel, for the south corner of this tract;

THENCE North 12 deg. 25 min. East 878.0 feet along the edge of the above-mentioned Channel, to a point for the northwest corner of this tract;

THENCE South 86 deg. 26 min. East 477.9 feet, to the place of beginning, containing 3.680 acres of land, more or less, of which there is 2.996 acres in the right-of-way for the Turning Basin Channel.

ALSO LESS AND EXCEPTING any property previously conveyed by Grantor to other parties as reflected in the public records including the following described property to the extent included, if at all, in the above description of real estate: (1) 94.024 acres conveyed from Celanese Corporation of America to BayCel Club by deed dated May 6, 1963, recorded in Volume 402 at page 51 of the Official Records of Matagorda County, Texas; (2) 1.649 acres conveyed from Celanese Corporation of America to Matagorda County Navigation District No. 2 by deed dated January 15, 1963, recorded in Volume 4 at page 145 of the Official Records of Matagorda County, Texas; (3) Road Easement of 20.99 acres for F.M. 3057 from Celanese Corporation of America to the County of Matagorda, State of Texas, by deed dated July 26, 1961, recorded in Volume 4 at page 19 of the Official Records of Matagorda County, Texas; (4) 8.10 acres conveyed from Celanese, Ltd. to Port Assets, LLC, by deed recorded October 22, 2001 in Volume 635 at page 135 of the Official Records of Matagorda County, Texas; (5) 9.06 acres conveyed from

Celanese, Ltd. to Port Assets, LLC, by deed recorded December 21, 2001 in Volume 641 at page 596 of the Official Records of Matagorda County, Texas.

ALSO LESS AND EXCEPTING all gas, oil and mineral rights previously conveyed to others.

EXHIBIT B

Description of Retained Property

All the tangible personal property owned by Grantor (including all machinery and equipment, mobile or otherwise, vehicles, tools, furniture, furnishings and Inventory) comprising Grantor's vinyl acetate monomer plant and related facilities used in connection therewith (including without limitation, pipes, rail tracks, barge docks and other shipping assets), whether located on the real property leased by Grantee to Grantor pursuant to that certain Ground Lease, dated on or about the date hereof, or elsewhere on the real property at Bay City, Texas, and such personal property necessary for Grantor to provide services under the Site Services Agreement between Grantor and Grantee at Bay City, Texas, and all other property listed on Schedule 2(b) to the Purchase Agreement.

FILED

7 MAR -6 P3:46

Rail Deun.
COUNTY CLERK
MATAGORDA COUNTY, TEXAS

STATE OF TEXAS COUNTY OF MATAGORDA
I hereby certify that this instrument was filed in the Public
Records on the date and at the time specified herein by me,
and was duly recorded in the official records of
Matagorda County, Texas on

MAR 06 2007



Rail Deun

COUNTY CLERK, Matagorda County, Texas

Matagorda CAD

Property Search Results > 13744 OXEA CORPORATION for Year 2014

Property

Account

Property ID:	13744	Legal Description:	AB 0062, JAMES MOORE, TRACT 5 & 6A, ACRES 898.57, (NEW SURVEY) PLANT SITE
Geographic ID:	0062-0000-000500	Agent Code:	ID:180430
Type:	Real		
Property Use Code:			
Property Use Description:			

Location

Address:	2001 FM 3057 BAY CITY, TX 77414	Mapsco:	
Neighborhood:	BC SEC 3 ABS LAND,MISC	Map ID:	188V
Neighborhood CD:	B3		

Owner

Name:	OXEA CORPORATION	Owner ID:	189521
Mailing Address:	P O BOX 1141 BAY CITY, TX 77404-1141	% Ownership:	100.0000000000%
		Exemptions:	

Values

Taxing Jurisdiction

Improvement / Building

Land

Roll Value History

Deed History - (Last 3 Deed Transactions)

Tax Due

Questions Please Call (979) 244-2031

Website version: 1.2.2.2

Database last updated on: 7/31/2014
8:37 PM

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This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

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Tab 10

Non-qualified property:

The expansion will also require the replacement of the current administration and engineering building with a larger new building. The old building will be taken out of service.

Tab 12

Not Applicable

**Average Weekly Wages
in Matagorda County**

	All Industries	Manufacturing
4Q-2012	\$ 996.00	\$ 1,294.00
1Q-2013	\$ 1,063.00	\$ 681.00
2Q-2013	\$ 863.00	\$ 772.00
3Q-2013	\$ 820.00	\$ 748.00
Total	\$ 3,742.00	\$ 3,495.00

Average	\$ 935.50	\$ 873.75
----------------	------------------	------------------

110%	\$ 961.13
-------------	------------------

**Average Weekly Wages
in Region**

Manufacturing	
Annual	Weekly
\$41,850.00	\$ 804.81
\$33,662.00	\$ 647.35
\$37,076.00	\$ 713.00
\$51,333.00	\$ 987.17
\$35,032.00	\$ 673.69
\$40,797.00	\$ 784.56
\$37,941.00	\$ 729.63
\$33,631.00	\$ 646.75
\$45,624.00	\$ 877.38
\$33,956.00	\$ 653.00
\$39,670.00	\$ 762.88
\$54,146.00	\$ 1,041.27
\$34,424.00	\$ 662.00
\$33,698.00	\$ 648.04
\$61,118.00	\$ 1,175.35
\$55,317.00	\$ 1,063.79
\$43,742.00	\$ 841.19
\$38,280.00	\$ 736.15
\$28,170.00	\$ 541.73
\$47,786.00	\$ 918.96
\$33,961.00	\$ 653.10
\$46,949.00	\$ 902.87
\$35,689.00	\$ 686.33
\$39,380.00	\$ 757.31
Total	\$18,908.31

Average	\$ 787.85
----------------	------------------

110%	\$ 866.63
-------------	------------------

**Average Weekly Wages
in Texas**

	Manufacturing	
	Annual	Weekly
Texas	\$48,996.00	\$ 942.23

Average	\$ 942.23
----------------	------------------

110%	\$ 1,036.45
-------------	--------------------

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2012	4th Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$1,294

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text"/> Year	<input type="text"/> Period	<input type="text"/> Area	<input type="text"/> Ownership	<input type="text"/> Division	<input type="text"/> Level	<input type="text"/> Ind Code	<input type="text"/> Industry	<input type="text"/> Avg Weekly Wages
2013	1st Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$681
2013	2nd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$772
2013	3rd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$748

Quarterly Employment and Wages (QCEW)

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<input type="text" value="2012"/>	<input type="text" value="4th Qtr"/>	<input type="text" value="Matagorda County"/>	<input type="text" value="Private"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$996"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2013"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="Matagorda County"/>	<input type="text" value="Private"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$1,063"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$1,063
2013	2nd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$863
2013	3rd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$820

**2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.56	\$48,996
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

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

Applicant Name:
ISD Name:

OXEA CORPORATION
BAY CITY 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		Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2014	Not eligible to become Qualified Property		\$ -	\$ -	\$ -
Investment made after filing complete application with district, but before final board approval of application	-			\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	
Complete tax years of qualifying time period	QTP1	2015-2016	2015	\$ 69,000,000	\$ 5,000,000	\$ -	\$ -	\$ 74,000,000
	QTP2	2016-2017	2016	\$ 147,270,000	\$ 6,730,000	\$ -	\$ -	\$ 154,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 226,270,000	\$ 11,730,000	\$ -	\$ -	\$ 238,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 238,000,000				

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: **OXEA CORPORATION** Form 50-296A
 ISD Name: **BAY CITY INDEPENDENT SCHOOL DISTRICT** 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 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)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$ 226,270,000	\$ 11,730,000	\$ -	\$ -	\$ 238,000,000
Value limitation period***	1	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
	3	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
	4	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
	5	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
	6	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
	7	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
	8	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -
	9	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
	10	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment made through limitation				\$ 226,270,000	\$ 11,730,000	\$ -	\$ -	\$ 238,000,000
Continue to maintain viable presence	11	2027-2028	2027			\$ -	\$ -	\$ -
	12	2028-2029	2028			\$ -	\$ -	\$ -
	13	2029-2030	2029			\$ -	\$ -	\$ -
	14	2030-2031	2030			\$ -	\$ -	\$ -
	15	2031-2032	2031			\$ -	\$ -	\$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032			\$ -	\$ -	\$ -
	17	2033-2034	2033			\$ -	\$ -	\$ -
	18	2034-2035	2034			\$ -	\$ -	\$ -
	19	2035-2036	2035			\$ -	\$ -	\$ -
	20	2036-2037	2036			\$ -	\$ -	\$ -
	21	2037-2038	2037			\$ -	\$ -	\$ -
	22	2038-2039	2038			\$ -	\$ -	\$ -
	23	2039-2040	2039			\$ -	\$ -	\$ -
	24	2040-2041	2040			\$ -	\$ -	\$ -
	25	2041-2042	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 in 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.

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 YAC 8.1051. 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 #6 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:

OXEA CORPORATION

Form 50-296A

ISD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Qualified Property			Estimated Taxable Value		
				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
<i>Each year prior to start of Value Limitation Period Insert as many rows as necessary</i>	0	2014-2015	2014	\$ 1,050,470	\$ -	\$ -	\$ -	\$ 1,050,470	\$ 1,050,470
	0	2015-2016	2015	\$ 1,050,470	\$ -	\$ 5,000,000	\$ -	\$ 6,050,470	\$ 6,050,470
	0	2016-2017	2016	\$ 1,050,471	\$ 5,000,000	\$ 39,500,000	\$ (3,350,000)	\$ 42,200,471	\$ 42,200,471
Value Limitation Period	1	2017-2018	2017	\$ 1,050,471	\$ 8,365,000	\$ 113,135,000	\$ (6,700,000)	\$ 115,850,471	\$ 30,000,000
	2	2018-2019	2018	\$ 1,050,472	\$ 16,311,750	\$ 220,613,250	\$ (13,065,000)	\$ 224,910,472	\$ 30,000,000
	3	2019-2020	2019	\$ 1,050,472	\$ 15,903,956	\$ 215,097,919	\$ (12,738,375)	\$ 219,313,972	\$ 30,000,000
	4	2020-2021	2020	\$ 1,050,473	\$ 15,506,357	\$ 209,720,471	\$ (12,419,916)	\$ 213,857,386	\$ 30,000,000
	5	2021-2022	2021	\$ 1,050,473	\$ 15,118,698	\$ 204,477,459	\$ (12,109,418)	\$ 208,537,213	\$ 30,000,000
	6	2022-2023	2022	\$ 1,050,474	\$ 14,740,731	\$ 199,365,523	\$ (11,806,682)	\$ 203,350,045	\$ 30,000,000
	7	2023-2024	2023	\$ 1,050,474	\$ 14,372,213	\$ 194,381,384	\$ (11,511,515)	\$ 198,292,556	\$ 30,000,000
	8	2024-2025	2024	\$ 1,050,475	\$ 14,012,907	\$ 189,521,850	\$ (11,223,727)	\$ 193,361,505	\$ 30,000,000
	9	2025-2026	2025	\$ 1,050,475	\$ 13,662,585	\$ 184,783,804	\$ (10,943,134)	\$ 188,553,729	\$ 188,553,729
	10	2026-2027	2026	\$ 1,050,476	\$ 13,321,020	\$ 180,164,209	\$ (10,669,556)	\$ 183,866,149	\$ 183,866,149
Continue to maintain viable presence	11	2027-2028	2027	\$ 1,050,476	\$ 12,987,995	\$ 175,660,103	\$ (10,402,817)	\$ 179,295,757	\$ 179,295,757
	12	2028-2029	2028	\$ 1,050,477	\$ 12,663,295	\$ 171,268,601	\$ (10,142,746)	\$ 174,839,626	\$ 174,839,626
	13	2029-2030	2029	\$ 1,050,477	\$ 12,346,712	\$ 166,986,886	\$ (9,889,178)	\$ 170,494,897	\$ 170,494,897
	14	2030-2031	2030	\$ 1,050,478	\$ 12,038,045	\$ 162,812,214	\$ (9,641,948)	\$ 166,258,788	\$ 166,258,788
	15	2031-2032	2031	\$ 1,050,478	\$ 11,737,093	\$ 158,741,908	\$ (9,400,900)	\$ 162,128,580	\$ 162,128,580
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2032-2033	2032	\$ 1,050,479	\$ 11,443,666	\$ 154,773,361	\$ (9,165,877)	\$ 158,101,628	\$ 158,101,628
	17	2033-2034	2033	\$ 1,050,479	\$ 11,157,574	\$ 150,904,027	\$ (8,936,730)	\$ 154,175,350	\$ 154,175,350
	18	2034-2035	2034	\$ 1,050,480	\$ 10,878,635	\$ 147,131,426	\$ (8,713,312)	\$ 150,347,229	\$ 150,347,229
	19	2035-2036	2035	\$ 1,050,480	\$ 10,606,669	\$ 143,453,140	\$ (8,495,479)	\$ 146,614,810	\$ 146,614,810
	20	2036-2037	2036	\$ 1,050,481	\$ 10,341,502	\$ 139,866,812	\$ (8,283,092)	\$ 142,975,703	\$ 142,975,703
	21	2037-2038	2037	\$ 1,050,481	\$ 10,082,965	\$ 136,370,141	\$ (8,076,015)	\$ 139,427,572	\$ 139,427,572
	22	2038-2039	2038	\$ 1,050,482	\$ 9,830,891	\$ 132,960,888	\$ (7,874,115)	\$ 135,968,146	\$ 135,968,146
	23	2039-2040	2039	\$ 1,050,482	\$ 9,585,118	\$ 129,636,866	\$ (7,677,262)	\$ 132,595,204	\$ 132,595,204
	24	2040-2041	2040	\$ 1,050,483	\$ 9,345,491	\$ 126,395,944	\$ (7,485,330)	\$ 129,306,587	\$ 129,306,587
	25	2041-2042	2041	\$ 1,050,483	\$ 9,111,853	\$ 123,236,045	\$ (7,298,197)	\$ 126,100,185	\$ 126,100,185

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:

OXEA CORPORATION

Form 50-296A

ISD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised Feb 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				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
	-1	2015-2016	2015	330,000 man-hours	\$25/hr	0		
<i>Each year prior to start of Value Limitation Period Insert as many rows as necessary</i>	0	2016-2017	2016	660,000 man-hours	\$25/hr	0	8	\$ 50,000
Value Limitation Period The qualifying time period could overlap the value limitation period.	1	2017-2018	2017		\$ -	0	19	\$ 50,000
	2	2018-2019	2018		\$ -	0	19	\$ 50,000
	3	2019-2020	2019		\$ -	0	19	\$ 50,000
	4	2020-2021	2020		\$ -	0	19	\$ 50,000
	5	2021-2022	2021		\$ -	0	19	\$ 50,000
	6	2022-2023	2022		\$ -	0	19	\$ 50,000
	7	2023-2024	2023		\$ -	0	19	\$ 50,000
	8	2024-2025	2024		\$ -	0	19	\$ 50,000
	9	2025-2026	2025		\$ -	0	19	\$ 50,000
	10	2026-2027	2026		\$ -	0	19	\$ 50,000
Years Following Value Limitation Period	11 through 25	2027-2028	2027		\$ -	0	19	\$ 50,000

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:

OXEA CORPORATION

Form 50-296A

ISD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised Feb 2014

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: Matagorda	2014	3 YEARS	\$ 291,948.00	50% - ALL YEARS	\$ 145,974.00
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions	Port of Bay City, Conservation & Reclamation District, Coastal Plains Groundwater District, Drainage District #1, Matagorda County Hospital District	Yearly	Yearly	\$ 518,407.00	Varies Yearly	\$ 462,068.00
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:						
Other:						
Other:						
Other:						
TOTAL				\$ 810,355		\$ 608,042

Additional information on incentives for this project:

312 AGREEMENT WILL RESULT IN ESTIMATED TOTAL REDUCTION OF TAXES PAYABLE TO THE LOCAL JURISDICTIONS OF \$145,975 OVER 3 YEARS WITH \$291,948 OF ESTIMATED TAXES OVER 3 YEARS IF THE PROJECT WERE NOT ABATED.

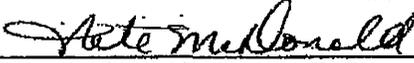
Tab 15

None

Public Hearing was held at 9:58 concerning the adoption of an ordinance to nominate an area of the County designated as a reinvestment zone, with proposed zone area as described in Instrument No. 071569 – Special Warranty Deed filed in the office

BE IT REMEMBERED, that on this 2nd-day of December, 2013, the Commissioner's Court of Matagorda County, Texas met in **Special Session**, with a quorum in attendance, a motion was made at 9:58 am by County Judge McDonald and seconded by Commissioner Gibson, with all others concurring, to enter a Public Hearing concerning the adoption of an ordinance to nominate an area of the County designated as a reinvestment zone, with proposed zone area as described in Instrument No. 071569 – Special Warranty Deed filed in the office. On motion of Commissioner Puska and seconded by Commissioner Gibson, with all other concurring, to exit the public hearing at 10:00 am and resume regular session of commissioners court.

PASSED IN OPEN COURT this 9th day of December, 2013.



Nate McDonald, County Judge
Matagorda County, Texas

071569

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

SPECIAL WARRANTY DEED

STATE OF TEXAS

COUNTY OF MATAGORDA

§
§
§



03500171148001

Year: 2007 Doc: 071569 Type: WD

CELANESE LTD., a Texas limited partnership, having an address of 1601 West LBJ Freeway, Dallas, Texas 75234 ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has Granted, Sold, Delivered and Conveyed, and by these presents does Grant, Sell, Deliver and Convey, unto OXEA CORPORATION, a Delaware corporation, having an address of P.O. Box 1141, Bay City, Texas 77404 ("Grantee"), all that real property situated in the County of Matagorda, State of Texas, and more particularly described on Exhibit A attached hereto and made a part hereof for all purposes, together with (i) any and all appurtenances belonging or appertaining thereto; (ii) any and all improvements, buildings and fixtures located thereon; (iii) any and all appurtenant easements or rights of way affecting said real property and any of Grantor's rights to use same, if any; (iv) any and all rights of ingress and egress to and from said real property and any of Grantor's rights to use same, if any; (v) any and all mineral rights and interests of Grantor relating to said real property (present or reversionary) and (vi) all right, title and interest of Grantor, if any, in and to (a) any and all roads, streets, alleys and ways (open or proposed) affecting, crossing, fronting or bounding said real property, including any awards made or to be made relating thereto including, without limitation, any unpaid awards or damages payable by reason of damages thereto or by reason of a widening of or changing of the grade with respect to same, (b) any and all strips, gores, or pieces of real property abutting, bounding or which are adjacent or contiguous to said real property (whether owned or claimed by deed, limitations or otherwise), (c) any and all air rights relating to said real property, (d) any and all reversionary interests in and to said real property and (e) without warranty of any type, Grantor's right to reacquire the property more fully described in instrument recorded at vol. 402, p. 51 (collectively, the "Real Property"), less and except the improvements, buildings and fixtures described on Exhibit B attached hereto and made a part hereof for all purposes, such property to be retained by Grantor as its property.

THE CONVEYANCE EVIDENCED hereby and Grantor's limited warranty of title contained herein are expressly made SUBJECT TO (1) the Permitted Liens, as that term is defined in the Purchase Agreement, dated as of December 12, 2006, by and among Grantor and Grantee, among other parties thereto (the "Purchase Agreement"); and (2) that certain Ground Lease dated on or about the date hereof by and between Grantor and Grantee (collectively, the foregoing are referred to as the "Permitted Exceptions").

TO HAVE AND TO HOLD the Real Property, together with all and singular the rights and appurtenances belonging in any way to the Real Property, unto the said Grantee, its successors and assigns forever; subject to all matters of record affecting the Real Property; provided, however, that Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Real Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Real Property, by, through, or under Grantor, but not otherwise, subject, however, to the

Permitted Exceptions. All express warranties (except as set forth herein), implied warranties, and warranties that might arise by common law as the warranties in Section 5.023 of the Texas Real Property Code (or its successor), are hereby expressly excluded. Grantor warrants that the Real Property is free from any encumbrances arising by, through or under Grantor except for the Permitted Exceptions, but does not warrant that the Property is free from any other encumbrances.

The parties hereto acknowledge that this Deed is given pursuant to the terms of the Purchase Agreement, and that in the event of a conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Deed, the terms of the Purchase Agreement shall govern. Without limiting the foregoing, and notwithstanding anything herein to the contrary, (i) nothing herein shall be deemed to amend or modify any of the terms or provisions of the Purchase Agreement and such Purchase Agreement shall remain in full force and effect among the parties thereto according to its terms, (ii) the special warranty given in this Deed shall not be deemed to limit, expand, replace, supersede or void any warranty made by Grantor in the Purchase Agreement, (iii) the terms of this Deed shall not modify, limit, expand, supersede or void any rights, liabilities or obligations between Grantor and Grantee under the Purchase Agreement, as between the parties thereto only, which shall remain in full force and effect except to the extent expressly limited therein, and (iv) the special warranty given herein shall be subject to all of the limitations and restrictions on Grantor's warranties set forth in the Purchase Agreement, which such limitations and restrictions are hereby incorporated herein by this reference as if fully set forth herein, and Grantee and its successors and assigns shall not have any rights or remedies under this Deed in excess of any rights and remedies set forth in the Purchase Agreement.

[Signatures Appear on the Following Page]

IN WITNESS WHEREOF, Grantor has executed and delivered this Special Warranty Deed to be effective as of the 28th day of February, 2007.

GRANTOR:

CELANESE LTD., a Texas limited partnership

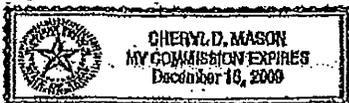
By: Celanese International Corporation, a Delaware corporation, its General Partner

By: [Signature]
Name: CURTIS S. Shaw
Title: Executive Vice President

STATE OF Texas
COUNTY OF Dallas

§
§
§

This instrument was acknowledged before me this 28th day of February, 2007, by Curtis S. Shaw, the Executive VP of Celanese International Corporation, a Delaware corporation, the General Partner of Celanese Ltd., a Texas limited partnership, on behalf of said corporation on behalf of said partnership.



[Signature]
Notary Public In and for the State of Texas

[SEAL]

Grantee's Address:
Oxea Corporation
PO Box 1141
Bay City, TX 77404

Bay City, Matagorda County, State of Texas

Return to: CRB
Republic Title of Texas, Inc.
2626 Howell Street, 10th Floor
Dallas, TX 75204

EXHIBIT A

DESCRIPTION OF 898.57 ACRES, MORE OR LESS, OF LAND AREA BEING IN THE JAMES MOORE LEAGUE, ABSTRACT NO. 62, MATAGORDA COUNTY, TEXAS AND BEING THE REMAINING PORTION OF THAT TRACT DESCRIBED AS 1000.0 ACRES IN A DEED FROM WALTER W. FONDREN, JR. TO CELANESE CORPORATION OF AMERICA DATED DECEMBER 8, 1960 AND RECORDED IN VOLUME 362, PAGE 16, MATAGORDA COUNTY DEED RECORDS AND ALL THAT TRACT DESCRIBED AS 8,9876 ACRES IN A DEED FROM CHAMPLIN PETROLEUM COMPANY TO CELANESE CORPORATION DATED APRIL 22, 1968 AND RECORDED IN VOLUME 462, PAGE 123, MATAGORDA COUNTY DEED RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a capped pin found at the common northeast corner of that tract described as 9.06 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated December 21, 2001 and recorded in Volume 641, Page 596 and an exterior corner in the north line of the 1000.0 acre Celanese tract and in the approximate common north line of the James Moore League, Abstract No. 62 and the south line of the AJM Smalley League, Abstract No. 90, Matagorda County, Texas;

THENCE with the north line of the Celanese 1000.0 acre tract and the approximate common north line of the James Moore League and the south line of the AJM Smalley League N 88°37'38" E 3874.50 feet to a 1 ¼ inch iron pipe found at the northeast corner of the Celanese 1000.0 acre tract;

THENCE leaving the approximate common north line of the James Moore League and the south line of the AJM Smalley League, S 01°23'00" E (this course being the bearing basis for this description) with the east line of the Celanese 1000.0 acre tract, and joining the west line at a calculated point at a record distance of 175.29 feet at the northwest corner of that tract described as 1371.5857 acres in a Correction Deed from the Estate of Walter W. Fondren, Jr. and Doris Ledwidge Fondren to Cities Service Company dated January 20, 1981 and recorded in Volume 668, Page 184, Matagorda County Deed Records at a total distance of 5638.97 feet to 1 ¼ inch iron pipe found at the common southeast corner of the 1000.0 acre Celanese tract and an interior corner of the 1341.5857 acre Walter W. Fondren, Jr. tract;

THENCE with the common south line of the Celanese 1000.0 tract and the north line of the 1341.5857 acre Walter W. Fondren Jr. tract, North 88°36'15" E 6727.30 feet to a ½ inch iron pin set at the common southwest corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of that tract described as 94.024 acres in a deed from Celanese Corporation of America to Baycel Club dated May 6, 1963 and recorded in Volume 402, Page 51, Matagorda County Deed Records;

THENCE with the common southwest line of the remaining portion of the 1000.0 acre Celanese tract and the northeast line of the 94.024 Baycel Club tract N 39°56'53" W 2720.20 feet to a ½ inch iron rod set at a common interior corner of the remaining portion of the Celanese 1000.0 acre tract and the Baycel Club tract;

THENCE with the common west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the Baycel Club tract N 01°31'51" W 267.24 feet to a ½ inch iron pin set at the common northeast corner of the Baycel Club tract and the southeast corner of that tract described as 1.649 acres in a deed from Celanese Corporation of America to Matagorda County Navigation District No. 2 dated January 15, 1963 and recorded in Volume 4, Page 145, Matagorda County Deed Records;

THENCE with the continuing with the west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the 1.649 acre Matagorda Navigation tract N 01°31'51" W 169.20 feet to a ½

inch iron rod set at the common southeast corner of that tract described as 180.83 acres in a deed from Walter W. Fondren, Jr. to Matagorda County Navigation District No. 2 dated June 9, 1961 and recorded in Volume 3, Page 611, Matagorda County Deed Records and the southwest corner of the Celanese 8.9876 acre tract;

THENCE with the common west line of the 8.9876 acre Celanese tract and the east line of the 180.83 acre Matagorda Navigation tract N 02°38'36" W 92.00 feet to a 5/8 inch rebar found at the common southerly northwest corner of the Celanese 8.9876 acre tract and the southwest corner of the remaining portion of that tract described in a deed from Doris Ledwidge Fondren to Walter W. Fondren III, et al dated January 15, 1981 and recorded in Volume 665, Page 753, Matagorda County Deed Records;

THENCE leaving the east line of the Matagorda Navigation tract with the common northwest line of the 8.9876 acre Celanese tract and the southeast line of the remaining portion of the Walter W. Fondren III tract N 48°26'02" E 2039.10 feet to a 5/8 inch rebar found said to be in the south line of FM 3057 at the common northeasterly north corner of the 8.9876 acre Celanese tract and an exterior corner of the remaining portion of the Walter W. Fondren III tract;

THENCE with the common line of the 8.9876 acre Celanese tract, the south line of the remaining portion of the Walter W. Fondren III tract and the south line of FM 3057 the following eight (8) tracts:

- 1) N 87°39'29" E 45.63 feet to a calculated point;
- 2) N 79°15'29" E 94.00 feet to a calculated point;
- 3) N 78°31'29" E 40.94 feet to a 5/8 inch rebar found;
- 4) leaving the south line of FM 3057 S 48°21'35" W 107.35 feet to a 1/2 inch iron rod set;
- 5) S 45°44'35" W 92.61 feet to a 1/2 inch iron rod set;
- 6) S 38°12'35" W 102.70 feet to a 1/2 inch iron rod set;
- 7) S 31°32'35" W 102.99 feet to a 1/2 inch iron rod set;
- 8) S 31°12'35" W 163.74 feet to a 1/2 inch iron rod set in the common northwest line of the Celanese 1000.0 acre tract and the southwest line of the Walter W. Fondren III tract for an interior corner of this description;

THENCE with the common northwest line of the remaining portion of the 1000.0 acre Celanese tract and the southeast line of the Walter W. Fondren III tract N 48°22'34" E 2624.62 feet to a 1/2 inch iron rod set (pass at 1189.00 a 1/2 inch iron rod set at the intersection of the northwest line of the Celanese 1000.0 acre tract and FM 3057) at a common exterior corner of the remaining portion of the 1000.0 acre Celanese tract and the northwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE leaving the common northwest line of the Celanese 1000.0 acre tract and the southeast line of the Walter W. Fondren III tract with a common east line of the remaining portion of the 1000.0 acre Celanese tract and the west line of the 9.06 acre Port Assets, LLC tract the following three (3) courses;

- 1) S 19°24'50" E 207.56 feet to a 1/2 inch iron rod set;
- 2) N 70°35'10" E 111.45 feet to a 1/2 inch iron rod set;
- 3) S 19°24'50" E 338.56 feet to a capped pin found at the common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 9.06 acre Port Assets, LLC tract N 70°32'53" E 404.69 feet to a 5/8 inch rebar found at the common southeast corner of the 9.06 acre Port Assets, LLC tract and the southwest corner of that tract described as 8.10 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated October 9, 2001 and recorded in Volume 655, Page 135, Matagorda County Deed Records and on the north line of the remaining portion of the 1000.0 acre Celanese tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 8.10 acre Port Assets, LLC tract N 70°53'14" E 603.14 feet to capped pin found at a common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of the 8.10 acre Port Assets, LLC tract;

THENCE with a common west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 8.10 acre Port Assets, LLC tract N 07°46'51" W 506.07 feet to a capped pin found at the common northeast corner of the 8.10 acre Port Assets, LLC tract and the northerly southeast corner of the 9.06 acre Port Assets, LLC tract;

THENCE continuing with a west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 9.06 acre Port Assets, LLC tract N 07°45'39" W 60.40 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 898.57 acres, more or less, of land area as prepared from public records and a survey made on the ground March 23, 2004 by Bock & Clark Corporation of Austin, Texas. All 1/2 inch iron rods set are capped with a plastic cap stamped "B&C RPLS 5671."

ALSO THAT CERTAIN Barge Dock parcel being described as 3.680 acres of land out of the James Moore League, Abstract No. 62, in Matagorda County, Texas, and is a portion of the Navigation District No. 2 properties, and is more particularly described as follows:

BEGINNING at a point in the northwest line of the land described in a deed from Walter W. Fondren, Jr. to the Celanese Corporation of America, dated December 8, 1960, and recorded in Volume 362, on page 16, Deed Records of Matagorda County, Texas, which northwest line is the southwest line of the above-mentioned Navigation District No. 2 properties, and the said beginning point is set South 48 deg. 23 min. West 184.0 feet from a 1-1/4 inch pipe at the northwest corner of the land described in the above-mentioned deed, and an interior corner of the said Navigation District No. 2 properties;

THENCE South 48 deg. 23 min. West 316.0 feet along the recognized common line between the above-mentioned Navigation District No. 2 properties, and the land described in the above-mentioned deed, to a point for the point of curve of a 4 deg. 09 min. curve to the left;

THENCE along a 4 deg. 09 min. curve to the left, 761.2 feet, to the edge of the Turning Basin Channel, for the south corner of this tract;

THENCE North 12 deg. 25 min. East 878.0 feet along the edge of the above-mentioned Channel, to a point for the northwest corner of this tract;

THENCE South 86 deg. 25 min. East 477.9 feet, to the place of beginning, containing 3.680 acres of land, more or less, of which there is 2.996 acres in the right-of-way for the Turning Basin Channel.

ALSO LESS AND EXCEPTING any property previously conveyed by Grantor to other parties as reflected in the public records including the following described property to the extent included, if at all, in the above description of real estate: (1) 94.024 acres conveyed from Celanese Corporation of America to Bay-Col Club by deed dated May 6, 1963, recorded in Volume 402 at page 51 of the Official Records of Matagorda County, Texas; (2) 1.649 acres conveyed from Celanese Corporation of America to Matagorda County Navigation District No. 2 by deed dated January 15, 1963, recorded in Volume 4 at page 145 of the Official Records of Matagorda County, Texas; (3) Road Easement of 20.99 acres for F.M. 3057 from Celanese Corporation of America to the County of Matagorda, State of Texas, by deed dated July 26, 1961, recorded in Volume 4 at page 19 of the Official Records of Matagorda County, Texas; (4) 8.10 acres conveyed from Celanese, Ltd. to Port Assets, LLC, by deed recorded October 22, 2001 in Volume 635 at page 135 of the Official Records of Matagorda County, Texas; (5) 9.06 acres conveyed from

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.

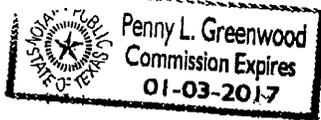
print here Keith A. Brown Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] September 15, 2014
Signature (Authorized School District Representative) Date

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 Wolfgang Hackenberg VP/Treasurer
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 8/25/2014
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

25 day of August, 2014
Penny L. Greenwood
Notary Public in and for the State of Texas
My Commission expires: 2017

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.

Ann Mewhinney
Attorney at Law

WALSH, ANDERSON,
GALLEGOS, GREEN
and TREVIÑO, P.C.

amewhinney@wabsa.com
512.454.6864, Ext. 607

ATTORNEYS AT LAW

March 13, 2015

Via Hand Delivery

Mr. John Villarreal
Local Government Assistance and
Economic Development Division
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, TX 78774

Re: App 1028 – Supplemental Information to Oxea Corporation’s Application for
Appraised Value Limitation of Qualified Property to the Bay City Independent
School District

Dear Mr. Villarreal:

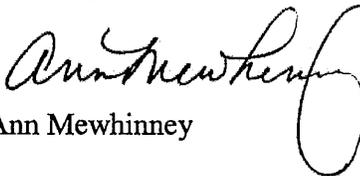
In response to the correspondence received by the Bay City Independent School District from the Comptroller’s Office dated March 3, 2015 regarding the above referenced matter, enclosed please find one hard copy of the supplemented Application for Appraised Value Limitation of Qualified Property together with an electronic copy of same. As we have discussed, this information is being provided to you today, as requested; however, the Bay City Independent School District is currently closed for Spring Break. The Bay City ISD Board of Trustees is scheduled to meet Monday evening, March 16, 2015 and is expected to consider the updated Application at that time.

Therefore, please note on page 2, Section 1, question 4. under Item 3 has been left blank. Additionally, on page 5 of the Application, question 1 under Section 9 includes the date of the Board meeting, which such date is the anticipated date of Board approval. Finally, under Tab 17, Section 16 of the Application that includes the signature block for the Authorized School District Representative is incomplete. Depending on the Board’s determination at the meeting on Monday, March 16, these items will be completed and provided to you promptly thereafter, if so approved by the Board.

Mr. John Villarreal
Local Government Assistance and
Economic Development Division
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
March 13, 2015
Page 2

Pursuant to the March 3, 2015 correspondence, the information requested in Attachment A as set forth in such letter has been compiled and is being sent as a single submission to your office. Please let us know if you have any questions or need anything additional. Thank you.

Sincerely,


Ann Mewhinney

SAM/cdg
Enclosures

cc: ***Via Electronic Mail: keith.brown@bcblackcats.net***

Mr. Keith Brown
Superintendent
BAY CITY ISD
520 Seventh Street
Bay City, Texas 77414
(w/out Enclosures)

Via Electronic Mail: doug.gordon@oxea-chemicals.com

Mr. Douglas Gordon
In-House Counsel
OXEA CORPORATION
2001 FM 3057
Bay City, Texas 77414-2968
(w/out Enclosures)

Via CMRRR # 7196 9008 9111 1685 7283

Mr. Vince Maloney
Chief Appraiser
MATAGORDA COUNTY TAX APPRAISAL DISTRICT
2222 Avenue G
Bay City, Texas 77414
(w/Enclosures)



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

February 16, 2015

Date Application Received by District

Keith

Brown

First Name

Last Name

Superintendent

Title

Bay City Independent School District

School District Name

520 7th Street

Street Address

P.O. Box 2510

Mailing Address

Bay City

Texas

77414

City

State

ZIP

(979) 245-5766

(979) 241-6077

Phone Number

Fax Number

keith.brown@bcblackcats.net

Mobile Number (optional)

Email Address

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

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/
50-296-A • 02-14/11



Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Terrell

Palmer

First Name

Last Name

Senior Vice President

Title

FirstSouthwest

Firm Name

713-654-8622

713-654-8658

Phone Number

Fax Number

terrell.palmer@firstsw.com

Mobile Number (optional)

Email Address

4. On what date did the district determine this application complete?

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)

Wolfgang

Hackenberg

First Name

Last Name

VP/Treasurer

Oxea Corporation

Title

Organization

1505 West LBJ Freeway, Suite 400

Street Address

Mailing Address

Dallas

Texas

75234

City

State

ZIP

972 481 2710

972 481 2777

Phone Number

Fax Number

214 929 2519

wolfgang.hackenberg@oxea-chemicals.com

Mobile Number (optional)

Business Email Address

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

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Business Email Address

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

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Business Email Address _____

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? Oxea Corporation
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 13006113081
3. List the NAICS code 325100
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**)

Application for Appraised Value Limitation on Qualified Property

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:

<input type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input checked="" type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> 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.

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

- | | |
|---|---|
| 1. Application approval by school board | March 16, 2015 |
| 2. Beginning of qualifying time period | January 2016 |
| 3. First year of limitation | January 2018 |
| 4. Begin hiring new employees | Q3/2016 |
| 5. Commencement of commercial operations | Q1/2017 |
| 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)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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? | Q1/2017 |

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Matagorda County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Matagorda County 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: <u>Matagorda County, 0.320990, 100%</u>
<small>(Name, tax rate and percent of project)</small> | City: <u>Coastal Plains Groundwater District, 0.00476, 100%</u>
<small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Matagorda Co Hospit, 0.25600, 100%</u>
<small>(Name, tax rate and percent of project)</small> | Water District: <u>Drainage District #1, 0.086000, 100%</u>
<small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Port of Bay City, 0.036450, 100%</u>
<small>(Name, tax rate and percent of project)</small> | Other (describe): <u>Cons & Recl District, 0.005220, 100%</u>
<small>(Name, tax rate and percent of project)</small> |
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 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**);
 - 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
 - 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): \$ 50,000,000.00
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): \$ 29,000,000.00

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.

Application for Appraised Value Limitation on Qualified Property



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)? 164

2. What is the last complete calendar quarter before application review start date:
 First Quarter Second Quarter Third Quarter Fourth Quarter of 2014
(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)? 254

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? 19

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 989.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 858.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,149.71

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? 44,616.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 50,000.00

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**.

Application for Appraised Value Limitation on Qualified Property



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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
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 <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> 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 <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> 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* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

OXEA Bay City Expansion Projects Wave 2
General Equipment Lists by Project

Project	Equipment type	Quantity	New or Affixed to Existing Equipment	Estimated Investment by Process Area (in millions USD)		
	Recycle gas compressor	1	New Equipment			
	Heat Exchangers	18	New Equipment			
	Pumps	59	New Equipment			
	Reactors (OXO, and Hydrogenation)	3	New Equipment			
	Columns	3	New Equipment			
	Vessels / Pressure Vessels	33	New Equipment			
	Storage Tanks	2	New Equipment			
	Miscellaneous Items	26	New Equipment			
	Transformer	1	New Equipment			
	Subtotal for 'New Equipment'				\$ 86.00	
		Cooling Tower	1		Affixed to Existing Equipment	
Subtotal for 'Affixed to Existing Equipment'				\$ 4.00		
Total Propanol II project				\$ 90.00		
	Heat Exchangers					
	Pumps	7	New Equipment			
	Reactors	1	New Equipment			
	Columns	2	New Equipment			
	Vessels	2	New Equipment			
	Miscellaneous Items	13	New Equipment			
	Subtotal for 'New Equipment'				\$ 47.00	
		Heat Exchangers	2		Affixed to Existing Equipment	
		Pumps	2		Affixed to Existing Equipment	
		Columns	2		Affixed to Existing Equipment	
		Vessel	1		Affixed to Existing Equipment	
Subtotal for 'Affixed to Existing Equipment'				\$ 11.00		
Total POX 3rd Train project				\$ 58.00		
	Recycle gas compressor	2	New Equipment			
	Heat Exchangers	23	New Equipment			
	Pumps	69	New Equipment			
	Reactors (Aldol, and Hydrogenation)	3	New Equipment			
	Columns	7	New Equipment			
	Vessels / Pressure Vessels	8	New Equipment			
	Storage Tanks		New Equipment			
	Miscellaneous Items	4	New Equipment			
	Transformer	1	New Equipment			
	Subtotal for 'New Equipment'				\$ 83.00	
		Cooling Tower	1		Affixed to Existing Equipment	
	Tanks	2	Affixed to Existing Equipment			
Subtotal for 'Affixed to Existing Equipment'				\$ 7.00		
Total POX 3rd Train project				\$ 90.00		
all 3 projects	Subtotal for 'New Equipment'			\$ 216.00		
all 3 projects	Subtotal for 'Affixed to Existing Equipment'			\$ 22.00		
all 3 projects	Total all 3 projects			\$ 238.00		

Updated 3/9/2015 due to Affixed to Existing Equipment values.

Note: This document is Confidential and should not be shared.

Tab 4

Oxea is a global Chemical Manufacturing company, since December 2013 owned by the Oman Oil Company (OOC), which is owned by the State of Oman. Bay City is our main U.S. manufacturing location; we also operate a smaller manufacturing operation at Bishop, TX.

Oxea intends to build two new manufacturing units for n-Propanol and for 2-Ethylhexanol. Oxea has started pre-engineering work at Bay City to define a more detailed technical scope for the two units for both Bay City, TX and Duqm/Oman. *1)

The project includes both said units, plus would include for Bay City either the expansion of the own synthesis gas production unit by a third manufacturing train or additional syngas would be sourced from Air Liquide through a pipeline currently being constructed between Freeport and Bay City. Additionally the growth would require more space for plant management, engineering, and administration – the current building would be replaced with the investment into a new building for these functions.

Bay City currently operates one n-Propanol manufacturing unit and would add a second n-Propanol unit to serve the increasing world demand. This second new unit will create 15 direct manufacturing jobs, while maintaining all positions at the other unit. The second unit at Bay City would keep Bay City as the sole supplier of n-propanol within the global Oxea manufacturing network.

Presently, 2-Ethylhexanol is manufactured at our Oberhausen/Germany plant, and is not currently produced in Bay City. Construction of this unit will result in creation of four direct manufacturing jobs plus at least six indirect positions

The investment amounts (before pre-engineering) would be around \$90 million for each of the two process units, plus \$58 million for a syngas expansion (a 3rd such unit to produce our internal raw material 'synthesis gas'), and \$6-8 million for a new administration/technical building. The investment total would add to almost \$250 million.

*1). www.oxea-chemicals.com press release 3/21/2014, attached

Tab 5

It is the stated strategy of Oman Oil Company to leverage Oxea to "expand OOC's downstream portfolio by bringing world-class technology and knowhow to Oman through existing assets and new investments."*1).

This will include the construction of a fully integrated (back to local natural gas and oil) petrochemical manufacturing site at Duqm/Oman, which is the optimal manufacturing structure.

Oxea Corporation in the US attempts to attract the described projects in direct competition with the Duqm/Oman location and leverage the existing infrastructure, superb technological know-how and long manufacturing experience in Bay City.

The advantage of Duqm is the backward integration of the overall chemical manufacturing operation,

Both manufacturing locations, Bay City and Duqm have their unique advantages that would favor one or the other as the future location for these projects. The overall logistics are fairly comparable between both locations, as the units will serve worldwide markets.

The amount of property tax triggered by our proposed capital intensive investment into high technology chemical manufacturing assets in Bay City is not mirrored by other locations in the global competition of manufacturing locations, i.e. Duqm. The lack of this tax in Duqm/Oman is a significant benefit over Bay City/TX, which might well shift the investment decision away from Bay City.

Reg Section 8, #1: Oxea operates a chemical manufacturing plant in Bay City, the land is described in section 9.

Section 8, #3: Oxea operates a chemical manufacturing production at our plant in Bay City – the project presented here would mean a very significant addition to our Bay City manufacturing footprint.

Section 8, #6: please find attached: (a) letter from Denise M. Fortenberry, County Attorney Matagorda County re Chapter 312 Tax Abatement, and (b) letter from the Office of the Governor, Economic Development & Tourism re Enterprise Project Application approval

*1). www.oman-oil.com/News/2013/oxea.htm, attached

1700 Seventh Street, Rm. 305
Bay City, Texas 77414-5034



(979) 244-7645
Fax: (979) 244-7647
email: attorney@co.matagorda.tx.us

DENISE M. FORTENBERRY
County Attorney
Matagorda County, Texas

September 11, 2014

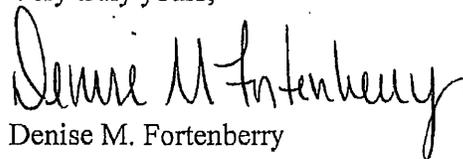
OXEA Bay City
Wolfgang Hackenberg
P.O. Box 1141
Bay City, Texas 77404-1141

Re: Chapter 312 Tax Abatement on Phase II Application.

Dear Mr. Hackenberg,

The Matagorda County Commissioner's Court has authorized me to offer your company a tax abatement on your Phase II Construction. This offer includes a 5 year tax abatement with the first and second year at 100% abatement, the third year at 75% abatement, the fourth year at 50% abatement and the fifth year at 25% abatement. Of course this would involve the project location at 2011 FM 3057 Bay City, Texas 77414 which was declared by Commissioner's Court as a reinvestment zone and be limited to the buildings, machinery and/or equipment added to the site for this expansion described in your Phase II Property Tax Abatement Application. Thank you for your attention to this matter.

Very truly yours,


Denise M. Fortenberry



OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

RICK PERRY
GOVERNOR

February 27, 2014

Nate McDonald
County Judge
Matagorda County
1700 Seventh Street, Room 301
Bay City, TX 77414

Wolfgang Hackenberg
VP - Treasurer
OXEA Corporation
1505 West LBJ Freeway, Ste 400
Dallas, TX 75234

SUBJECT: OXEA Corporation Enterprise Project Application

Dear Honorable Judge McDonald and Wolfgang Hackenberg:

We have reviewed and hereby approve a Texas enterprise project designation for the application submitted on behalf of OXEA Corporation (Project) by Matagorda County, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act) and the Enterprise Zone Program Rules (Rules) promulgated by the Economic Development and Tourism (EDT) division of the Governor's Office.

The Texas Enterprise Zone Program is allocated 105 enterprise project designations statewide during a state biennium. The Act and Rules for the program require that all applications received during a project round must be reviewed and competitively scored to ensure that they meet the goals and objectives of the program, which includes, but is not limited to, high impact projects or activities, targeted industry clusters and creation of primary jobs.

In conformance with the Act, EDT has hereby affirmatively determined that Project (a) complies with criteria set forth in the Act and Rules, and (b) is in furtherance of the public purposes of the Act. EDT hereby designates OXEA Corporation as a Single Enterprise Project. The designation is effective from 12/2/2013, until 12/2/2018 unless it is determined that the Project is no longer in compliance with requirements set forth in the Act and the Rules.



State sales and use taxes paid at the qualified business site, and new jobs created up to 90 business days prior to the designation date of 12/2/2013 are eligible for benefit. This allows the Project to gain benefit for activity from 7/19/2013 through 12/2/2018. In addition, the Project may submit the paperwork for benefits up to 18 months following the date the designation expires, no later than 6/1/2020 for activities that occurred during the designation period.

The qualified business site, 2001 FM 3057, is not located in an enterprise zone and 35 percent of the Project's new employees are required to be economically disadvantaged individuals or enterprise zone residents. The tax identification number under which this designation is approved is 300611308. The Project has committed that 35 percent of the Project's new employees will be economically disadvantaged individuals or enterprise zone residents. The maximum number of jobs to be included in any calculation for state sales and use tax refund for the enterprise project is stated under Jobs Allocated. The company has made the following commitments in its application for the enterprise project designation:

Capital Investment:	<u>\$156,974,000</u>
Jobs to be Created:	<u>0</u>
Jobs to be Retained:	<u>155</u>
Total Jobs:	<u>155</u>
Job Baseline:	<u>155</u>
Jobs Allocated for Project Designation:	<u>500</u>

The designation is made based upon the requirements of the Act and the Rules and is not to be construed as a pledge of the faith or credit of or by the State, EDT, the individual members or staff thereof, Texas Enterprise Zone Program or any other agency, instrumentality or political subdivision of the State.

Stated below is the enterprise project number assigned to this project designation. Use this number on all correspondence and documentation regarding your Project:

EP914-120213-MC

For information regarding applying for benefits (sales and use tax refund) under this program, contact the Texas Comptroller of Public Accounts (CPA). The CPA contact person is Mike Perez at (512) 463-4172. This Single Enterprise Project designation will be eligible to receive a refund of up to \$2,500 per qualified job.

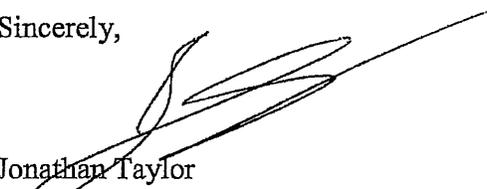
February 27, 2014
Honorable Judge McDonald and Wolfgang Hackenberg
Page 3

The amount of capital investment will determine the number of jobs for which benefit can be received. The Project will be assessed a refund for jobs created and/or retained for the category of capital investment expended to that date. Once additional capital investment is expended, the Project may be eligible for additional refunds, up to the maximum amount of \$1,250,000.

By statute, the nominating body shall monitor the qualified business to determine whether the Project has followed through on any commitments or goals made by it or on its behalf in the designation application. This evaluation may occur on the date on which a certificate of occupancy is issued or at the completion of the enterprise project designation period. The nominating body shall then submit a report of its findings to the bank and the comptroller.

If you have any questions during the course of the Project, please call Javier Gadney, Program Specialist, Texas Economic Development Bank, at (512) 936-0274 or by e-mail at javier.gadney@governor.state.tx.us.

Sincerely,



Jonathan Taylor
Executive Director

cc: Mike Perez, Emma Fuentes, and Ping Hu - Texas Comptroller of Public Accounts
Sharon Wellhouse- Ryan, LLC

Tab 7

The qualified investment includes these units:

1. n-Propanol manufacturing unit including tankage, investment \$86 million
2. 2-Ethylhexanol manufacturing unit including tankage, investment \$83 million
3. Synthesis gas supply (raw material for above 2 units):
 - a. Option A: build 3rd train to existing 2-train operation to increase capacity, investment \$47million

Revise 3/9/2015

Tab 10

Non-qualified property

The expansion will also require the replacement of the current administration and engineering building with a larger new building, total investment \$6-\$8 million USD.

The old building will be taken out of service.

The following are also non-qualified property due to this equipment being "Affixed to Existing Equipment", total investment \$22.0 million. (see also Tab 4 for elimination of equipment to this project).

Propanol II - \$ 4.0 million

 Cooling Tower

POX Third Train - \$ 11.0 million

 Heat Exchanger

 Pumps

 Columns

 Vessel

2 Ethylhexanol - \$ 7.0 million

 Cooling Tower

 Tanks

Tab 13

**Average Weekly Wages
in Matagorda County**

	Private Ownership	
	All Industries	Manufacturing
4Q_2013	\$ 952	\$ 779
1Q_2014	\$ 1,085	\$ 676
2Q_2014	\$ 981	\$ 856
3Q_2014	\$ 938	\$ 809
Total	\$ 3,956	\$ 3,120

Average	\$ 989.00	\$ 780.00
----------------	------------------	------------------

110%	858.00
-------------	---------------

**Average Weekly Wages
in Houston-Galveston Region**

Manufacturing		
Hourly	Annual	Weekly
\$ 26.13	\$ 54,350	\$ 1,045.19

110%	\$ 1,149.71
-------------	--------------------

Quarterly Employment and Wages (QCEW)

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 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2013	1st Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$1,063
2013	2nd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$863
2013	3rd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$820
2013	4th Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$952

Quarterly Employment and Wages (QCEW)

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 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2014	1st Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$676
2014	2nd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$856
2014	3rd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$809

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2013	1st Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$681
2013	2nd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$772
2013	3rd Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$750
2013	4th Qtr	Matagorda County	Private	31	2	31-33	Manufacturing	\$779

Quarterly Employment and Wages (QCEW)

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Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2014	1st Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$1,085
2014	2nd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$981
2014	3rd Qtr	Matagorda County	Private	00	0	10	Total, All Industries	\$938

**2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$23.73	\$49,363
<u>1. Panhandle Regional Planning Commission</u>	\$20.43	\$42,499
<u>2. South Plains Association of Governments</u>	\$16.53	\$34,380
<u>3. NORTEX Regional Planning Commission</u>	\$19.15	\$39,838
<u>4. North Central Texas Council of Governments</u>	\$25.00	\$51,997
<u>5. Ark-Tex Council of Governments</u>	\$17.45	\$36,298
<u>6. East Texas Council of Governments</u>	\$19.50	\$40,565
<u>7. West Central Texas Council of Governments</u>	\$18.64	\$38,779
<u>8. Rio Grande Council of Governments</u>	\$16.27	\$33,848
<u>9. Permian Basin Regional Planning Commission</u>	\$22.89	\$47,604
<u>10. Concho Valley Council of Governments</u>	\$17.20	\$35,777
<u>11. Heart of Texas Council of Governments</u>	\$19.44	\$40,444
<u>12. Capital Area Council of Governments</u>	\$27.31	\$56,805
<u>13. Brazos Valley Council of Governments</u>	\$17.20	\$35,770
<u>14. Deep East Texas Council of Governments</u>	\$16.48	\$34,287
<u>15. South East Texas Regional Planning Commission</u>	\$29.09	\$60,501
<u>16. Houston-Galveston Area Council</u>	\$26.13	\$54,350
<u>17. Golden Crescent Regional Planning Commission</u>	\$22.23	\$46,242
<u>18. Alamo Area Council of Governments</u>	\$18.91	\$39,329
<u>19. South Texas Development Council</u>	\$13.94	\$28,990
<u>20. Coastal Bend Council of Governments</u>	\$23.78	\$49,454
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.82	\$32,907
<u>22. Texoma Council of Governments</u>	\$20.93	\$43,529
<u>23. Central Texas Council of Governments</u>	\$17.33	\$36,042
<u>24. Middle Rio Grande Development Council</u>	\$19.07	\$39,666

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

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

Applicant Name: **OXEA CORPORATION** Form 50-296A
 ISD Name: **BAY CITY INDEPENDENT SCHOOL DISTRICT** Revised March 2015

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 new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	-	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2015	Not eligible to become Qualified Property		\$ -	\$ -	\$ -
Investment made after filing complete application with district, but before final board approval of application				\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 71,700,000	\$ 4,500,000	\$ 7,000,000	\$ -	\$ 83,200,000
Complete tax years of qualifying time period	QTP1	2016-2017	2016	\$ 133,700,000	\$ 6,100,000	\$ 22,000,000	\$ -	\$ 161,800,000
	QTP2	2017-2018	2017				\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 205,400,000	\$ 10,600,000	\$ 29,000,000	\$ -	\$ 245,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 216,000,000				

*** Project to be completed by 1Q 2017

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.

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

Column C: 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:
ISD Name:

OXEA CORPORATION
BAY CITY INDEPENDENT SCHOOL DISTRICT

Form 50-296A
Revised March 2015

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	Column B	Column C	Column D	Column E
				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 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)
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				\$ 205,400,000	\$ 10,600,000	\$ 29,000,000	\$ -	\$ 245,000,000
Value limitation period***	1	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
	3	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -
	4	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -
	5	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -
	6	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -
	7	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -
	8	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -
	9	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -
	10	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment made through limitation				\$ 205,400,000	\$ 10,600,000	\$ 29,000,000	\$ -	\$ 245,000,000
Continue to maintain viable presence	11	2028-2029	2028			\$ -		\$ -
	12	2029-2030	2029			\$ -		\$ -
	13	2030-2031	2030			\$ -		\$ -
	14	2031-2032	2031			\$ -		\$ -
	15	2032-2033	2032			\$ -		\$ -
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033			\$ -		\$ -
	17	2034-2035	2034			\$ -		\$ -
	18	2035-2036	2035			\$ -		\$ -
	19	2036-2037	2036			\$ -		\$ -
	20	2037-2038	2037			\$ -		\$ -
	21	2038-2039	2038			\$ -		\$ -
	22	2039-2040	2039			\$ -		\$ -
	23	2040-2041	2040			\$ -		\$ -
	24	2041-2042	2041			\$ -		\$ -
	25	2042-2043	2042			\$ -		\$ -

* 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 in

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:

OXEA CORPORATION

Form 50-296A

ISD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised March 20

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) 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
<i>Each year prior to start of Value Limitation Period Insert as many rows as necessary</i>	0	2015-2016	2015	\$ 1,050,470	\$ -	\$ -	\$ -	\$ 1,050,470	\$ 1,050,470
	0	2016-2017	2016	\$ 1,050,470	\$ 2,250,000	\$ 35,850,000	\$ -	\$ 39,150,470	\$ 39,150,470
	0	2017-2018	2017	\$ 1,050,470	\$ 5,300,000	\$ 102,700,000	\$ (3,750,000)	\$ 105,300,470	\$ 105,300,470
Value Limitation Period	1	2018-2019	2018	\$ 1,050,470	\$ 10,335,000	\$ 200,265,000	\$ (7,500,000)	\$ 204,150,470	\$ 30,000,000
	2	2019-2020	2019	\$ 1,050,470	\$ 10,076,625	\$ 195,258,375	\$ (14,625,000)	\$ 191,760,470	\$ 30,000,000
	3	2020-2021	2020	\$ 1,050,470	\$ 9,824,709	\$ 190,376,916	\$ (14,259,375)	\$ 186,992,720	\$ 30,000,000
	4	2021-2022	2021	\$ 1,050,470	\$ 9,579,092	\$ 185,617,493	\$ (13,902,891)	\$ 182,344,164	\$ 30,000,000
	5	2022-2023	2022	\$ 1,050,470	\$ 9,339,614	\$ 180,977,055	\$ (13,555,318)	\$ 177,811,821	\$ 30,000,000
	6	2023-2024	2023	\$ 1,050,470	\$ 9,106,124	\$ 176,452,629	\$ (13,216,435)	\$ 173,392,788	\$ 30,000,000
	7	2024-2025	2024	\$ 1,050,470	\$ 8,878,471	\$ 172,041,313	\$ (12,886,025)	\$ 169,084,230	\$ 30,000,000
	8	2025-2026	2025	\$ 1,050,470	\$ 8,656,509	\$ 167,740,280	\$ (12,563,874)	\$ 164,883,386	\$ 30,000,000
	9	2026-2027	2026	\$ 1,050,470	\$ 8,440,096	\$ 163,546,773	\$ (12,249,777)	\$ 160,787,563	\$ 30,000,000
	10	2027-2028	2027	\$ 1,050,470	\$ 8,229,094	\$ 159,458,104	\$ (11,943,533)	\$ 156,794,135	\$ 30,000,000
Continue to maintain viable presence	11	2028-2029	2028	\$ 1,050,470	\$ 8,023,367	\$ 155,471,652	\$ (11,644,944)	\$ 152,900,544	\$ 152,900,544
	12	2029-2030	2029	\$ 1,050,470	\$ 7,822,782	\$ 151,584,860	\$ (11,353,821)	\$ 149,104,292	\$ 149,104,292
	13	2030-2031	2030	\$ 1,050,470	\$ 7,627,213	\$ 147,795,239	\$ (11,069,975)	\$ 145,402,946	\$ 145,402,946
	14	2031-2032	2031	\$ 1,050,470	\$ 7,436,533	\$ 144,100,358	\$ (10,793,226)	\$ 141,794,135	\$ 141,794,135
	15	2032-2033	2032	\$ 1,050,470	\$ 7,250,619	\$ 140,497,849	\$ (10,523,395)	\$ 138,275,543	\$ 138,275,543
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033	\$ 1,050,470	\$ 7,069,354	\$ 136,985,403	\$ (10,260,310)	\$ 134,844,916	\$ 134,844,916
	17	2034-2035	2034	\$ 1,050,470	\$ 6,892,620	\$ 133,560,768	\$ (10,003,803)	\$ 131,500,055	\$ 131,500,055
	18	2035-2036	2035	\$ 1,050,470	\$ 6,720,304	\$ 130,221,748	\$ (9,753,707)	\$ 128,238,815	\$ 128,238,815
	19	2036-2037	2036	\$ 1,050,470	\$ 6,552,297	\$ 126,966,205	\$ (9,509,865)	\$ 125,059,107	\$ 125,059,107
	20	2037-2038	2037	\$ 1,050,470	\$ 6,388,489	\$ 123,792,050	\$ (9,272,118)	\$ 121,958,891	\$ 121,958,891
	21	2038-2039	2038	\$ 1,050,470	\$ 6,228,777	\$ 120,697,248	\$ (9,040,315)	\$ 118,936,180	\$ 118,936,180
	22	2039-2040	2039	\$ 1,050,470	\$ 6,073,058	\$ 117,679,817	\$ (8,814,307)	\$ 115,989,037	\$ 115,989,037
	23	2040-2041	2040	\$ 1,050,470	\$ 5,921,231	\$ 114,737,822	\$ (8,593,950)	\$ 113,115,573	\$ 113,115,573
	24	2041-2042	2041	\$ 1,050,470	\$ 5,773,201	\$ 111,869,376	\$ (8,379,101)	\$ 110,313,946	\$ 110,313,946
25	2042-2043	2042	\$ 1,050,470	\$ 5,628,871	\$ 109,072,642	\$ (8,169,623)	\$ 107,582,359	\$ 107,582,359	

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:

OXEA CORPORATION

Form 50-296A

SD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised Mar 2015

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				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
	-2	2015-2016	2015	330,000 man-hours	\$25/hr	0	8	\$ 50,000
	-1	2016-2017	2016	660,000 man-hours	\$25/hr	0	19	\$ 50,000
<i>Each year prior to start of Value Limitation Period</i>	0	2017-2018	2017		\$ -	0	19	\$ 50,000
Value Limitation Period The qualifying time period could overlap the value limitation period.	1	2018-2019	2018		\$ -	0	19	\$ 50,000
	2	2019-2020	2019		\$ -	0	19	\$ 50,000
	3	2019-2020	2019		\$ -	0	19	\$ 50,000
	4	2020-2021	2020		\$ -	0	19	\$ 50,000
	5	2021-2022	2021		\$ -	0	19	\$ 50,000
	6	2022-2023	2022		\$ -	0	19	\$ 50,000
	7	2023-2024	2023		\$ -	0	19	\$ 50,000
	8	2024-2025	2024		\$ -	0	19	\$ 50,000
	9	2025-2026	2025		\$ -	0	19	\$ 50,000
	10	2026-2027	2026		\$ -	0	19	\$ 50,000
Years Following Value Limitation Period	11 through 25	2027-2028	2027		\$ -	0	19	\$ 50,000

*** Project to be completed by 1Q 2017

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:

OXEA CORPORATION

Form 50-296A

ISD Name:

BAY CITY INDEPENDENT SCHOOL DISTRICT

Revised March 2015

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: Matagorda	2015	3 YEARS	\$ 365,012.86	50% - ALL YEARS	\$ 333,909.86
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions	Port of Bay City, Conservation & Reclamation District, Coastal Plains Groundwater District, Drainage District #1, Matagorda County Hospital District	Yearly	Yearly	\$ 811,090.58	Varies Yearly	\$ 728,512.17
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:						
Other:						
Other:						
Other:						
TOTAL				\$ 1,176,103		\$ 1,062,422

Additional information on incentives for this project:

312 AGREEMENT WILL RESULT IN ESTIMATED TOTAL REDUCTION OF TAXES PAYABLE TO THE LOCAL JURISDICTIONS OF \$97,283 OVER 3 YEARS WITH \$1,044,324 OF ESTIMATED TAXES OVER 3 YEARS IF THE PROJECT WERE NOT ABATED.

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 ▶

Print Name (Authorized School District Representative)

Title

sign here ▶

Signature (Authorized School District Representative)

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 ▶

Wolfgang Hackenberg

VP/Treasurer

Print Name (Authorized Company Representative (Applicant))

Title

sign here ▶

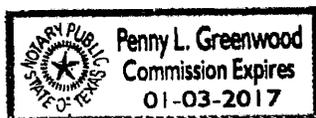
W. Hackenberg

Signature (Authorized Company Representative (Applicant))

31 11 2015

Date

GIVEN under my hand and seal of office this, the



(Notary Seal)

11 day of March 2015
Penny L. Greenwood
Notary Public in and for the State of Texas

My Commission expires: 1/3/17

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.

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 → KEITH A. BROWN Title Superintendent X

sign here → [Signature] Date 3-16-15 X

Print Name (Authorized School District Representative)
Signature (Authorized School District Representative)

2. Authorized Company Representative (Applicant) Signature and Notarization

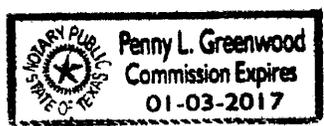
I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best 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 → Wolfgang Hackenberg Title VP/Treasurer

sign here → [Signature] Date 3/11/2015

Print Name (Authorized Company Representative (Applicant))
Signature (Authorized Company Representative (Applicant))



(Notary Seal)

GIVEN under my hand and seal of office this, the

11 day of March, 2015

[Signature]
Notary Public in and for the State of Texas

My Commission expires: 1/3/17

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.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between BAY CITY INDEPENDENT SCHOOL
DISTRICT and OXEA CORPORATION

ATTACHMENT B

Texas Comptroller's Certification Letter and
Economic Impact Evaluation Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

June 8, 2015

Keith Brown
Superintendent
Bay City Independent School District
P.O. Box 2510
Bay City, Texas 77414

Dear Superintendent Brown:

On March 17, 2015, the Comptroller issued written notice that Oxea Corp. (the applicant) submitted a completed application (Application #1028) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on August 25, 2014, to the Bay City Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1028.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of Mar. 17, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Korry Castillo, Director, Data Analysis & Transparency Division, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of Oxea Corp. (the project) applying to Bay City Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Oxea Corp.

Applicant	Oxea Corp.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Bay City ISD
2013-14 Enrollment in School District	3,735
County	Matagorda
Proposed Total Investment in District	\$245,000,000
Proposed Qualified Investment	\$216,000,000
Limitation Amount	\$30,000,000
Number of new qualifying jobs committed to by applicant	19
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$962
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$858
Minimum annual wage committed to by applicant for qualified jobs	\$50,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$12,894,737
Estimated M&O levy without any limit (15 years)	\$25,418,523
Estimated M&O levy with Limitation (15 years)	\$8,576,139
Estimated gross M&O tax benefit (15 years)	\$16,842,384

Table 2 is the estimated statewide economic impact of Oxea Corp. (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	159	202	361	\$8,268,000	\$13,732,000	\$22,000,000
2016	336	473	809	\$17,434,000	\$36,566,000	\$54,000,000
2017	19	114	133	\$950,000	\$13,050,000	\$14,000,000
2018	19	92	111	\$950,000	\$11,050,000	\$12,000,000
2019	19	71	90	\$950,000	\$10,050,000	\$11,000,000
2020	19	53	72	\$950,000	\$8,050,000	\$9,000,000
2021	19	49	68	\$950,000	\$8,050,000	\$9,000,000
2022	19	45	64	\$950,000	\$8,050,000	\$9,000,000
2023	19	47	66	\$950,000	\$8,050,000	\$9,000,000
2024	19	53	72	\$950,000	\$8,050,000	\$9,000,000
2025	19	49	68	\$950,000	\$8,050,000	\$9,000,000
2026	19	51	70	\$950,000	\$8,050,000	\$9,000,000
2027	19	59	78	\$950,000	\$9,050,000	\$10,000,000
2028	19	63	82	\$950,000	\$10,050,000	\$11,000,000
2029	19	65	84	\$950,000	\$11,050,000	\$12,000,000
2030	19	65	84	\$950,000	\$11,050,000	\$12,000,000

Source: CPA, REMI, Oxea Corp.

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Bay City ISD I&S Tax Levy	Bay City ISD M&O Tax Levy	Bay City ISD M&O and I&S Tax Levies	Matagorda County Tax Levy	Port of Bay City Tax Levy	Matagorda Co Hospital District Tax Levy	Coastal Plains Groundwater District Tax Levy	Matagorda Drainage District #1 Tax Levy	Matagorda County Conservation and Reclamation District Tax Levy	Estimated Total Property Taxes
2015	\$1,050,470	\$1,050,470	0.19334	\$2,031	\$12,052	\$14,083	\$4,355	\$180	\$2,689	\$30	\$903	\$33	\$22,315
2016	\$39,150,470	\$39,150,470	0.19334	\$75,694	\$449,173	\$524,867	\$162,298	\$6,718	\$100,223	\$1,864	\$13,669	\$2,044	\$831,685
2017	\$103,300,470	\$103,300,470	0.19334	\$203,388	\$1,208,112	\$1,411,700	\$436,523	\$18,070	\$269,569	\$5,012	\$39,538	\$5,497	\$2,236,929
2018	\$204,150,470	\$204,150,470	0.19334	\$394,705	\$2,342,218	\$2,736,923	\$846,306	\$35,032	\$522,625	\$9,718	\$175,569	\$10,637	\$4,336,830
2019	\$191,760,470	\$191,760,470	0.19334	\$370,750	\$2,200,068	\$2,570,818	\$794,943	\$32,996	\$490,907	\$9,128	\$164,914	\$10,010	\$4,073,625
2020	\$186,992,720	\$186,992,720	0.19334	\$361,532	\$2,145,267	\$2,506,899	\$775,178	\$32,088	\$478,701	\$8,901	\$160,814	\$9,761	\$3,972,342
2021	\$182,344,164	\$182,344,164	0.19334	\$352,344	\$2,092,035	\$2,444,579	\$755,908	\$31,290	\$466,801	\$8,680	\$156,816	\$9,518	\$3,875,332
2022	\$177,811,821	\$177,811,821	0.19334	\$343,781	\$2,040,035	\$2,383,816	\$737,119	\$30,513	\$455,198	\$8,464	\$152,918	\$9,282	\$3,777,310
2023	\$173,392,788	\$173,392,788	0.19334	\$335,238	\$1,989,335	\$2,324,573	\$718,800	\$29,754	\$443,886	\$8,253	\$149,118	\$9,051	\$3,683,435
2024	\$169,084,230	\$169,084,230	0.19334	\$326,907	\$1,939,903	\$2,266,811	\$700,939	\$29,015	\$432,856	\$8,048	\$145,412	\$8,826	\$3,591,907
2025	\$164,883,386	\$164,883,386	0.19334	\$318,786	\$1,891,707	\$2,210,493	\$683,524	\$28,294	\$422,101	\$7,848	\$141,800	\$8,607	\$3,502,667
2026	\$160,787,563	\$160,787,563	0.19334	\$310,867	\$1,844,716	\$2,155,582	\$666,545	\$27,591	\$411,616	\$7,653	\$138,277	\$8,393	\$3,418,638
2027	\$156,794,133	\$156,794,133	0.19334	\$303,146	\$1,798,899	\$2,102,045	\$649,990	\$26,906	\$401,393	\$7,463	\$134,843	\$8,185	\$3,330,825
2028	\$152,900,344	\$152,900,344	0.19334	\$295,618	\$1,754,228	\$2,049,846	\$633,849	\$26,238	\$391,425	\$7,278	\$131,494	\$7,981	\$3,248,112
2029	\$149,104,292	\$149,104,292	0.19334	\$288,278	\$1,710,674	\$1,998,932	\$618,112	\$25,586	\$381,707	\$7,097	\$128,230	\$7,783	\$3,167,467
2030	\$145,402,946	\$145,402,946	0.19334	\$281,122	\$1,668,208	\$1,949,330	\$602,768	\$24,951	\$372,232	\$6,921	\$125,047	\$7,590	\$3,088,838
Total	\$31,851,316	\$31,851,316		\$9,787,156	\$9,787,156	\$19,574,312	\$6,043,932	\$112,379	\$2,030,383	\$123,240	\$123,240	\$123,240	\$50,153,539

Source: CPA, Oxea Corp.

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Matagorda County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought														
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Bay City ISD I&S Tax Levy	Bay City ISD M&O Tax Levy	Bay City ISD M&O and I&S Tax Levies	Matagorda County Tax Levy	Port of Bay City Tax Levy	Matagorda Co Hospital District Tax Levy	Coastal Plains Groundwater District Tax Levy	Matagorda Drainage District #1 Tax Levy	Matagorda County Conservation and Reclamation District Tax Levy	Estimated Total Property Taxes	
2015	\$1,050,470	\$1,050,470	0.1933	\$2,031	\$12,052	\$14,083	\$2,177	\$180	\$2,689	\$50	\$903	\$55	\$20,138	
2016	\$39,150,470	\$39,150,470		\$75,694	\$449,173	\$524,867	\$81,149	\$6,718	\$100,225	\$1,864	\$33,669	\$2,044	\$750,536	
2017	\$105,300,470	\$105,300,470		\$203,388	\$1,208,112	\$1,411,700	\$218,262	\$18,070	\$269,569	\$5,012	\$90,558	\$5,497	\$2,018,668	
2018	\$204,150,470	\$30,000,000		\$394,705	\$344,190	\$738,895	\$846,306	\$35,032	\$522,625	\$9,718	\$175,560	\$10,637	\$2,338,801	
2019	\$191,760,470	\$30,000,000		\$370,750	\$344,190	\$714,940	\$794,943	\$32,906	\$490,907	\$9,128	\$164,014	\$10,010	\$2,217,747	
2020	\$186,992,720	\$30,000,000		\$361,332	\$344,190	\$705,722	\$775,178	\$32,088	\$478,701	\$8,901	\$160,814	\$9,761	\$2,171,163	
2021	\$182,344,164	\$30,000,000		\$332,544	\$344,190	\$696,734	\$755,908	\$31,290	\$466,801	\$8,680	\$156,816	\$9,518	\$2,125,747	
2022	\$177,811,821	\$30,000,000		\$343,781	\$344,190	\$687,971	\$737,119	\$30,513	\$455,198	\$8,464	\$152,918	\$9,282	\$2,081,465	
2023	\$173,392,788	\$30,000,000		\$335,238	\$344,190	\$679,428	\$718,800	\$29,754	\$443,886	\$8,233	\$149,118	\$9,051	\$2,038,290	
2024	\$169,084,230	\$30,000,000		\$326,907	\$344,190	\$671,097	\$700,939	\$29,015	\$432,856	\$8,018	\$145,412	\$8,826	\$1,996,194	
2025	\$164,883,386	\$30,000,000		\$318,786	\$344,190	\$662,976	\$683,524	\$28,294	\$422,101	\$7,848	\$141,800	\$8,607	\$1,955,150	
2026	\$160,787,563	\$30,000,000		\$310,867	\$344,190	\$655,057	\$666,545	\$27,591	\$411,616	\$7,633	\$138,277	\$8,393	\$1,915,133	
2027	\$156,794,135	\$30,000,000		\$303,146	\$344,190	\$647,336	\$649,990	\$26,906	\$401,393	\$7,463	\$134,843	\$8,185	\$1,876,116	
2028	\$152,900,544	\$132,900,544		\$295,618	\$1,754,228	\$2,049,846	\$633,849	\$26,238	\$391,425	\$7,278	\$131,494	\$7,981	\$3,248,112	
2029	\$149,104,292	\$149,104,292		\$288,278	\$1,710,674	\$1,998,952	\$618,112	\$25,586	\$381,707	\$7,097	\$128,230	\$7,783	\$3,167,467	
2030	\$145,402,946	\$145,402,946		\$281,122	\$1,668,208	\$1,949,330	\$602,768	\$24,951	\$372,232	\$6,921	\$125,047	\$7,590	\$3,088,838	
						Total	\$14,800,931	\$8,882,800	\$405,132	\$6,043,932	\$112,379	\$1,030,383	\$123,240	\$33,009,567
						DHT	\$16,841,384	\$904,356	\$0	\$0	\$0	\$0	\$0	\$17,143,973

Source: CPA, Oxea Corp.

¹Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that Oxea Corp. (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2014	\$12,052	\$12,052	\$0	\$0
	2015	\$449,185	\$461,237	\$0	\$0
	2016	\$1,208,144	\$1,669,381	\$0	\$0
Limitation Period (10 Years)	2017	\$344,199	\$2,013,580	\$1,998,081	\$1,998,081
	2018	\$344,199	\$2,357,779	\$1,855,926	\$3,854,007
	2019	\$344,199	\$2,701,978	\$1,801,225	\$5,655,232
	2020	\$344,199	\$3,046,177	\$1,747,890	\$7,403,122
	2021	\$344,199	\$3,390,376	\$1,695,889	\$9,099,011
	2022	\$344,199	\$3,734,575	\$1,645,188	\$10,744,200
	2023	\$344,199	\$4,078,774	\$1,595,755	\$12,339,955
	2024	\$344,199	\$4,422,973	\$1,547,558	\$13,887,512
	2025	\$344,199	\$4,767,172	\$1,500,565	\$15,388,077
	2026	\$344,199	\$5,111,371	\$1,454,747	\$16,842,824
Maintain Viable Presence (5 Years)	2027	\$1,754,274	\$6,865,645	\$0	\$16,842,824
	2028	\$1,710,718	\$8,576,363	\$0	\$16,842,824
	2029	\$1,668,252	\$10,244,615	\$0	\$16,842,824
	2030	\$1,626,847	\$11,871,462	\$0	\$16,842,824
	2031	\$1,586,477	\$13,457,938	\$0	\$16,842,824
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$1,547,116	\$15,005,055	\$0	\$16,842,824
	2033	\$1,508,740	\$16,513,794	\$0	\$16,842,824
	2034	\$1,471,322	\$17,985,117	\$0	\$16,842,824
	2035	\$1,434,841	\$19,419,957	\$0	\$16,842,824
	2036	\$1,399,271	\$20,819,228	\$0	\$16,842,824
	2037	\$1,364,590	\$22,183,819	\$0	\$16,842,824
	2038	\$1,330,777	\$23,514,596	\$0	\$16,842,824
	2039	\$1,297,809	\$24,812,405	\$0	\$16,842,824
	2040	\$1,265,665	\$26,078,070	\$0	\$16,842,824
	2041	\$1,234,325	\$27,312,394	\$0	\$16,842,824

\$27,312,394

is greater than

\$16,842,824

Analysis Summary	
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Oxea Corp.

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **determines** that the limitation on appraised value is a determining factor in the Oxea Corp.’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the Comptroller notes the following:

- According to a media report dated November 5, 2012, Oxea Corp. was in the final stages of completing a feasibility study of plant expansion projects for the Bay City facility.
- Per a media reports dated April 4, 2014, the applicant began basic engineering for two additional production units at the Bay City plant. It also states that, “Key elements of the basic engineering work will also be utilized for the construction of Oxea’s future Asian Oxo chemicals platform in Duqm, Oman.”
- Another media report states that, “Once on line, our customers of 2-EH in the Americas will be able to benefit from our enhanced delivery capability for this important chemical.”
- Per another media report, a company executive states, “This expansion takes advantage of the US shale gas economics, and it enables us to meet the needs of our regional customer portfolio and help them grow in their business.”
- The applicant states that, “Oxea Corporation in the US attempts to attract the described projects in direct competition with the Duqm/Oman location and leverage the existing infrastructure, superb technological know-how and long manufacturing experience in Bay City.”
- The applicant also states that the property tax for the capital intensive investment in Bay City is not present in other locations, i.e. Duqm. It also states, “The lack of this tax in Duqm/Oman is a significant benefit over Bay City/TX, which might well shift the investment decision away from Bay City.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**



Application for Appraised Value Limitation on Qualified Property

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:

<input type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (complete Section 13)
<input checked="" type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<input type="checkbox"/> 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.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**

Tab 5

It is the stated strategy of Oman Oil Company to leverage Oxea to "expand OOC's downstream portfolio by bringing world-class technology and knowhow to Oman through existing assets and new investments."*1).

This will include the construction of a fully integrated (back to local natural gas and oil) petrochemical manufacturing site at Duqm/Oman, which is the optimal manufacturing structure.

Oxea Corporation in the US attempts to attract the described projects in direct competition with the Duqm/Oman location and leverage the existing infrastructure, superb technological know-how and long manufacturing experience in Bay City.

The advantage of Duqm is the backward integration of the overall chemical manufacturing operation,

Both manufacturing locations, Bay City and Duqm have their unique advantages that would favor one or the other as the future location for these projects. The overall logistics are fairly comparable between both locations, as the units will serve worldwide markets ..

The amount of property tax triggered by our proposed capital intensive investment into high technology chemical manufacturing assets in Bay City is not mirrored by other locations in the global competition of manufacturing locations, i.e, Duqm. The lack of this tax in Duqm/Oman is a significant benefit over Bay City/TX, which might well shift the investment decision away from Bay City.

Reg Section 8, #1: Oxea operates a chemical manufacturing plant in Bay City, the land is described in section 9.

Section 8, #3: Oxea operates a chemical manufacturing production at our plant in Bay City- the project presented here would mean a very significant addition to our Bay City manufacturing footprint.

Section 8, #6: please find attached: (a) letter from Denise M. Fortenberry, County Attorney Matagorda County re Chapter 312 Tax Abatement, and (b) letter from the Office of the Governor, Economic Development & Tourism re Enterprise Project Application approval

1700 Seventh Street, Rm. 305
Bay City, Texas 77414-5034

(979) 244-7645
Fax: (979) 244-7647
email: attorney@co.matagorda.tx.us

DENISE M. FORTENBERRY
County Attorney
Matagorda County, Texas

September II, 2014

OXEA Bay City
Wolfgang Hackenberg
P.O. Box 1141
Bay City, Texas 77404-1141

Re: Chapter 312 Tax Abatement on Phase II Application.

Dear Mr. Hackenberg,

The Matagorda County Commissioner's Court has authorized me to offer your company a tax abatement on your Phase II Construction. This offer includes a 5 year tax abatement with the first and second year at 100% abatement, the third year at 75% abatement, the fourth year at 50% abatement and the fifth year at 25% abatement. Of course this would involve the project location at 2011 FM 3057 Bay City, Texas 77414 which was declared by Commissioner's Court as a reinvestment zone and be limited to the buildings, machinery and/or equipment added to the site for this expansion described in your Phase II Property Tax Abatement Application. Thank you for your attention to this matter.

OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

RICK PERRY
GOVERNOR

February 27, 2014

Nate McDonald
County Judge
Matagorda County
1700 Seventh Street, Room 301
Bay City, TX 77414

Wolfgang Hackenberg
VP - Treasurer
OXEA Corporation
1505 West LBJ Freeway, Ste 400
Dallas, TX 75234

SUBJECT: OXEA Corporation Enterprise Project Application

Dear Honorable Judge McDonald and Wolfgang Hackenberg:

We have reviewed and hereby approve a Texas enterprise project designation for the application submitted on behalf of OXEA Corporation (Project) by Matagorda County, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act) and the Enterprise Zone Program Rules (Rules) promulgated by the Economic Development and Tourism (EDT) division of the Governor's Office.

The Texas Enterprise Zone Program is allocated 105 enterprise project designations statewide during a state biennium. The Act and Rules for the program require that all applications received during a project round must be reviewed and competitively scored to ensure that they meet the goals and objectives of the program, which includes, but is not limited to, high impact projects or activities, targeted industry clusters and creation of primary jobs.

In conformance with the Act, EDT has hereby affirmatively determined that Project (a) complies with criteria set forth in the Act and Rules, and (b) is in furtherance of the public purposes of the Act. EDT hereby designates OXEA Corporation as a Single Enterprise Project. The designation is effective from 12/2/2013, until 12/2/2018 unless it is determined that the Project is no longer in compliance with requirements set forth in the Act and the Rules.

State sales and use taxes paid at the qualified business site, and new jobs created up to 90 business days prior to the designation date of 12/2/2013 are eligible for benefit. This allows the Project to gain benefit for activity from 7/19/2013 through 12/12/2018. In addition, the Project may submit the paperwork for benefits up to 18 months following the date the designation expires, no later than 6/11/2020 for activities that occurred during the designation period.

The qualified business site, 2001 FM 3057, is not located in an enterprise zone and 35 percent of the Project's new employees are required to be economically disadvantaged individuals or enterprise zone residents. The tax identification number under which this designation is approved is 300611308. The Project has committed that 35 percent of the Project's new employees will be economically disadvantaged individuals or enterprise zone residents. The maximum number of jobs to be included in any calculation for state sales and use tax refund for the enterprise project is stated under Jobs Allocated. The company has made the following commitments in its application for the enterprise project designation:

Capital Investment:	\$156,974,000
Jobs to be Created:	0
Jobs to be Retained:	155
Total Jobs:	155
Job Baseline:	155

Jobs Allocated for Project Designation:

The designation is made based upon the requirements of the Act and the Rules and is not to be construed as a pledge of the faith or credit of or by the State, EDT, the individual members or staff thereof, Texas Enterprise Zone Program or any other agency, instrumentality or political subdivision of the State.

Stated below is the enterprise project number assigned to this project designation. Use this number on all correspondence and documentation regarding your Project:

EP914-120213-MC

For information regarding applying for benefits (sales and use tax refund) under this program, contact the Texas Comptroller of Public Accounts (CPA). The CPA contact person is Mike Perez at (512) 463-4172. This Single Enterprise Project designation will be eligible to receive a refund of up to \$2,500 per qualified job.

February 27, 2014

Honorable Judge McDonald and Wolfgang Hackenberg

Page 3

The amount of capital investment ^{Will} determine the number of jobs for which benefit can be received. The Project will be assessed a refund for jobs created and/or retained for the category of capital investment expended to that date. Once additional capital investment is expended, the Project may be eligible for additional refunds, up to the maximum amount of \$1,250,000.

By statute, the nominating body shall monitor the qualified business to determine whether the Project has followed through on any commitments or goals made by it or on its behalf in the designation application. This evaluation may occur on the date on which a certificate of occupancy is issued or at the completion of the enterprise project designation period. The nominating body shall then submit a report of its findings to the bank and the comptroller.

If you have any questions during the course of the Project, please call Javier Gadney, Program Specialist, Texas Economic Development Bank, at (512) 936-0274 or by e-mail at javier.gadney@governor.state.tx.us.

Sincerely,

cc: Mike Perez, Emma Fuentes, and Ping Hu - Texas Comptroller of Public Accounts
Sharon Wellhouse-Ryan, LLC

Supporting Information

**Additional information
provided by the Applicant or
located by the Comptroller**

New facilities for 2-EH and Propanol: Oxea starts basic engineering at Bay City, Texas

March 21, 2014 10:00 AM Eastern Daylight Time

DALLAS--(BUSINESS WIRE)--In a move to better serve its customers in North and Latin America, the global chemical company Oxea has started basic engineering for a 2-Ethylhexanol (2-EH) and a Propanol unit at its world-scale production plant at Bay City, Texas. Both units are scheduled to come on stream in late 2016. Key elements of the basic engineering work will also be utilized for the construction of Oxea's future Asian Oxo chemicals platform in Duqm, Oman.

2-EH is used in the production of acrylates, nitrates, acids and plasticizers, and serves, among others, as a solvent in the paint and coatings industries. Propanol is used to manufacture products such as cosmetics and pharmaceuticals, printing inks, coatings and adhesives.

"We also continue to invest in Propanol to support our customers' growth"

The new units will further add to Oxea's most recent capacity expansion of the Bay City plant, which will increase current output of Butanol and Propanol by 25%. This additional volume is planned to come on line in the second half of 2014.

"Oxea is a leading merchant supplier of Oxo products such as alcohols, aldehydes, and acids. We continue to significantly invest into our production platforms to support the growth of our customers and meet the rising demands of the markets. Once on line, our customers of 2-EH in the Americas will be able to benefit from our enhanced delivery capability for this important chemical," said Miguel Mantas, Member of Oxea's Executive Board and responsible for Marketing and Sales. "We also continue to invest in Propanol to support our customers' growth," he added.

"The new facilities for 2-EH and Propanol in North America not only support our strategy of growing the business and enhancing the efficiency of our operations. It also emphasizes our confidence in the competitiveness of the US petrochemical industry and reinforces our commitment to the North and Latin American markets," commented Dr. Martina Flöel, spokesperson for the Oxea Executive Board, who is also responsible for Production and Technology.

About Oxea

Oxea is a global manufacturer of oxo intermediates and oxo derivatives, such as alcohols, polyols, carboxylic acids, specialty esters, and amines. These products are used for the production of high-quality coatings, lubricants, cosmetics and pharmaceutical products, flavorings and fragrances, printing inks and plastics. In 2012, Oxea generated revenue of

about EUR 1.5 billion with its over 1,400 employees worldwide. Oxea is owned by Oman Oil Company S.A.O.C.

For more information about Oxea, visit www.oxea-chemicals.com

About Oman Oil Company

Oman Oil Company S.A.O.C (OOC) is a commercial company wholly owned by the Government established in 1996 to pursue investment opportunities in the wider energy sector both inside and outside Oman. The Company plays an important role in the Sultanate's efforts to diversify the economy and to promote domestic and foreign investments as well as fostering and building human capital.

Contacts

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Fax +49 (0) 208-693-3101

birgit.reichel@oxea-chemicals.com

www.oxea-chemicals.com

Company Information

OXEA

market not identified:N/A

- **Headquarters:** Oberhausen, Germany, NRW
- **Website:** www.oxea-chemicals.com
- **CEO:** Dr. Martina Flöel, Cornelius Robertson
- **Employees:** 1350
- **Organization:** PRI
- **Revenues:** EUR 1.2 billion (2008)

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May 13, 2015

Oxea launches high purity n-Pelargonic Acid HP to alleviate impact from tight C8/C10 fatty acid market

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Oxea Lifts Force Majeure on Trimethylolpropane and Potassium Formate

May 06, 2015

Oman Oil and Oxea Cooperate with German University of Technology

May 05, 2015

Oxea Expands Carboxylic Acid Offerings to Support Global Animal Feed Market Growth

Oxea commences basic engineering for 2-EH and Propanol units in Texas

24 March 2014



Oxo intermediates manufacturer Oxea has commenced basic engineering for a 2-Ethylhexanol (2-EH) unit and a Propanol unit to be built at its production plant in Bay City, Texas, US.

The two new units are expected to be operational in late 2016.

Oxea executive board member and marketing and sales representative Miguel Mantas said: "Oxea is a leading merchant supplier of Oxo products such as alcohols, aldehydes and acids.

"We continue to significantly invest in our production platforms to support the growth of our customers and meet the rising demands of the markets."

Oxea plans to use the key elements of the basic engineering work for the construction of its future Asian Oxo chemicals platform in Duqm, Oman.

The latest development follows the Bay City plant's recent expansion to increase the output of Butanol and Propanol by 25%.

The company is planning to bring the additional volume of 25% online in the second half of 2014.

2-EH is used to produce acrylates, nitrates, acids and plasticisers, and serves as a solvent in the paint and coatings industries, while Propanol is used to manufacture products such as cosmetics and pharmaceuticals, printing inks, coatings and adhesives.

Oxea executive board spokesperson Martina Flöel said: "The new facilities for 2-EH and Propanol in North America not only support our strategy of growing the business and enhancing the efficiency of our operations.

"It also emphasises our confidence in the competitiveness of the US petrochemical industry and reinforces our commitment to the North and Latin American markets."

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Oxea conducts feasibility study for further plant expansion projects in Bay City, Texas

November 05, 2012 07:00 AM Eastern Standard Time

OBERHAUSEN, Germany--(BUSINESS WIRE)--Following the very successful capacity increase of its syngas production facility in Bay City, Texas, USA, the chemical company Oxea is in the last stages of completion of a feasibility study of additional downstream plant expansion projects. The project is examining various scenarios to boost the plant's capacities, as well as the further optimization of Oxea's product portfolio at the site. The study is scheduled to be completed during the fourth quarter 2012. Oxea's Bay City plant is a large world-scale facility for oxo chemicals such as oxo-alcohols, carboxylic acids and acetate esters.

"There is a continuously growing demand for oxo chemicals from an increasing number of industries. Oxea's oxo-alcohols and carboxylic acids, for example, are building blocks for among others phthalate free plasticizers or energy-efficient lubricants for the manufacturing of environment-friendly cooling systems, and are therefore in high demand," said Miguel Mantas, Executive Board member for Marketing and Sales.

"Thanks to our advanced technology and know-how, Oxea's highly skilled cross-functional teams are well suited to identify and evaluate potential expansion projects. We have proven many times that we can implement such challenges quickly and cost-effectively," added Dr. Martina Flöel, spokesperson for Oxea's Executive Board and, among others, responsible for Global Operations.

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Oxea is a global manufacturer of oxo intermediates and oxo derivatives, such as alcohols, polyols, carboxylic acids, specialty esters, and amines. These products are used for the production of high-quality coatings, lubricants, cosmetics and pharmaceutical products, flavourings and fragrances, printing inks and plastics. In 2011, Oxea generated revenue of about EUR 1.5 billion with its 1,365 employees in Europe, the Americas and Asia. For more information, visit www.oxea-chemicals.com.

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Oxea to Build 2-EH & Propanol Production Plant in Bay City, Texas

Published April 3, 2015

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adhesives.

The new units will further add to Oxea's most recent capacity expansion of the Bay City plant, which will increase current output of Butanol and Propanol by 25%. This additional volume is planned to come on line in the second half of 2014.

"Oxea is a leading merchant supplier of Oxo products such as alcohols, aldehydes, and acids. We continue to significantly invest into our production platforms to support the growth of our customers and meet the rising demands of the markets. Once on line, our customers of 2-EH in the Americas will be able to benefit from our enhanced delivery capability for this important chemical," said Miguel Mantas, Member of Oxea's Executive Board and responsible for Marketing and Sales. "We also continue to invest in Propanol to support our customers' growth," he added.

"The new facilities for 2-EH and Propanol in North America not only support our strategy of growing the business and enhancing the efficiency of our operations. It also emphasizes our confidence in the competitiveness of the US petrochemical industry and reinforces our commitment to the North and Latin American markets," commented Dr. Martina Föbel, spokesperson for the Oxea Executive Board, who is also responsible for Production and Technology.

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Oxea Works on New Facilities for 2-EH and Propanol in Texas

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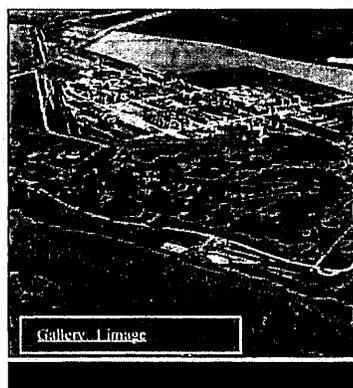
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Oxea Works on New Facilities for 2-EH and Propanol in Texas

To better serve its customers in North and Latin America, the global chemical company Oxea has started basic engineering for a 2-Ethylhexanol (2-EH) and a Propanol unit at its world-scale production plant at Bay City, Texas. (Picture: Oxea)

The new 2-EH and a Propanol units are scheduled to come on stream in late 2016. Key elements of the basic engineering work will also be utilized for the construction of Oxea's future Asian Oxo chemicals platform

in Duqm, Oman, speakers explained. 2-EH is used in the production of acrylates, nitrates, acids and plasticizers, and serves, among others, as a solvent in the paint and coatings industries. Propanol is used to manufacture products such as cosmetics and pharmaceuticals, printing inks, coatings and adhesives.

New Facilities for 2-EH and Propanol:

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"The new facilities for 2-EH and Propanol in North America not only support our strategy of growing the business and enhancing the efficiency of our operations. It also emphasizes our confidence in the competitiveness of the US petrochemical industry and reinforces our commitment to the North and Latin American markets," commented Dr. Martina Flögel, spokesperson for the Oxea Executive Board, who is also responsible for Production and Technology.

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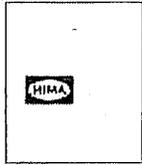
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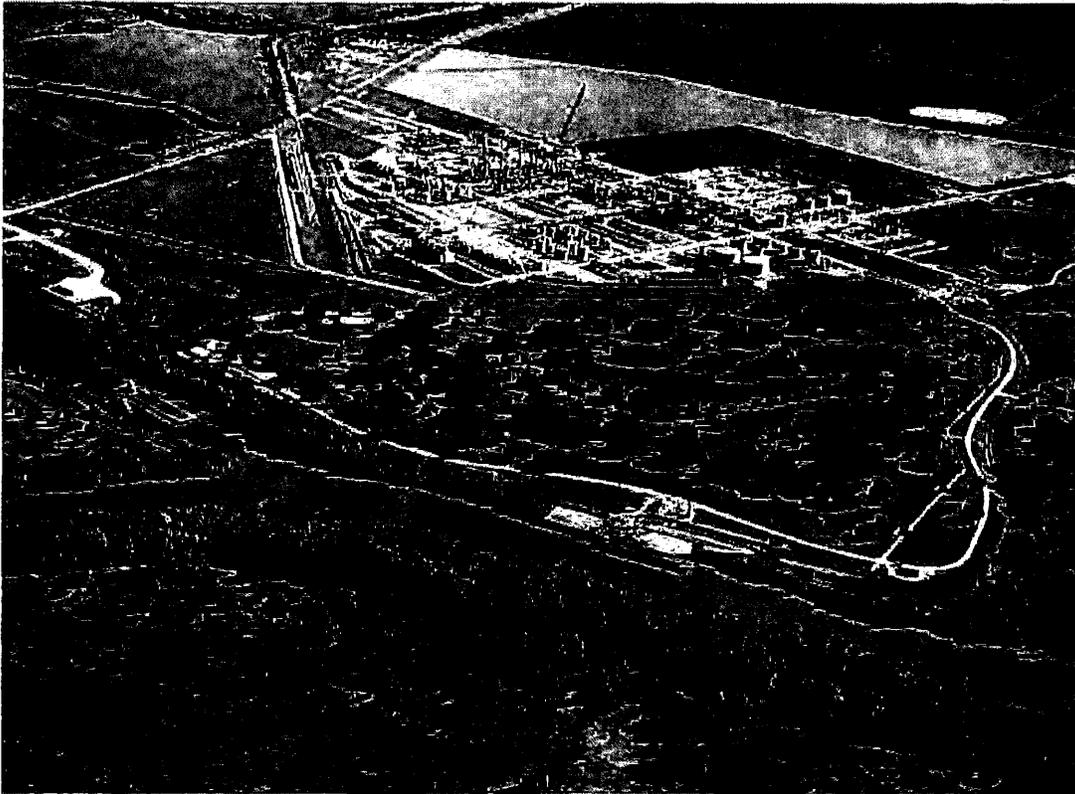


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Oxea's new Texas facilities for 2-EH and Propanol

• 9th April, 2014 •



In a move to better serve its customers in North and Latin America, the global chemical company Oxea has started basic engineering for a 2-Ethylhexanol (2-EH) and a Propanol unit at its world-scale production plant at Bay City, Texas. Both units are scheduled to come on stream in late 2016. Key elements of the basic engineering work will also be utilized for the construction of Oxea's future Asian Oxo chemicals platform in Duqm, Oman.

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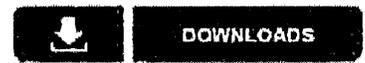
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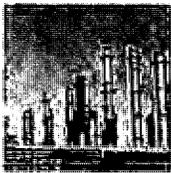
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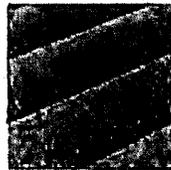
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ATTACHMENT C

Bay City Independent School District's Financial Impact Analysis

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED OXEA
CORPORATION PROJECT IN THE BAY CITY INDEPENDENT
SCHOOL DISTRICT
(PROJECT # 1028)**

PREPARED BY



**UPDATED
OCTOBER 16, 2015**

Executive Summary

OXEA Corporation (Company) has requested that the Bay City Independent School District (BCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BCISD on March 16, 2015 the Company plans to invest \$204.2 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The OXEA project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, BCISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in 2018-19 and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in May. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to BCISD	\$2,257,375
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$14,578,161

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate

is received, the district has until the 150th day from the receipt of the Completeness Letter or until December 31st, whichever is earlier, to adopt an agreement.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and Walsh Anderson will ensure the best interests of BCISD are secured. After the Comptroller's certificate is received, Walsh Anderson will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. In some instances, the school board may also be required to adopt a job waiver or create a reinvestment zone during this meeting. Prior to this meeting, Walsh Anderson will provide the district with the necessary agenda language and any additional action items.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction.

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—\$1.00 per \$100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools](#). For the 2015-16 school year it is estimated that 227 school districts will receive ASATR hold-harmless funding (\$290 million in state funding). ASATR funding is expected to be eliminated by the 2017-18 school year under current law.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. This is because the general school

finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

School districts that receive ASATR funding may not require as large of a company revenue-loss payment as those districts that are considered to be on “formula”. **As ASATR is reduced, more districts will be considered on “formula” and the revenue losses may be greater than anticipated in the initial revenue-loss estimates.**

BCISD does not receive ASATR funding under current law. In most instances smaller revenue losses would be anticipated in years 2-10 of the limitation when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district’s finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue-protection language in the agreement. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. Student enrollment counts are held constant at 3,467 students in average daily attendance (ADA) in analyzing the effects of the project on the finances of BCISD. The District’s local tax base reached \$1.15 billion for the 2014 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.1473 is used throughout this analysis.

BCISD has estimated 2014-15 state property wealth per weighted ADA or WADA of approximately \$220,367. As a result, BCISD is not considered a Chapter 41 or recapture district under the school finance system. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Recent legislative changes are incorporated into these estimates. The basic allotment was raised from \$5,040 to \$5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 and \$77.53, respectively, for the 2015-16 and 2016-17 school years.

While the mandated school district homestead exemption will be increased from \$15,000 to \$25,000—assuming voter approval of a constitutional amendment election scheduled in November—no data are currently available on the tax base reductions associated with this change. Given that the models below focus exclusively on the OXEA Corporation project values, however, the anticipated homestead exemption change is not expected to have an impact on this analysis.

The M&O tax rate for 2014 is maintained at \$1.1473 per \$100. Although the impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes could result in a lower M&O tax rate that analysis is beyond the scope of this revenue report.

Table 1 – Base District Information with OXEA Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2015-16	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,154,321,311	\$1,154,321,311	\$1,110,429,884	\$1,110,429,884	\$229,491	\$229,491
QTP1	2016-17	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,192,421,311	\$1,192,421,311	\$1,111,480,354	\$1,111,480,354	\$229,708	\$229,708
QTP2	2017-18	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,258,571,311	\$1,258,571,311	\$1,149,580,354	\$1,149,580,354	\$237,582	\$237,582
VL1	2018-19	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,357,421,311	\$1,183,270,841	\$1,215,730,354	\$1,215,730,354	\$251,253	\$251,253
VL2	2019-20	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,345,031,311	\$1,183,270,841	\$1,314,580,354	\$1,140,429,884	\$271,682	\$235,691
VL3	2020-21	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,340,263,561	\$1,183,270,841	\$1,302,190,354	\$1,140,429,884	\$269,122	\$235,691
VL4	2021-22	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,335,615,005	\$1,183,270,841	\$1,297,422,604	\$1,140,429,884	\$268,136	\$235,691
VL5	2022-23	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,331,082,662	\$1,183,270,841	\$1,292,774,048	\$1,140,429,884	\$267,176	\$235,691
VL6	2023-24	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,326,663,629	\$1,183,270,841	\$1,288,241,705	\$1,140,429,884	\$266,239	\$235,691
VL7	2024-25	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,322,355,071	\$1,183,270,841	\$1,283,822,672	\$1,140,429,884	\$265,326	\$235,691
VL8	2025-26	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,318,154,227	\$1,183,270,841	\$1,279,514,114	\$1,140,429,884	\$264,435	\$235,691
VL9	2026-27	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,313,355,071	\$1,183,270,841	\$1,275,313,270	\$1,140,429,884	\$263,567	\$235,691
VL10	2027-28	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,310,171,385	\$1,183,270,841	\$1,270,514,114	\$1,140,429,884	\$262,575	\$235,691
VP1	2028-29	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,306,171,385	\$1,306,171,385	\$1,267,330,428	\$1,140,429,884	\$261,917	\$235,691
VP2	2029-30	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,302,375,133	\$1,302,375,133	\$1,263,330,428	\$1,263,330,428	\$261,091	\$261,091
VP3	2030-31	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,298,673,787	\$1,298,673,787	\$1,259,534,176	\$1,259,534,176	\$260,306	\$260,306
VP4	2031-32	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,295,064,976	\$1,295,064,976	\$1,255,832,830	\$1,255,832,830	\$259,541	\$259,541
VP5	2032-33	3,466.81	4,838.67	\$1.1473	\$0.1933	\$1,291,546,384	\$1,291,546,384	\$1,252,224,019	\$1,252,224,019	\$258,795	\$258,795

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the OXEA project on BCISD

School finance models were prepared for BCISD under these assumptions through the 2032-33 school year. Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue Model” by adding the total value of the project to the model, but without assuming that a value limitation is approved. This is detailed in Table 2.

Additionally, a separate model is established to make a calculation of the “Value Limitation Revenue Model” by adding the project’s limited value of \$30 million to the model. These results are shown in Table 3.

Table 2-- “Baseline Revenue Model”--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$11,628,851	\$15,222,001	\$0	\$0	\$1,712,930	\$1,957,851	\$0	\$108,334	\$30,629,966
QTP1	2016-17	\$12,002,231	\$15,211,496	\$0	\$0	\$1,767,929	\$2,120,387	\$0	\$108,334	\$31,210,376
QTP2	2017-18	\$12,650,501	\$14,830,496	\$0	\$0	\$1,863,419	\$2,098,126	\$0	\$108,334	\$31,550,875
VL1	2018-19	\$13,654,061	\$14,168,996	\$0	\$0	\$2,011,244	\$2,032,671	\$0	\$108,334	\$31,975,305
VL2	2019-20	\$13,530,161	\$13,180,496	\$0	\$0	\$1,992,993	\$1,713,969	\$0	\$108,334	\$30,525,952
VL3	2020-21	\$13,482,484	\$13,304,396	\$0	\$0	\$1,985,970	\$1,741,332	\$0	\$108,334	\$30,622,515
VL4	2021-22	\$13,435,998	\$13,352,074	\$0	\$0	\$1,979,123	\$1,748,603	\$0	\$108,334	\$30,624,131
VL5	2022-23	\$13,390,675	\$13,398,560	\$0	\$0	\$1,972,446	\$1,755,691	\$0	\$108,334	\$30,625,705
VL6	2023-24	\$13,346,484	\$13,443,883	\$0	\$0	\$1,965,937	\$1,765,066	\$0	\$108,334	\$30,629,703
VL7	2024-25	\$13,303,399	\$13,488,073	\$0	\$0	\$1,959,591	\$1,772,071	\$0	\$108,334	\$30,631,467
VL8	2025-26	\$13,261,390	\$13,531,159	\$0	\$0	\$1,953,402	\$1,778,651	\$0	\$108,334	\$30,632,935
VL9	2026-27	\$13,213,399	\$13,573,167	\$0	\$0	\$1,946,334	\$1,785,065	\$0	\$108,334	\$30,626,298
VL10	2027-28	\$13,181,562	\$13,621,159	\$0	\$0	\$1,941,644	\$1,792,669	\$0	\$108,334	\$30,645,367
VP1	2028-29	\$13,116,982	\$13,652,996	\$0	\$0	\$1,932,132	\$1,794,493	\$0	\$108,334	\$30,604,936
VP2	2029-30	\$13,079,779	\$13,692,996	\$0	\$0	\$1,926,652	\$1,800,593	\$0	\$108,334	\$30,608,353
VP3	2030-31	\$13,043,505	\$13,730,958	\$0	\$0	\$1,921,308	\$1,806,382	\$0	\$108,334	\$30,610,486
VP4	2031-32	\$13,008,139	\$13,767,972	\$0	\$0	\$1,916,099	\$1,812,027	\$0	\$108,334	\$30,612,570
VP5	2032-33	\$12,973,657	\$13,804,060	\$0	\$0	\$1,911,019	\$1,820,029	\$0	\$108,334	\$30,617,098

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 3-- “Value Limitation Revenue Model”--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$11,628,851	\$15,222,001	\$0	\$0	\$1,712,930	\$1,957,851	\$0	\$108,334	\$30,629,966
QTP1	2016-17	\$12,002,231	\$15,211,496	\$0	\$0	\$1,767,929	\$2,120,387	\$0	\$108,334	\$31,210,376
QTP2	2017-18	\$12,650,501	\$14,830,496	\$0	\$0	\$1,863,419	\$2,098,126	\$0	\$108,334	\$31,550,875
VL1	2018-19	\$11,912,557	\$14,168,996	\$0	\$0	\$1,754,719	\$1,773,325	\$0	\$108,334	\$29,717,930
VL2	2019-20	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL3	2020-21	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL4	2021-22	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL5	2022-23	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL6	2023-24	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL7	2024-25	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL8	2025-26	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL9	2026-27	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VL10	2027-28	\$11,912,557	\$14,922,001	\$0	\$0	\$1,754,719	\$2,006,926	\$0	\$108,334	\$30,704,536
VP1	2028-29	\$13,116,982	\$14,922,001	\$0	\$0	\$1,932,132	\$2,208,726	\$0	\$108,334	\$32,288,174
VP2	2029-30	\$13,079,779	\$13,692,996	\$0	\$0	\$1,926,652	\$1,800,593	\$0	\$108,334	\$30,608,353
VP3	2030-31	\$13,043,505	\$13,730,958	\$0	\$0	\$1,921,308	\$1,806,382	\$0	\$108,334	\$30,610,486
VP4	2031-32	\$13,008,139	\$13,767,972	\$0	\$0	\$1,916,099	\$1,812,027	\$0	\$108,334	\$30,612,570
VP5	2032-33	\$12,973,657	\$13,804,060	\$0	\$0	\$1,911,019	\$1,820,029	\$0	\$108,334	\$30,617,098

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$2,257,375 over the course of the Agreement. Nearly all of the reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
QTP0	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2017-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2018-19	-\$1,741,504	\$0	\$0	\$0	-\$256,525	-\$259,346	\$0	\$0	-\$2,257,375
VL2	2019-20	-\$1,617,604	\$1,741,505	\$0	\$0	-\$238,274	\$292,957	\$0	\$0	\$178,584
VL3	2020-21	-\$1,569,927	\$1,617,605	\$0	\$0	-\$231,251	\$265,594	\$0	\$0	\$82,021
VL4	2021-22	-\$1,523,441	\$1,569,927	\$0	\$0	-\$224,404	\$258,323	\$0	\$0	\$80,405
VL5	2022-23	-\$1,478,118	\$1,523,441	\$0	\$0	-\$217,727	\$251,235	\$0	\$0	\$78,831
VL6	2023-24	-\$1,433,927	\$1,478,118	\$0	\$0	-\$211,218	\$241,860	\$0	\$0	\$74,833
VL7	2024-25	-\$1,390,842	\$1,433,928	\$0	\$0	-\$204,872	\$234,855	\$0	\$0	\$73,069
VL8	2025-26	-\$1,348,833	\$1,390,842	\$0	\$0	-\$198,683	\$228,275	\$0	\$0	\$71,601
VL9	2026-27	-\$1,300,842	\$1,348,834	\$0	\$0	-\$191,615	\$221,861	\$0	\$0	\$78,238
VL10	2027-28	-\$1,269,005	\$1,300,842	\$0	\$0	-\$186,925	\$214,257	\$0	\$0	\$59,169
VP1	2028-29	\$0	\$1,269,005	\$0	\$0	\$0	\$414,233	\$0	\$0	\$1,683,238
VP2	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$1.1473 M&O tax rate is assumed in 2014-15 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$16.8 million over the life of the agreement. The BCISD revenue losses are expected to total approximately \$2,257,375 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total \$14,578,161 million. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial limitation year under these estimates, there would still be a substantial tax benefit to the Company under the value limitation agreement for the remaining years that the limitation is in effect.

Table 5 - Estimated Financial Impact of the OXEA Corporation Project Property Value Limitation Request Submitted to BCISD at \$1.1473 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2015-16	\$1,050,470	\$1,050,470	\$0	\$1.147	\$12,052	\$12,052	\$0	\$0	\$0
QTP1	2016-17	\$39,150,470	\$39,150,470	\$0	\$1.147	\$449,173	\$449,173	\$0	\$0	\$0
QTP2	2017-18	\$105,300,470	\$105,300,470	\$0	\$1.147	\$1,208,112	\$1,208,112	\$0	\$0	\$0
VL1	2018-19	\$204,150,470	\$30,000,000	\$174,150,470	\$1.147	\$2,342,218	\$344,190	\$1,998,028	-\$1,998,028	\$0
VL2	2019-20	\$191,760,470	\$30,000,000	\$161,760,470	\$1.147	\$2,200,068	\$344,190	\$1,855,878	-\$259,347	\$1,596,531
VL3	2020-21	\$186,992,720	\$30,000,000	\$156,992,720	\$1.147	\$2,145,367	\$344,190	\$1,801,177	\$0	\$1,801,177
VL4	2021-22	\$182,344,164	\$30,000,000	\$152,344,164	\$1.147	\$2,092,035	\$344,190	\$1,747,845	\$0	\$1,747,845
VL5	2022-23	\$177,811,821	\$30,000,000	\$147,811,821	\$1.147	\$2,040,035	\$344,190	\$1,695,845	\$0	\$1,695,845
VL6	2023-24	\$173,392,788	\$30,000,000	\$143,392,788	\$1.147	\$1,989,335	\$344,190	\$1,645,145	\$0	\$1,645,145
VL7	2024-25	\$169,084,230	\$30,000,000	\$139,084,230	\$1.147	\$1,939,903	\$344,190	\$1,595,713	\$0	\$1,595,713
VL8	2025-26	\$164,883,386	\$30,000,000	\$134,883,386	\$1.147	\$1,891,707	\$344,190	\$1,547,517	\$0	\$1,547,517
VL9	2026-27	\$160,084,230	\$30,000,000	\$130,084,230	\$1.147	\$1,836,646	\$344,190	\$1,492,456	\$0	\$1,492,456
VL10	2027-28	\$156,900,544	\$30,000,000	\$126,900,544	\$1.147	\$1,800,120	\$344,190	\$1,455,930	\$0	\$1,455,930
VP1	2028-29	\$152,900,544	\$152,900,544	\$0	\$1.147	\$1,754,228	\$1,754,228	\$0	\$0	\$0
VP2	2029-30	\$149,104,292	\$149,104,292	\$0	\$1.147	\$1,710,674	\$1,710,674	\$0	\$0	\$0
VP3	2030-31	\$145,402,946	\$145,402,946	\$0	\$1.147	\$1,668,208	\$1,668,208	\$0	\$0	\$0
VP4	2031-32	\$141,794,135	\$141,794,135	\$0	\$1.147	\$1,626,804	\$1,626,804	\$0	\$0	\$0
VP5	2032-33	\$138,275,543	\$138,275,543	\$0	\$1.147	\$1,586,435	\$1,586,435	\$0	\$0	\$0
								\$16,835,536	-\$2,257,375	\$14,578,161

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with BCISD currently levying a \$0.1933 I&S rate. The value of the OXEA project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District’s projected wealth per ADA to \$331,596 in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the OXEA project to the local I&S tax roll.

The project is not expected to affect BCISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.



**Estimated Financial Impact of the OXEA Corp. Chapter 313 Property Value Limitation
Request Submitted to Bay City**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits	School District Tax Benefit \$100 per ADA	Company Tax Benefit
QTP0	2015-16	\$1,050,470	\$1,050,470	\$0	\$1.147	\$12,052	\$12,052	\$0	\$0	\$0	\$344,130	-\$344,130
QTP1	2016-17	\$39,150,470	\$39,150,470	\$0	\$1.147	\$449,173	\$449,173	\$0	\$0	\$0	\$344,130	-\$344,130
QTP2	2017-18	\$105,300,470	\$105,300,470	\$0	\$1.147	\$1,208,112	\$1,208,112	\$0	\$0	\$0	\$344,130	-\$344,130
VL1	2018-19	\$204,150,470	\$30,000,000	\$174,150,470	\$1.147	\$2,342,218	\$344,190	\$1,998,028	-\$1,998,028	\$0	\$344,130	-\$344,130
VL2	2019-20	\$191,760,470	\$30,000,000	\$161,760,470	\$1.147	\$2,200,068	\$344,190	\$1,855,878	-\$259,347	\$1,596,531	\$344,130	\$1,252,401
VL3	2020-21	\$186,992,720	\$30,000,000	\$156,992,720	\$1.147	\$2,145,367	\$344,190	\$1,801,177	\$0	\$1,801,177	\$344,130	\$1,457,047
VL4	2021-22	\$182,344,164	\$30,000,000	\$152,344,164	\$1.147	\$2,092,035	\$344,190	\$1,747,845	\$0	\$1,747,845	\$344,130	\$1,403,715
VL5	2022-23	\$177,811,821	\$30,000,000	\$147,811,821	\$1.147	\$2,040,035	\$344,190	\$1,695,845	\$0	\$1,695,845	\$344,130	\$1,351,715
VL6	2023-24	\$173,392,788	\$30,000,000	\$143,392,788	\$1.147	\$1,989,335	\$344,190	\$1,645,145	\$0	\$1,645,145	\$344,130	\$1,301,015
VL7	2024-25	\$169,084,230	\$30,000,000	\$139,084,230	\$1.147	\$1,939,903	\$344,190	\$1,595,713	\$0	\$1,595,713	\$344,130	\$1,251,583
VL8	2025-26	\$164,883,386	\$30,000,000	\$134,883,386	\$1.147	\$1,891,707	\$344,190	\$1,547,517	\$0	\$1,547,517	\$344,130	\$1,203,387
VL9	2026-27	\$160,084,230	\$30,000,000	\$130,084,230	\$1.147	\$1,836,646	\$344,190	\$1,492,456	\$0	\$1,492,456	\$344,130	\$1,148,326
VL10	2027-28	\$156,900,544	\$30,000,000	\$126,900,544	\$1.147	\$1,800,120	\$344,190	\$1,455,930	\$0	\$1,455,930	\$344,130	\$1,111,800
VP1	2028-29	\$152,900,544	\$152,900,544	\$0	\$1.147	\$1,754,228	\$1,754,228	\$0	\$0	\$0	\$344,130	-\$344,130
VP2	2029-30	\$149,104,292	\$149,104,292	\$0	\$1.147	\$1,710,674	\$1,710,674	\$0	\$0	\$0	\$344,130	-\$344,130
VP3	2030-31	\$145,402,946	\$145,402,946	\$0	\$1.147	\$1,668,208	\$1,668,208	\$0	\$0	\$0	\$344,130	-\$344,130
VP4	2031-32	\$141,794,135	\$141,794,135	\$0	\$1.147	\$1,626,804	\$1,626,804	\$0	\$0	\$0	\$0	\$0
VP5	2032-33	\$138,275,543	\$138,275,543	\$0	\$1.147	\$1,586,435	\$1,586,435	\$0	\$0	\$0	\$0	\$0
						\$30,293,122	\$13,457,587	\$16,835,536	-\$2,257,375	\$14,578,161	\$5,506,080	\$9,072,081

QT= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between BAY CITY INDEPENDENT SCHOOL
DISTRICT and OXEA CORPORATION

ATTACHMENT D

Texas Economic Development Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE
AND OPERATIONS TAXES**

by and between

BAY CITY INDEPENDENT SCHOOL DISTRICT

and

OXEA CORPORATION

(Texas Taxpayer ID # 13006113081)

Dated

October 19, 2015

*Texas Economic Development Act Agreement
Comptroller Form 50-286 (January 2014)
as amended by the Parties hereto*

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS

§
§
§

COUNTY OF MATAGORDA

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **BAY CITY INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as “District,” a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **OXEA CORPORATION**, Texas Taxpayer Identification Number 13006113081 hereinafter referred to as “Applicant.” Applicant and District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on August 25, 2014, the Superintendent of Schools of the Bay City Independent School District, acting as agent of the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025(a-1) of the TEXAS TAX CODE;

WHEREAS, the District and Texas Comptroller’s Office have determined that the application is complete and March 17, 2015 is the Application Review Start Date as that terms is defined by 34 TEX. ADMIN. CODE 9.1051;

WHEREAS, pursuant to 34 TEX. ADMIN. CODE §9.1054, the Application was delivered for review to the Matagorda County Appraisal District established in Matagorda County, Texas (the “Matagorda County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on June 8, 2015, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.026 of the TEXAS TAX CODE;

WHEREAS, on October 19, 2015, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on October 19, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of this Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas;

WHEREAS, on September 22, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and

WHEREAS, on October 19, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEX. ADMIN. CODE §9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEX. ADMIN. CODE §9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Section 10.2.

“Applicable School Finance Law” means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

“Applicant” means OXEA CORPORATION, Texas Taxpayer # Number 13006113081, the company listed in the Preamble of this Agreement and that listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include Applicant’s assigns and successors-in-interest as approved according to Section 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter C, of the Texas Tax Code) filed with District by Applicant on August 25, 2014. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of District and as further identified in Section 2.3.B. of this Agreement.

“Application Review Start Date” means the later date of either the date on which District issues its written notice that Applicant has submitted a completed application or the date on which Comptroller issues its written notice that Applicant has submitted a completed application and as further identified in Section 2.3.A. of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

“Appraisal District” means the Matagorda County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Bay City Independent School District.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of Comptroller set forth in Chapter 34 Texas Administrative Code, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Matagorda County, Texas.

“District” or “School District” means the Bay City Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E. of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform the other in writing with proof of receipt within three business days of the existence of such force majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 1** which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the development, construction and operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the retention

during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

"M&O Amount" shall have the meaning assigned to such term in Section 4.2 of this Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the project which is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

"Qualified Investment" has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller's Rules, as these provisions existed on the Application Review Start Date.

"Non-Qualifying Jobs" means the number of New Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of the Application is approved by District,

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C. of this Agreement.

“Revenue Protection Amount” means the amount calculated pursuant to Section 4.2 of this Agreement.

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, and any school district written finding or report filed with the comptroller as required under this subchapter.

“Supplemental Payment” has the meaning as set forth in Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Applicant’s Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D. of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (i.e., the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the TEXAS TAX CODE, which are set forth at 19 TEX. ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by District as its written agreement with Applicant pursuant to the provisions and authority granted to District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution of and subsequent performance of the terms and obligations by Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of Applicant's Qualified Property listed and assessed by the County Appraiser for District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is March 17, 2015, which will be used to determine the eligibility of Applicant's Qualified Property and the applicable wage standard.

B. The Application Approval Date for this Agreement is 2015 (date of public hearing).

C. The Qualifying Time Period for this Agreement:

1. Starts on October 19, 2015, and
2. Ends on December 31, 2017.

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2018.
2. Ends on December 31, 2027.

E. The Final Termination Date for this Agreement is December 31, 2032.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection 2.3.B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection 2.3.E., unless extended by the express terms of this Agreement.

Section 2.4 TAX LIMITATION. So long as Applicant makes the Qualified Investment as required by Section 2.5 below, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. the Market Value of the Applicant's Qualified Property; or

B. \$30,000,000.00.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Section 313.052 of the TEXAS TAX

CODE.

Section 2.5 QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, Applicant shall:

- A. have completed Qualified Investment in the amount of \$30,000,000.00 by the end of the Qualifying Time Period;
- B. have created 19 Qualifying Jobs as specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in Matagorda County for all non-qualifying jobs created by the Applicant.

Section 2.6 TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. Provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. Provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. Provide such Supplemental Payments as more fully specified in Article VI; and
- D. Create and Maintain Viable Presence on and/or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described on **EXHIBIT 2** which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions

of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement,.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. Applicant's Qualified Property described above in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as manufacturing establishment primarily engaged in activities described in sectors 31-33 of the 2007 North American Industry Classification System.

ARTICLE IV PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, the Parties' entering into this Agreement,. Such compensation shall be independent of, and in addition to, all such other payments as set forth in Article V and Article VI. **SUBJECT ONLY TO THE LIMITATIONS CONTAINED IN THIS AGREEMENT (INCLUDING SECTION 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO THE DISTRICT AS A RESULT OF APPLICANT'S LOCATION OF APPLICANT'S QUALIFIED INVESTMENT AND APPLICANT'S QUALIFIED PROPERTY IN THE DISTRICT AND THE PARTIES' ENTERING INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY THE DISTRICT AND BE PAID BY THE APPLICANT TO THE DISTRICT IN ADDITION TO ANY AND ALL PAYMENTS DUE UNDER ARTICLE V AND ARTICLE VI.**

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Sections 7.1 and 7.2, the amount to be paid by Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during term of this Agreement, the "M&O Amount" shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property been subject to the ad valorem maintenance & operations tax actually levied for the applicable year.

ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

B. In making the calculations required by this Section 4.2 of this Agreement:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or Applicant's Qualified Investment will be presumed to be one hundred percent (100%).

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.

iv. All calculations made under this Section 4.2 will reflect the Limitation on Appraised Value for such year.

v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any

other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and pay the District all reimbursable costs arising from entering into this Agreement, including, but not limited to the following:

- A. Any loss incurred by the District resulting from successful judicial challenge to this Agreement;
- B. Any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid;
- C. Any other loss of District revenues which are, or may be, attributable to the payment by the Applicant to or on behalf of any other third party beneficiary;
- D. Any reimbursable costs incurred by the District and related to his Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is subject to the limitation provided in Section 2.4 herein; and
- E. Any other cost to the District, including, but not limited to, costs under Section 8.6.C. below, which are or may be attributable to compliance with State-imposed cost of compliance with the terms of this Agreement.

Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by an independent third party (the "Consultant") selected each year by the District. Applicant shall be solely responsible for payment of the Consultant's fees up to TEN THOUSAND DOLLARS (\$10,000.00) for the first year of this Agreement. This fee may be increased each year of this Agreement by not more than FIVE PERCENT (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect "near final" or "actual" data for the applicable year as the data becomes available.

Section 4.6 DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment

and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Consultant selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Consultant shall be adjusted from time to time by the Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 4.7. DELIVERY OF CALCULATIONS. All calculations required under Articles IV, V, or VI shall be made by the Consultant appointed pursuant to Section 4.5 of this Agreement on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward to the Parties such calculations in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Parties shall have access, at all reasonable times, to the Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Consultant shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Parties shall have the right to reproduce and retain for purpose of audit, any of these documents. The Consultant shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment.

Section 4.8. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Consultant for all calculations under this Agreement under Section 4.5, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. The District, upon request of Applicant, shall provide supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure under the Texas Public Information Act (Texas Government Code § 552.001, et seq).

Section 4.9. RESOLUTION OF DISPUTES. Should the Applicant disagree with the Consultant's calculations, the Applicant may appeal the Consultant's results, in writing, to the Consultant within fifteen (15) days of receipt of such results. Within fifteen (15) days of receipt of the Applicant's appeal, the Consultant will issue, in writing, a final determination of the Consultant's calculations. Thereafter, the Applicant may appeal the final determination of calculations to the District's Board of Trustees, in writing, within fifteen (15) days of its receipt of the final determination of the calculations.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

A. If at the time the Consultant selected under Section 4.5 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District.

B. If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, or the Taxable Value is otherwise altered for any reason, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Consultant who shall immediately issue new calculations for the applicable year or years using the new Taxable Value at the Applicant's sole expense. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Consultant.

Section 4.11. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, the Courts of the State of Texas, or any other authority having proper jurisdiction over the District or Texas school finance, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. The Parties understand and agree that the foregoing payments to the District are necessary to (a) offset any negative impact on the District as a result of its participation in this Agreement; and (b) secure for the District an amount of M&O Revenue not less than that which the District would have received had the District not entered into this Agreement.

Section 4.12 THE FOREGOING NOTWITHSTANDING, AND FOR THE AVOIDANCE OF ANY DOUBT, APPLICANT SHALL HAVE NO LIABILITY TO THE DISTRICT UNDER ANY OF THE PROVISIONS OF ARTICLE IV IF APPLICANT NEVER COMMENCES THE PROPOSED PROJECT AND HAS ACCEPTED NO TAX ADVANTAGE UNDER THIS AGREEMENT.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to

Articles IV and VI, Applicant on an annual basis shall also indemnify and reimburse the District for

A. All reimbursable costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the Applicant's Qualified Investment that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Applicant's Qualified Investment; and

B. Any other loss of District revenues or funds which are, or may be attributable to the payment by Applicant to or on behalf of any other third party beneficiary.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for supplemental payments (the "Supplemental Payments") set forth in this Article VI.

A. Amounts Exclusive of Indemnity Amounts. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and VI are subject to the limitations contained in Section 7.1.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of Texas Tax Code § 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

C. Explicit Identification of Payments to District. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual Supplement Payment made pursuant to this article shall:

- i. not exceed in any calendar year of this Agreement an amount equal to the

greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year; and

ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

B. This limitation does not apply to amounts described by Section 313.027(f)(1)-(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

C. For purposes of this Agreement, the amount of the Annual Limit shall be the greater of \$344,130.00 based upon the District's 2014-2015 Average Daily Attendance of 3,441.3, rounded to the whole number, or \$50,000.00.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. In the event this Agreement is amended to include additional Qualified Property than what is described in **EXHIBIT 3**, the parties further agree to amend Section 6.2 of the Agreement to provide for a proportionate increase in the supplemental payments called for under Section 6.2.A, subject only to the limitation in Section 6.2.C.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

ARTICLE VII ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above,

then Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration dates of this Agreement.

ARTICLE VIII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form or Comptroller website and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772A located at Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php;

B. The Biennial Progress Report, Form 50-773A, located at Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php; and

C. The Job Creation Compliance Report, Form 50-825, as currently located at the Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide Comptroller with all information reasonably necessary for Comptroller to assess performance under this Agreement for the purpose of issuing Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of Applicant, and shall be conducted in accordance with Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide District, Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS. This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the

later of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. District and Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the Applicant's Qualified Property, Qualified Investment, Qualifying Jobs, and wages paid for Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by Comptroller, State Auditor's Office, State of Texas or their authorized representatives. Applicant and District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, Applicant's failure to comply with this Section shall constitute a material breach of this Agreement.

C. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's, or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

D. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.154 of the TEXAS GOVERNMENT CODE, the State Auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the TEXAS GOVERNMENT CODE.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which Comptroller would not have approved this Agreement and District would not have executed this Agreement. By signature to this Agreement, Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and this Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Tex. Admin. Code § 9.1053(f)(2)(L).

ARTICLE IX MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to an material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

E. Applicant failed to provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

F. Applicant failed to provide payments to the District that protect District from the

payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

J. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

K. Applicant failed to allow authorized employees of District, Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property;

L. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement.

M. Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles III and IV, of this Agreement; or

N. Applicant fails either to:

i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or

ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that Applicant terminates this Agreement without the consent of District, except as provided in Section 7.2 of this Agreement, or in the event that Applicant fails to comply in any material respect with the terms of this Agreement or to meet any material

obligation under this Agreement, after the notice and cure period provided by Section 9.3, then District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 9.2.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Articles IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A., in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of this Agreement, then Applicant shall pay to District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by Applicant to District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.2.C. For purposes of this liquidated damages calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 9.2.A. owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.2.A had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH. In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full Tax Year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the Texas Tax Code.

Section 9.4. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by District. After receipt of the notice, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such material breach.

B. If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate this Agreement and determine the amount of recaptured taxes under Section 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

C. After making its determination regarding any alleged breach, the Board of Trustees shall cause Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination.").

Section 9.5. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.4, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 9.4, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Matagorda County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) District shall bear one-half of such mediator's fees and expenses and Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses

(including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, District shall have the remedies for the collection of the amounts determined under Section 9.2 as are set forth in Chapter 33, Subchapters B and C, of the Texas Tax Code for the collection of delinquent taxes. In the event that District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on Applicant's Qualified Property and Applicant's Qualified Investment pursuant to Section 33.07 of the Texas Tax Code to the attorneys representing District pursuant to Section 6.30 of the Texas Tax Code.

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either District or Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 9.6. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.6 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.7. BINDING ON SUCCESSORS. In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the

Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with “answer back” or other “advice of receipt” obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to District shall be addressed to District’s Authorized Representative as follows:

Bay City Independent School District
520 Seventh Street
Bay City, Texas 77414
Phone: 979.245.5766
Fax: 979.245.3175

C. Notices to Applicant shall be addressed to its Authorized Representative as follows:

Oxea Corporation
1505 West LBJ Freeway, Suite 400
Dallas, Texas 75234
Phone: 972.481.2710
Fax: 972.481.2777

or at such other address or to such other facsimile transmission number and to the attention of such other person as Applicant may designate by written notice to District.

Section 10.2. AMENDMENTS TO AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of subsection B hereof. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

B. By official action of the District’s Board of Trustees, this Agreement may only be amended according to the following:

- i. Applicant shall submit to District and Comptroller:
 - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
 - b. any changes to the information that was provided in the Application that was

approved by District and considered by Comptroller;

c. and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and

ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;

iii. If Comptroller has not denied the request, District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

iii. define minimum eligibility requirements for the recipient of limited value.

D. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.3. ASSIGNMENT. Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.2 regarding amendments to the Agreement.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS. When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value

thereof under this Agreement in its appraisal records.

Section 10.6. GOVERNING LAW. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in the County.

Section 10.7. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.8. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.8, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.9. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.10. INTERPRETATION. When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase " , but not limited to,". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall

require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 10.11. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.12. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of such document, the District shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

B. District shall provide on its website a link to the location of those documents posted on Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the Texas Tax Code.

Section 10.13. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

Section 10.14. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19th day of October, 2015.

OXEA CORPORATION

**BAY CITY INDEPENDENT
SCHOOL DISTRICT**

By: _____

By: _____

Name: _____

Tim Powell
President, Board of Trustees

Title: _____

ATTEST:

Bobby Kimball, Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

That certain area of land designated as a reinvestment zone by the Matagorda County Commissioner's Court on December 2, 2013, such reinvestment zone area being described in that certain Special Warranty Deed recorded under Instrument No. 071569, Official Records of Matagorda County, Texas and as further described on the fieldnotes, plat and map attached, immediately following this page of Exhibit 1.

EXHIBIT A

DESCRIPTION OF 898.57 ACRES, MORE OR LESS, OF LAND AREA BEING IN THE JAMES MOORE LEAGUE, ABSTRACT NO. 62, MATAGORDA COUNTY, TEXAS AND BEING THE REMAINING PORTION OF THAT TRACT DESCRIBED AS 1000.0 ACRES IN A DEED FROM WALTER W. FONDREN, JR. TO CELANESE CORPORATION OF AMERICA DATED DECEMBER 8, 1960 AND RECORDED IN VOLUME 362, PAGE 16, MATAGORDA COUNTY DEED RECORDS AND ALL THAT TRACT DESCRIBED AS 8.9876 ACRES IN A DEED FROM CHAMPLIN PETROLEUM COMPANY TO CELANESE CORPORATION DATED APRIL 22, 1968 AND RECORDED IN VOLUME 462, PAGE 123, MATAGORDA COUNTY DEED RECORDS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a capped pin found at the common northeast corner of that tract described as 9.06 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated December 21, 2001 and recorded in Volume 641, Page 596 and an exterior corner in the north line of the 1000.0 acre Celanese tract and in the approximate common north line of the James Moore League, Abstract No. 62 and the south line of the AJM Smalley League, Abstract No. 90, Matagorda County, Texas;

THENCE with the north line of the Celanese 1000.0 acre tract and the approximate common north line of the James Moore League and the south line of the AJM Smalley League N 88°37'38" E 3874.50 feet to a 1 ¼ inch iron pipe found at the northeast corner of the Celanese 1000.0 acre tract;

THENCE leaving the approximate common north line of the James Moore League and the south line of the AJM Smalley League, S 01°23'00" E (this course being the bearing basis for this description) with the east line of the Celanese 1000.0 acre tract, and joining the west line at a calculated point at a record distance of 175.29 feet at the northwest corner of that tract described as 1371.5857 acres in a Correction Deed from the Estate of Walter W. Fondren, Jr. and Doris Ledwidge Fondren to Cities Service Company dated January 20, 1981 and recorded in Volume 668, Page 184, Matagorda County Deed Records at a total distance of 5638.97 feet to 1 ¼ inch iron pipe found at the common southeast corner of the 1000.0 acre Celanese tract and an interior corner of the 1341.5857 acre Walter W. Fondren, Jr. tract;

THENCE with the common south line of the Celanese 1000.0 tract and the north line of the 1341.5857 acre Walter W. Fondren Jr. tract, North 88°36'15" E 6727.30 feet to a ½ inch iron pin set at the common southwest corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of that tract described as 94.024 acres in a deed from Celanese Corporation of America to Baycel Club dated May 6, 1963 and recorded in Volume 402, Page 51, Matagorda County Deed Records;

THENCE with the common southwest line of the remaining portion of the 1000.0 acre Celanese tract and the northeast line of the 94.024 Baycel Club tract
N 39°56'53" W 2720.20 feet to a ½ inch iron rod set at a common interior corner of the remaining portion of the Celanese 1000.0 acre tract and the Baycel Club tract;

THENCE with the common west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the Baycel Club tract N 01°31'51" W 267.24 feet to a ½ inch iron pin set at the common northeast corner of the Baycel Club tract and the southeast corner of that tract described as 1.649 acres in a deed from Celanese Corporation of America to Matagorda County Navigation District No. 2 dated January 15, 1963 and recorded in Volume 4, Page 145, Matagorda County Deed Records;

THENCE with the continuing with the west line of the remaining portion of the Celanese 1000.0 acre tract and the east line of the 1.649 acre Matagorda Navigation tract N 01°31'51" W 169.20 feet to a ½

inch iron rod set at the common southeast corner of that tract described as 180.83 acres in a deed from Walter W. Fondren Jr. to Matagorda County Navigation District No. 2 dated June 9, 1961 and recorded in Volume 3, Page 611, Matagorda County Deed Records and the southwest corner of the Celanese 8.9876 acre tract;

THENCE with the common west line of the 8.9876 acre Celanese tract and the east line of the 180.83 acre Matagorda Navigation tract N 02°38'36" W 92.00 feet to a 5/8 inch rebar found at the common southerly northwest corner of the Celanese 8.9876 acre tract and the southwest corner of the remaining portion of that tract described in a deed from Doris Ledwidge Fondren to Walter W. Fondren III, et al dated January 15, 1981 and recorded in Volume 665, Page 753, Matagorda County Deed Records;

THENCE leaving the east line of the Matagorda Navigation tract with the common northwest line of the 8.9876 acre Celanese tract and the southeast line of the remaining portion of the Walter W. Fondren III tract N 48°26'02" E 2039.10 feet to a 5/8 inch rebar found said to be in the south line of FM 3057 at the common northeasterly north corner of the 8.9876 acre Celanese tract and an exterior corner of the remaining portion of the Walter W. Fondren III tract;

THENCE with the common line of the 8.9876 acre Celanese tract, the south line of the remaining portion of the Walter W. Fondren III tract and the south line of FM 3057 the following eight (8) tracts:

- 1) N 87°39'29" E 45.63 feet to a calculated point;
- 2) N 79°15'29" E 94.00 feet to a calculated point;
- 3) N 78°31'29" E 40.94 feet to a 5/8 inch rebar found;
- 4) leaving the south line of FM 3057 S 48°21'35" W 107.35 feet to a 1/2 inch iron rod set;
- 5) S 45°44'35" W 92.61 feet to a 1/2 inch iron rod set;
- 6) S 38°12'35" W 102.70 feet to a 1/2 inch iron rod set;
- 7) S 31°32'35" W 102.99 feet to a 1/2 inch iron rod set;
- 8) S 31°12'35" W 163.74 feet to a 1/2 inch iron rod set in the common northwest line of the Celanese 1000.0 acre tract and the southwest line of the Walter W. Fondren III tract for an interior corner of this description;

THENCE with the common northwest line of the remaining portion of the 1000.0 acre Celanese tract and the southeast line of the Walter W. Fondren III tract N 48°22'34" E 2624.62 feet to a 1/2 inch iron rod set (pass at 1189.00 a 1/2 inch iron rod set at the intersection of the northwest line of the Celanese 1000.0 acre tract and FM 3057) at a common exterior corner of the remaining portion of the 1000.0 acre Celanese tract and the northwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE leaving the common northwest line of the Celanese 1000.0 acre tract and the southeast line of the Walter W. Fondren III tract with a common east line of the remaining portion of the 1000.0 acre Celanese tract and the west line of the 9.06 acre Port Assets, LLC tract the following three (3) courses:

- 1) S 19°24'50" E 207.56 feet to a 1/2 inch iron rod set;
- 2) N 70°35'10" E 111.45 feet to a 1/2 inch iron rod set;
- 3) S 19°24'50" E 338.56 feet to a capped pin found at the common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southwest corner of the 9.06 acre Port Assets, LLC tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 9.06 acre Port Assets, LLC tract N 70°32'53" E 404.69 feet to a 5/8 inch rebar found at the common southeast corner of the 9.06 acre Port Assets, LLC tract and the southwest corner of that tract described as 8.10 acres in a deed from Celanese, Ltd. to Port Assets, LLC dated October 9, 2001 and recorded in Volume 655, Page 135, Matagorda County Deed Records and on the north line of the remaining portion of the 1000.0 acre Celanese tract;

THENCE with the common north line of the remaining portion of the 1000.0 acre Celanese tract and the south line of the 8.10 acre Port Assets, LLC tract N 70°53'14" E 603.14 feet to capped pin found at a common interior corner of the remaining portion of the 1000.0 acre Celanese tract and the southeast corner of the 8.10 acre Port Assets, LLC tract;

THENCE with a common west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 8.10 acre Port Assets, LLC tract N 07°46'51" W 506.07 feet to a capped pin found at the common northeast corner of the 8.10 acre Port Assets, LLC tract and the northerly southeast corner of the 9.06 acre Port Assets, LLC tract;

THENCE continuing with a west line of the remaining portion of the 1000.0 acre Celanese tract and the east line of the 9.06 acre Port Assets, LLC tract N 07°45'39" W 60.40 feet to the PLACE OF BEGINNING.

There are contained within these metes and bounds 898.57 acres, more or less, of land area as prepared from public records and a survey made on the ground March 23, 2004 by Bock & Clark Corporation of Austin, Texas. All ½ inch iron rods set are capped with a plastic cap stamped "B&C RPLS 5671."

ALSO THAT CERTAIN Barge Dook parcel being described as 3.680 acres of land out of the James Moore League, Abstract No. 62, in Matagorda County, Texas, and is a portion of the Navigation District No. 2 properties, and is more particularly described as follows:

BEGINNING at a point in the northwest line of the land described in a deed from Walter W. Fondren, Jr. to the Celanese Corporation of America, dated December 8, 1960, and recorded in Volume 362, on page 16, Deed Records of Matagorda County, Texas, which northwest line is the southwest line of the above-mentioned Navigation District No. 2 properties, and the said beginning point is set South 48 deg. 23 min. West 184.0 feet from a 1-1/4 inch pipe at the northwest corner of the land described in the above-mentioned deed, and an interior corner of the said Navigation District No. 2 properties;

THENCE South 48 deg. 23 min. West 316.0 feet along the recognized common line between the above-mentioned Navigation District No. 2 properties, and the land described in the above-mentioned deed, to a point for the point of curve of a 4 deg. 09 min. curve to the left;

THENCE along a 4 deg. 09 min. curve to the left, 761.2 feet, to the edge of the Turning Basin Channel, for the south corner of this tract;

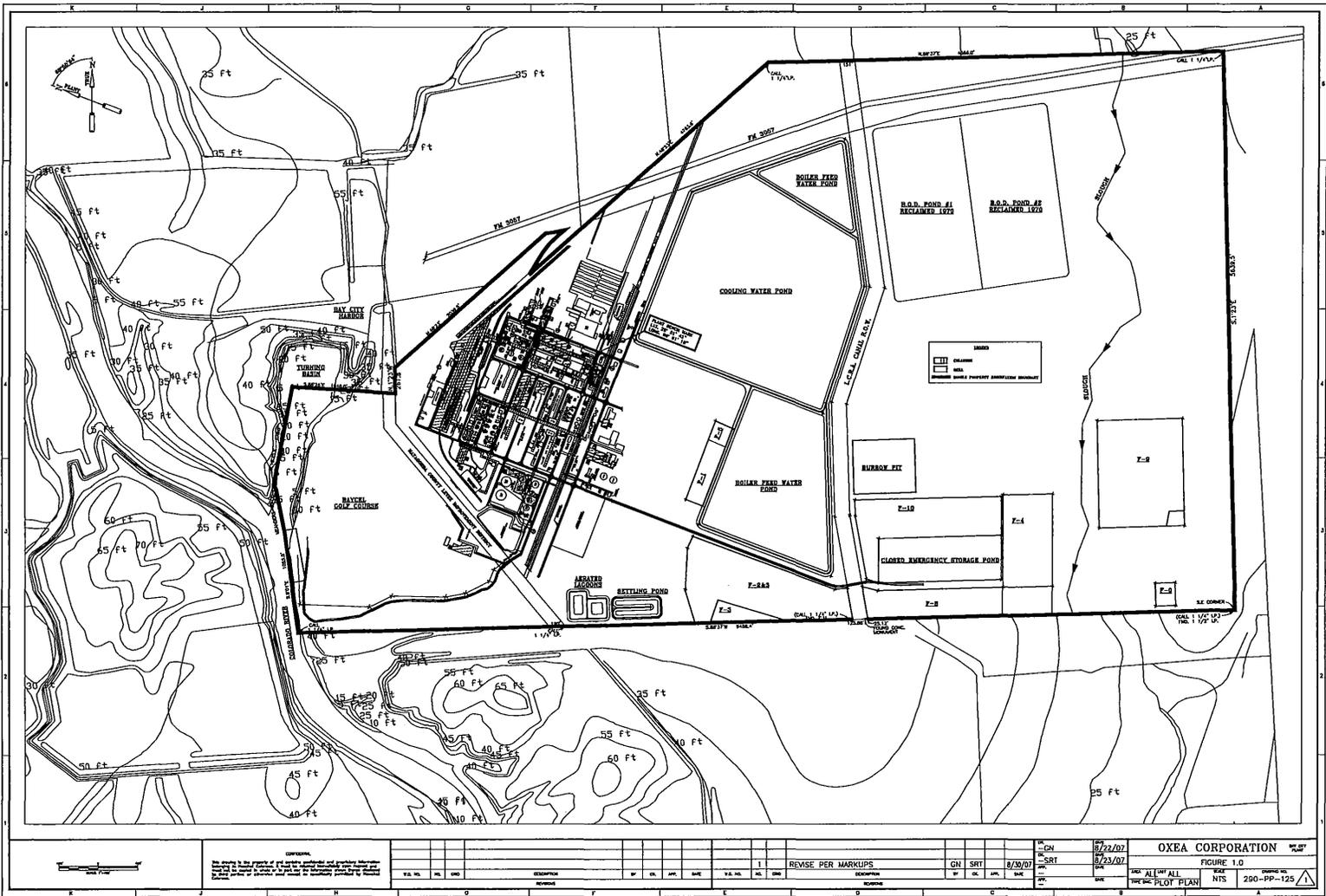
THENCE North 12 deg. 25 min. East 878.0 feet along the edge of the above-mentioned Channel, to a point for the northwest corner of this tract;

THENCE South 86 deg. 26 min. East 477.9 feet, to the place of beginning, containing 3.680 acres of land, more or less, of which there is 2.996 acres in the right-of-way for the Turning Basin Channel.

ALSO LESS AND EXCEPTING any property previously conveyed by Grantor to other parties as reflected in the public records including the following described property to the extent included, if at all, in the above description of real estate: (1) 94.024 acres conveyed from Celanese Corporation of America to BayCel Club by deed dated May 6, 1963, recorded in Volume 402 at page 51 of the Official Records of Matagorda County, Texas; (2) 1.649 acres conveyed from Celanese Corporation of America to Matagorda County Navigation District No. 2 by deed dated January 15, 1963, recorded in Volume 4 at page 145 of the Official Records of Matagorda County, Texas; (3) Road Easement of 20.99 acres for F.M. 3057 from Celanese Corporation of America to the County of Matagorda, State of Texas, by deed dated July 26, 1961, recorded in Volume 4 at page 19 of the Official Records of Matagorda County, Texas; (4) 8.10 acres conveyed from Celanese, Ltd. to Port Assets, LLC, by deed recorded October 22, 2001 in Volume 635 at page 135 of the Official Records of Matagorda County, Texas; (5) 9.06 acres conveyed from

Celanese, Ltd. to Port Assets, LLC, by deed recorded December 21, 2001 in Volume 641 at page 596 of the Official Records of Matagorda County, Texas.

ALSO LESS AND EXCEPTING all gas, oil and mineral rights previously conveyed to others.

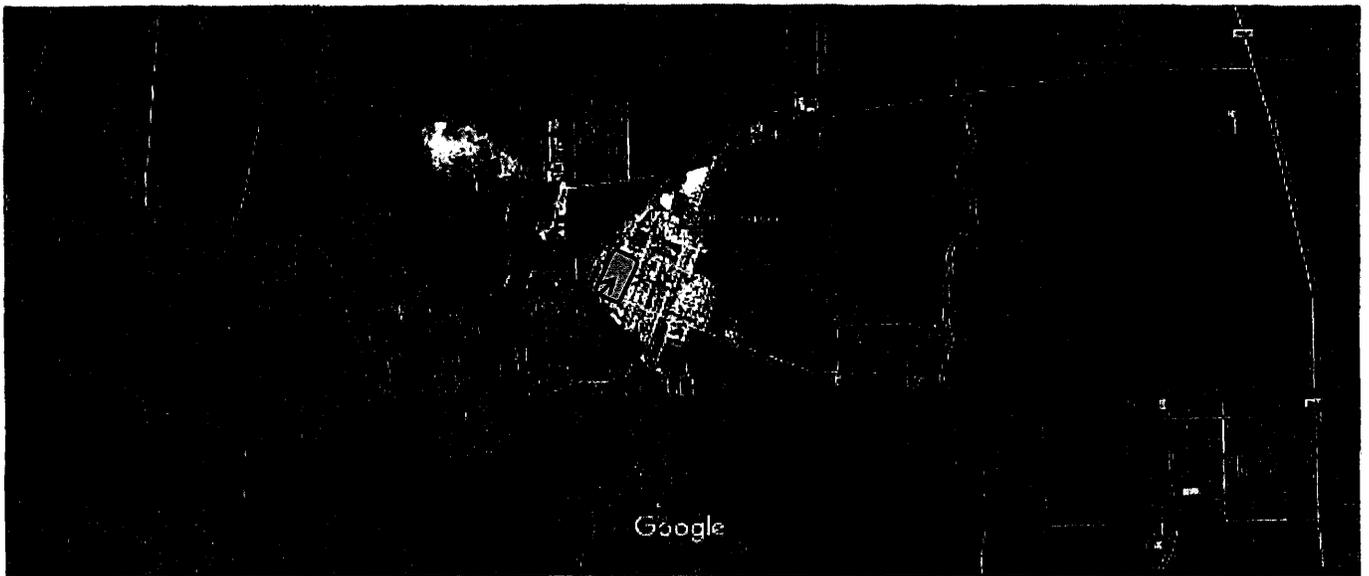


CONTRACT NO. 290-PP-125
 SHEET NO. 1 OF 1
 DATE: 8/23/07
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 APPROVED BY: [Name]

NO.	DATE	DESCRIPTION	BY	CHK.	APP.	DATE
1	8/23/07	REVISE PER MARKUPS	GN	SRT		8/23/07

OXEA CORPORATION
 FIGURE 1.0
 SCALE: 1/4" = 1'-0"
 TYPE: PLOT PLAN
 NTS 290-PP-125

Google Maps 2001 Farm-To-Market 3057

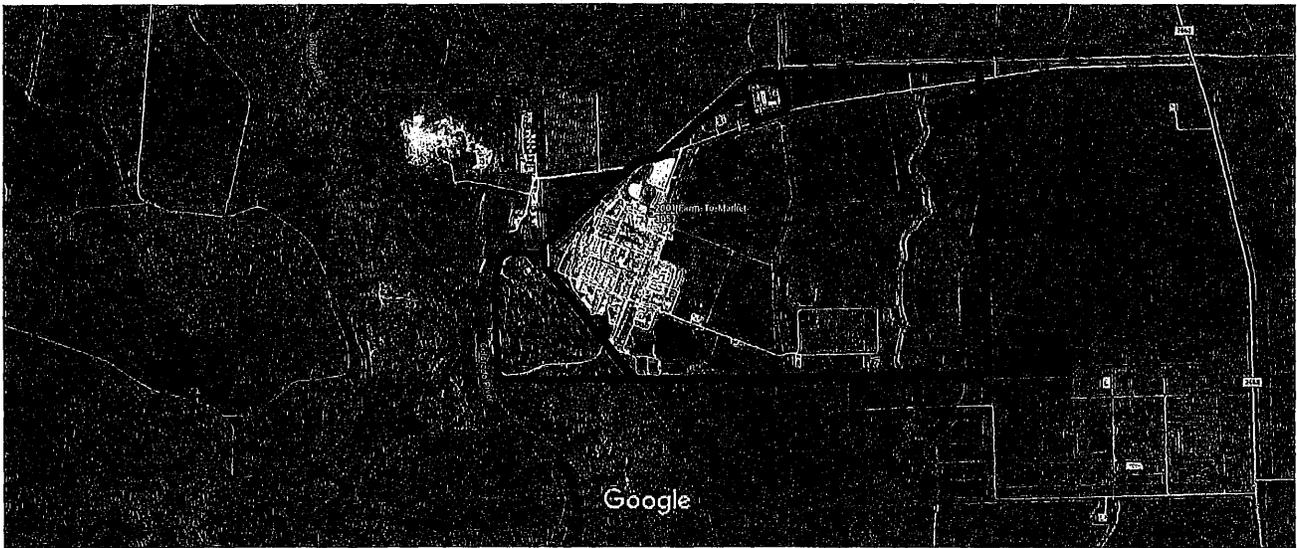


Imagery ©2015 Google, Map data ©2015 Google 1000 ft.

Project Area (Area where new unit would be constructed)

Represents OXEA Bay City Site Reinvestment Zone

Google Maps 2001 Farm-To-Market 3057



Imagery ©2015 Google, Map data ©2015 Google 1000 ft

EXHIBIT 2

LOCATION AND DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Investment owned by the Applicant is located within the boundaries of Bay City Independent School District and the Matagorda County Reinvestment Zone, which is more particularly described in **EXHIBIT 1** will be included in and subject to this Agreement. Specifically, all of Applicant's Qualified Investment is located in the sections of land described on the following pages.

EXHIBIT 3

LOCATION AND DESCRIPTION OF QUALIFIED PROPERTY

The Project includes the design and construction of the following three units:

1. n-Propanol manufacturing unit, including tankage;
2. 2-Ethylhexanol manufacturing unit, including tankage; and
3. Synthesis gas supply, raw material for the 2 units referenced above with the option to build a 3rd train to existing 2-train operation to increase capacity

All of the Qualified Property is within the Project area as described in **EXHIBIT 1**. Qualified Property does not include any property identified in the application as non-qualified property, including but not limited to, existing property, new property affixed to existing equipment or structures, or property replacing existing property.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between BAY CITY INDEPENDENT SCHOOL
DISTRICT and OXEA CORPORATION

ATTACHMENT E

Texas Comptroller's Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

September 22, 2015

Keith Brown
Superintendent
Bay City Independent School District
P.O. Box 2510
Bay City, Texas 77414

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Bay City Independent School District and Oxea Corporation

Dear Superintendent Brown:

This office has been provided with the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes" by and between Bay City Independent School District and Oxea Corporation (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact John Villarreal, Economic Development & Local Government Section, at (512) 463-5241.

Sincerely,

A handwritten signature in black ink, appearing to read "Korry Castillo", is written over a large, stylized flourish.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Terrell Palmer, First Southwest
Wolfgang Hackenberg, Oxea Corporation

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between BAY CITY INDEPENDENT SCHOOL
DISTRICT and OXEA CORPORATION

ATTACHMENT F

Texas Education Agency's Determination of Impact of Project on Facilities

March 26, 2015

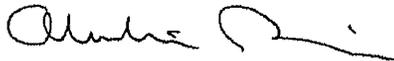
Gerald Powell, President
Board of Trustees
Bay City Independent School District
520 7th Street
Bay City, TX 77414

Dear Mr. Powell:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Oxea Corporation project on the number and size of school facilities in Bay City Independent School District (BCISD). Based on an examination of BCISD enrollment and the number of potential new jobs, the TEA has determined that the Oxea Corporation project should not have a significant impact on the number or size of school facilities in BCISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,



Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Keith Brown