
FINDINGS
OF THE
CALVERT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
NGC INDUSTRIES, LLC
(Texas Taxpayer ID #32057100854)
(Application #1075)

October 18, 2016

Board Findings of the Calvert Independent School District

The Board of Trustees acknowledges receipt of the Application, along with the required application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Robertson County Appraisal District for review pursuant to 34 Texas Administrative Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the application was complete was issued on August 25, 2016. A copy of the Comptroller's completeness letter is attached to the findings as **Attachment C**.

After receipt of the Application and the Amended Application, the Texas Comptroller of Public Accounts caused to be conducted economic impact evaluations on November 3, 2015 and August 26, 2016 pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluations. Copies of the economic impact evaluations are attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Calvert Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions, LLC is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Calvert Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement and letter approving same are attached to these findings as **Attachment G**.

The Texas Commissioner of Education has determined that the project will not impact school enrollment, as stated in **Attachment H**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of Qualified Property under Section 313.024, Texas Tax Code, in the eligibility category of Manufacturing.

Board Finding Number 2.

Applicant's entire proposed investment in the Calvert ISD is \$141,655,852, all of which is proposed to be Qualified Investment under Section 313.021, Texas Tax Code.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$42,970 per year. The review of the application by the State Comptroller's Office indicates that this amount-based on Texas Workforce Commission data-complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for qualified jobs under Section 313.021, Texas Tax Code.

Board Finding Number 4.

The level of the Applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$14 million on the basis of the 10 new qualifying positions committed to by the Applicant for this project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$141,655,852, resulting in a relative level of investment per qualifying job of \$14,165,585.

Board Finding Number 5.

The Applicant has not requested a waiver of the job creation requirement under Section 313.25(f-1), Texas Tax Code.

In support of Finding 5, the Board notes that the number of jobs proposed for this project (10 jobs) is consistent with industry standards in the manufacturing industry.

Board Findings of the Calvert Independent School District

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

In support of Finding 6, the economic impact evaluation states:

Table 2 depicts this project’s estimated economic impact to Texas. It depicts the direct, indirect, and induced effects to employment and personal income within the state. The Comptroller’s office calculated the economic impact based on 18 years of annual investment and employment levels.

Table 2: Estimated Statewide Economic Impact of NGC Industries, LLC (modeled):

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	235	1,051	1,286	\$ 15,275,000	\$ 92,725,000	\$ 108,000,000
2018	242	1,484	1,726	\$ 15,685,940	\$ 132,314,060	\$ 148,000,000
2019	10	632	642	\$ 447,267	\$ 56,552,733	\$ 57,000,000
2020	10	308	318	\$ 451,400	\$ 34,548,600	\$ 35,000,000
2021	10	111	121	\$ 451,400	\$ 18,548,600	\$ 19,000,000
2022	10	(1)	9	\$ 451,400	\$ 8,548,600	\$ 9,000,000
2023	10	(58)	-48	\$ 451,400	\$ 1,548,600	\$ 2,000,000
2024	10	(84)	-74	\$ 451,400	\$ -3,451,400	\$ -3,000,000
2025	10	(89)	-79	\$ 451,400	\$ -5,451,400	\$ -5,000,000
2026	10	(83)	-73	\$ 451,400	\$ -6,451,400	\$ -6,000,000
2027	10	(73)	-63	\$ 451,400	\$ -6,451,400	\$ -6,000,000
2028	10	(60)	-50	\$ 451,400	\$ -6,451,400	\$ -6,000,000
2029	10	(49)	-39	\$ 451,400	\$ -5,451,400	\$ -5,000,000
2030	10	(39)	-29	\$ 451,400	\$ -5,451,400	\$ -5,000,000
2031	10	(30)	-20	\$ 451,400	\$ -4,451,400	\$ -4,000,000

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Calvert ISD I&S Tax Levy	Calvert ISD M&O Tax Levy	Calvert ISD M&O and I&S Tax Levies	Robertson County Tax Levy	Robertson County ESD Tax Levy	City of Calvert per application 0.2% of Project in City 0.47374 rate * 0.2%	Estimated Total Property Taxes
				0.0000	1.1700		0.4750	0.0750	0.0009	
2017	\$ 758,277	\$ 758,277	\$ 0	\$ 8,872	\$ 8,872	\$ 3,602	\$ 569	\$ 7	\$ 13,042	
2018	\$ 27,482,889	\$ 27,482,889	\$ 0	\$ 321,550	\$ 321,550	\$ 130,544	\$ 20,612	\$ 260	\$ 472,706	
2019	\$ 141,414,129	\$ 141,414,129	\$ 0	\$ 1,654,545	\$ 1,654,545	\$ 671,717	\$ 106,061	\$ 1,340	\$ 2,432,323	
2020	\$ 135,443,268	\$ 135,443,268	\$ 0	\$ 1,584,686	\$ 1,584,686	\$ 643,356	\$ 101,582	\$ 1,283	\$ 2,329,624	
2021	\$ 129,472,407	\$ 129,472,407	\$ 0	\$ 1,514,827	\$ 1,514,827	\$ 614,994	\$ 97,104	\$ 1,227	\$ 2,226,925	
2022	\$ 123,501,546	\$ 123,501,546	\$ 0	\$ 1,444,968	\$ 1,444,968	\$ 586,632	\$ 92,626	\$ 1,170	\$ 2,124,227	
2023	\$ 117,530,685	\$ 117,530,685	\$ 0	\$ 1,375,109	\$ 1,375,109	\$ 558,271	\$ 88,148	\$ 1,114	\$ 2,021,528	
2024	\$ 111,559,824	\$ 111,559,824	\$ 0	\$ 1,305,250	\$ 1,305,250	\$ 529,909	\$ 83,670	\$ 1,057	\$ 1,918,829	
2025	\$ 105,588,963	\$ 105,588,963	\$ 0	\$ 1,235,391	\$ 1,235,391	\$ 501,548	\$ 79,192	\$ 1,000	\$ 1,816,130	
2026	\$ 99,618,103	\$ 99,618,103	\$ 0	\$ 1,165,532	\$ 1,165,532	\$ 473,186	\$ 74,714	\$ 944	\$ 1,713,431	
2027	\$ 93,647,242	\$ 93,647,242	\$ 0	\$ 1,095,673	\$ 1,095,673	\$ 444,824	\$ 70,235	\$ 887	\$ 1,610,733	
2028	\$ 87,676,381	\$ 87,676,381	\$ 0	\$ 1,025,814	\$ 1,025,814	\$ 416,463	\$ 65,757	\$ 831	\$ 1,508,034	
2029	\$ 81,705,520	\$ 81,705,520	\$ 0	\$ 955,955	\$ 955,955	\$ 388,101	\$ 61,279	\$ 774	\$ 1,405,335	
2030	\$ 75,734,659	\$ 75,734,659	\$ 0	\$ 886,096	\$ 886,096	\$ 359,740	\$ 56,801	\$ 718	\$ 1,302,636	
2031	\$ 69,763,798	\$ 69,763,798	\$ 0	\$ 816,236	\$ 816,236	\$ 331,378	\$ 52,323	\$ 661	\$ 1,199,937	
2032	\$ 63,792,937	\$ 63,792,937	\$ 0	\$ 746,377	\$ 746,377	\$ 303,016	\$ 47,845	\$ 604	\$ 1,097,239	
2033	\$ 57,822,076	\$ 57,822,076	\$ 0	\$ 676,518	\$ 676,518	\$ 274,655	\$ 43,367	\$ 548	\$ 994,540	
2034	\$ 51,851,215	\$ 51,851,215	\$ 0	\$ 606,659	\$ 606,659	\$ 246,293	\$ 38,888	\$ 491	\$ 891,841	
			Total	\$ 0	\$ 18,420,058	\$ 18,420,058	\$ 7,478,229	\$ 1,180,773	\$ 14,917	\$ 24,095,440

¹Tax Rate per \$100 Valuation

Board Findings of the Calvert Independent School District

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, City of Calvert and Robertson County, with all property tax incentives sought being granted using estimated market value from Applicant’s application. The Applicant has applied for both a value limitation under Chapter 313, Texas Tax Code and tax abatements with the City and County. The difference noted in the last line is the difference between the totals in Table 3 and Table 4:

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Calvert ISD I&S Tax Levy	Calvert ISD M&O Tax Levy	Calvert ISD M&O and I&S Tax Levies	Robertson County Tax Levy	Robertson County ESD Tax Levy	City of Calvert per application 0.2% of Project in City 0.47374 rate * 0.2%	Estimated Total Property Taxes
			Tax Rate ¹	0.0000	1.1700		0.4750	0.0750	0.0009	
2017	\$ 758,277	\$ 758,277		\$ 0	\$ 8,872	\$ 8,872	\$ 3,602	\$ 569	\$ 7	\$ 13,042
2018	\$ 27,482,889	\$ 27,482,889		\$ 0	\$ 321,550	\$ 321,550	\$ 0	\$ 20,612	\$ 260	\$ 472,706
2019	\$ 141,414,129	\$ 141,414,129		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 106,061	\$ 1,340	\$ 340,061
2020	\$ 135,443,268	\$ 135,443,268		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 101,582	\$ 1,283	\$ 335,582
2021	\$ 129,472,407	\$ 129,472,407		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 97,104	\$ 1,227	\$ 331,104
2022	\$ 123,501,546	\$ 123,501,546		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 92,626	\$ 1,170	\$ 326,626
2023	\$ 117,530,685	\$ 117,530,685		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 88,148	\$ 1,114	\$ 322,148
2024	\$ 111,559,824	\$ 111,559,824		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 83,670	\$ 1,057	\$ 317,670
2025	\$ 105,588,963	\$ 105,588,963		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 79,192	\$ 1,000	\$ 313,192
2026	\$ 99,618,103	\$ 99,618,103		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 74,714	\$ 944	\$ 308,714
2027	\$ 93,647,242	\$ 93,647,242		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 70,235	\$ 887	\$ 304,235
2028	\$ 87,676,381	\$ 87,676,381		\$ 0	\$ 234,000	\$ 234,000	\$ 0	\$ 65,757	\$ 831	\$ 299,757
2029	\$ 81,705,520	\$ 81,705,520		\$ 0	\$ 955,955	\$ 955,955	\$ 388,101	\$ 61,279	\$ 774	\$ 1,405,335
2030	\$ 75,734,659	\$ 75,734,659		\$ 0	\$ 886,096	\$ 886,096	\$ 359,740	\$ 56,801	\$ 718	\$ 1,302,636
2031	\$ 69,763,798	\$ 69,763,798		\$ 0	\$ 816,236	\$ 816,236	\$ 331,378	\$ 52,323	\$ 661	\$ 1,199,937
2032	\$ 63,792,937	\$ 63,792,937		\$ 0	\$ 746,377	\$ 746,377	\$ 303,016	\$ 47,845	\$ 604	\$ 1,097,239
2033	\$ 57,822,076	\$ 57,822,076		\$ 0	\$ 676,518	\$ 676,518	\$ 274,655	\$ 43,367	\$ 548	\$ 994,540
2034	\$ 51,851,215	\$ 51,851,215		\$ 0	\$ 606,659	\$ 606,659	\$ 246,293	\$ 38,888	\$ 491	\$ 891,841
			Total	\$ 0	\$ 7,358,263	\$ 7,358,263	\$ 2,037,329	\$ 1,180,773	\$ 14,917	\$ 10,576,365
			Difference	\$ 0	\$ 11,061,795	\$ 11,061,795	\$ 5,440,900	\$ 0	\$ 0	\$ 13,519,075

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

Board Finding Number 8.

The effect of the Applicant’s proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District’s facility needs, with current trends suggesting little underlying enrollment growth based on the impact of the project.

In support of Finding 8, the Board refers to the finding of the Texas Commissioner of Education at **Attachment H** to these findings. To the extent that the number or size of needed instructional facilities is impacted by this Applicant’s proposal, the Agreement for Limitation on

Board Findings of the Calvert Independent School District

Appraised Value of Property for School District Maintenance and Operations Taxes between the parties contains adequate protection against unanticipated facilities costs.

Board Finding Number 9.

The Applicant’s 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.

In support of finding No. 9, **Attachment B** of the economic impact study contains a year-by-year analysis as depicted in the following table:

	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	\$ 0	\$ 0	\$ 0	\$ 0
	2015	\$ 8,872	\$ 8,872	\$ 0	\$ 0
	2016	\$ 321,550	\$ 330,422	\$ 0	\$ 0
Limitation Period (10 Years)	2017	\$ 234,000	\$ 564,422	\$ 1,420,545	\$ 1,420,545
	2018	\$ 234,000	\$ 798,422	\$ 1,350,686	\$ 2,771,232
	2019	\$ 234,000	\$ 1,032,422	\$ 1,280,827	\$ 4,052,059
	2020	\$ 234,000	\$ 1,266,422	\$ 1,210,968	\$ 5,263,027
	2021	\$ 234,000	\$ 1,500,422	\$ 1,141,109	\$ 6,404,136
	2022	\$ 234,000	\$ 1,734,422	\$ 1,071,250	\$ 7,475,386
	2023	\$ 234,000	\$ 1,968,422	\$ 1,001,391	\$ 8,476,777
	2024	\$ 234,000	\$ 2,202,422	\$ 931,532	\$ 9,408,308
	2025	\$ 234,000	\$ 2,436,422	\$ 861,673	\$ 10,269,981
	2026	\$ 234,000	\$ 2,670,422	\$ 791,814	\$ 11,061,795
Maintain Viable Presence (5 Years)	2027	\$ 955,955	\$ 3,626,376	\$ 0	\$ 11,061,795
	2028	\$ 886,096	\$ 4,512,472	\$ 0	\$ 11,061,795
	2029	\$ 816,236	\$ 5,328,708	\$ 0	\$ 11,061,795
	2030	\$ 746,377	\$ 6,075,086	\$ 0	\$ 11,061,795
	2031	\$ 676,518	\$ 6,751,604	\$ 0	\$ 11,061,795
Additional Years as Required by § 313.026(c)(1) (10 Years)	2032	\$ 606,659	\$ 7,358,263	\$ 0	\$ 11,061,795
	2033	\$ 536,800	\$ 7,895,063	\$ 0	\$ 11,061,795
	2034	\$ 518,163	\$ 8,413,226	\$ 0	\$ 11,061,795
	2035	\$ 499,526	\$ 8,912,753	\$ 0	\$ 11,061,795
	2036	\$ 480,889	\$ 9,393,642	\$ 0	\$ 11,061,795
	2037	\$ 462,253	\$ 9,855,895	\$ 0	\$ 11,061,795
	2038	\$ 443,616	\$ 10,299,510	\$ 0	\$ 11,061,795
	2039	\$ 424,979	\$ 10,724,489	\$ 0	\$ 11,061,795
	2040	\$ 406,342	\$ 11,130,831	\$ 0	\$ 11,061,795
	2041	\$ 387,705	\$ 11,518,536	\$ 0	\$ 11,061,795
		\$ 11,518,536	is greater than	\$ 11,061,795	

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

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant’s decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

Board Findings of the Calvert Independent School District

In support of Findings Nos. 10 and 11, **Attachment C** of the economic impact study states:

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. This is based on information available, including information provided by the Applicant. Specifically, the Comptroller notes the following:

- According to the Applicant, Robertson County Commissioners Court, and numerous media reports, the Applicant entered into a tax abatement agreement in July 2015.
- The Applicant has numerous facilities throughout North America and is looking to better serve the Texas market primarily by truck with the capability to ship by rail.
- The Applicant submitted information indicating that it intends to better serve the Texas market but has alternatives to the Calvert location outside of the state.
- Confidential documents provided by the Applicant indicate that should a new Calvert facility be established, it would augment and not adversely affect any current Texas operations.
- According to GoogleMaps (including street level photos), the property in question matches the description in the application.

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

Board Finding Number 12.

The Board of Trustees of Calvert Independent School District retained attorneys and consultants to review and verify the information in Application #1075. Based upon that review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board of Trustees of Calvert Independent School District has determined that the Tax Limitation Amount requested by Applicant is currently Twenty Million Dollars (\$20,000,000.00), which is consistent with the minimum values currently set out by Texas Tax Code, § 313.054(a).

Board Finding Number 14.

The Applicant (Taxpayer Id. 32057100854) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Calvert Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the official minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Calvert Independent School District.

Dated the 18th day of October, 2016.

CALVERT INDEPENDENT SCHOOL DISTRICT

By: _____
Volney Alston, III
President, Board of Trustees

ATTEST:

By: _____
Jane Manterola
Secretary, Board of Trustees

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC
(Tax ID 32057100854) (Application # 1075)

ATTACHMENT A
Application of
NGC Industries, LLC

TAB 1

Pages 1 through 9 of application



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

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

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

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

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

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

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

The school board must approve or disapprove the application not later than the 150th 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 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

06/16/2015

Date Application Received by District

Maxie

First Name

Morgan

Last Name

Superintendent

Title

Calvert ISD

School District Name

310 Hickory Street

Street Address

P.O. Box 7

Mailing Address

Calvert

City

979-364-2824

Phone Number

TX

State

979-364-2468

Fax Number

mmorgan@calvertisd.com

Email Address

77837

ZIP

Mobile Number (optional)

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

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Sara Leon
First Name Last Name
Attorney
Title
Powell & Leon LLP
Firm Name
512-494-1177 512-494-1188
Phone Number Fax Number
sleon@powell-leon.com
Email Address

- 4. On what date did the district determine this application complete? August 22, 2016
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)

Laura Budzichowski
First Name Last Name
Vice President and Secretary NGC Industries, LLC
Title Organization
2001 Rexford Road
Street Address
2001 Rexford Road
Mailing Address
Charlotte NC 28211
City State ZIP
704-365-7425 704-365-7281
Phone Number Fax Number
LauraB@nationalgypsum.com
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.

Mundise Mortimer
First Name Last Name
Director, Strategic Planning NGC Industries, LLC
Title Organization
2001 Rexford Road
Street Address
2001 Rexford Road
Mailing Address
Charlotte NC 28211
City State ZIP
704-365-7476 704-365-7276
Phone Number Fax Number
MMortimer@NationalGypsum.com
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)

D. Dale Cummings
 First Name Last Name
 Founding Partner
 Title
 Cummings Westlake LLC
 Firm Name
 281-433-9889 713-266-2333
 Phone Number Fax Number
 dcummings@cwlp.net
 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? NGC Industries, LLC

2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32057100854

3. List the NAICS code 327420

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) Delaware Limited Liability Company

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?
2. The property will be used for one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(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)
(9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051
3. Are you requesting that any of the land be classified as qualified investment?
4. Will any of the proposed qualified investment be leased under a capitalized lease?
5. Will any of the proposed qualified investment be leased under an operating lease?
6. Are you including property that is owned by a person other than the applicant?
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?

SECTION 7: Project Description

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

SECTION 8: Limitation as Determining Factor

- 1. Does the applicant currently own the land on which the proposed project will occur?
Applicant purchased land after receiving certification of original application on 11/03/2015
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?
3. Does the applicant have current business activities at the location where the proposed project will occur?
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?
5. Has the applicant received any local or state permits for activities on the proposed project site?
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?
Applicant received 312 from County after certification of original application on 11/03/2015
7. Is the applicant evaluating other locations not in Texas for the proposed project?
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?
10. 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?

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." 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 ... October 2016
2. Commencement of construction ... Q1 2017
3. Beginning of qualifying time period ... October 2016
4. First year of limitation ... 2019
5. Begin hiring new employees ... Q4 2018
6. Commencement of commercial operations ... Q1 2019
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date ... Yes No
8. When do you anticipate the new buildings or improvements will be placed in service? ... Q1 2019

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Robertson County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Robertson Appraisal District - 198
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: Robertson, 0.475, 100% City: Calvert, 0.47374, 28%
Hospital District: N/A Water District: N/A
Other (describe): Calvert ISD, 1.17, 100% Other (describe): Robertson Co. ESD, 0.075, 100%
5. Is the project located entirely within the ISD listed in Section 1? Yes No
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

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? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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 tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, 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)? ... [X] 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? ... [X] 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): \$ 1,884.00
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): \$ 1,884.00

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)? 0

2. What is the last complete calendar quarter before application review start date: [] First Quarter [x] Second Quarter [] Third Quarter [] Fourth Quarter of 2016 (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)? 0

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

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

5. What is the number of new non-qualifying jobs you are estimating you will create? 35

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 [x] 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 879.00

b. 110% of the average weekly wage for manufacturing jobs in the county is 969.93

c. 110% of the average weekly wage for manufacturing jobs in the region is 826.21

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

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 42,963.00

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 42,970.00

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? [x] 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 §313.021(3)(F)? [] Yes [x] 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 [x] 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 Maxie Morgan Superintendent
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 Laura Budzichowski Vice President & Secretary
Print Name (Authorized Company Representative (Applicant)) Title

sign here [Signature] 8/18/2016
Signature (Authorized Company Representative (Applicant)) Date



GIVEN under my hand and seal of office this, the 18th day of August, 2016
Natalie S. [Signature]
Notary Public in and for the State of TEXAS North Carolina
My Commission expires: August 16, 2021

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.

AMENDED



Application for Appraised Value Limitation on Qualified Property

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.

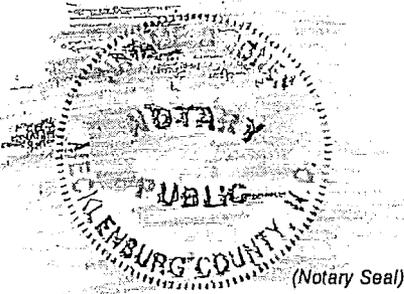
print here Maxie Morgan Superintendent
Print Name (Authorized School District Representative) Title
sign here Maxie Morgan August 18th 2016
Signature (Authorized School District Representative) Date

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 Laura Budzichowski Vice President & Secretary
Print Name (Authorized Company Representative (Applicant)) Title
sign here Laura Budzichowski 8/18/2016
Signature (Authorized Company Representative (Applicant)) Date



GIVEN under my hand and seal of office this, the
18th day of August, 2016
Natalie S Jones
Notary Public in and for the State of Texas, North Carolina
My Commission expires: August 16, 2021

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 tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period 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>

Tab 2

Proof of Payment of Application Fee

Proof of payment attached.

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

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

TAB 3

TAB 3 is confidential information.

Documentation of Combined Group membership under Texas tax Code 171.0001(7), history of tax default, delinquencies, and/or material litigation (if applicable)

NGC Industries, LLC is part of a combined group. Form 05-165 is confidential information and is submitted to Calvert ISD and the Comptroller under separate cover.

Texas Franchise Tax Extension Affiliate List

■ **Tcode** 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

17524744905

2015

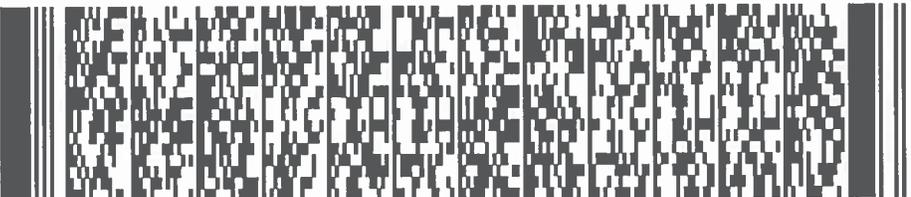
NEW NGC, INC.

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. NEW NGC, INC.	17524744905	<input type="checkbox"/>
2. BUILDING PRODUCTS INVESTMENTS, INC.	562237982	<input checked="" type="checkbox"/>
3. NGC HOLDINGS, INC.	160980653	<input checked="" type="checkbox"/>
4. NATIONAL GYSUM SERVICES COMPANY	15621683349	<input type="checkbox"/>
5. NGC INDUSTRIES, LLC	32057100854	<input type="checkbox"/>
6. PRYOR INDUSTRIAL CONSERVATION COMPANY	730739683	<input checked="" type="checkbox"/>
7. BBC DISTRIBUTION CORP.	13521310071	<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

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.

Project Description

NGC Industries, LLC is requesting an appraised value limitation from Calvert ISD for a new wallboard manufacturing plant to be located within the Calvert ISD jurisdiction. The proposed project involves the purchase of approximately 264 acres of land to construct an approximately 414,000 square foot wallboard manufacturing facility capable of annual production of 500 million square feet of gypsum board (enough gypsum board to build 45,500 homes a year). The plant will service Texas and surrounding states primarily by truck with the capability to ship greater distances via rail. The current estimated capital cost of the manufacturing plant project is \$141 million.

Proposed Improvements

The proposed project improvements include, but are not limited to, the following:

- Site preparation including grading, soil stabilization and storm water management
- Laydown area improvements for receipt, storage, and handling of byproduct gypsum
- Manufacturing facilities
 - Process and mill equipment to convey, grind, and calcine byproduct gypsum
 - Wallboard Production equipment to process calcined gypsum with other ingredients including mixing tanks, wallboard production line conveyors, cutters, kiln, and taping and bundling equipment.
 - Quality control lab for testing
- Warehouse areas
 - Receiving and storage area for raw materials
 - Loading and shipping area for finished goods
- Office area
- Railroad spurs
- Roadways and paved areas for plant entry and exit, employee parking, and inbound/outbound truck and trailer staging
- Electric power infrastructure including supply lines and substation
- Natural gas pipeline and associated gas delivery infrastructure
- Water wells and water piping infrastructure to support manufacturing operations
- Pollution control equipment to facilitate a clean, safe manufacturing environment

Construction Timeline

Construction of the project is expected to take 24 months with a proposed start in the first quarter of 2017. The first shipments of finished products would begin in 2019.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

NGC Industries, LLC and its parent company, New NGC, Inc. doing business as National Gypsum Company, (together, “NGC”) have 17 wallboard plants throughout the United States and are seeking to expand their collective footprint in Texas and the Gulf Coast area. Because transportation is a significant expense, a major factor in deciding how best to service any market is the manufacturing facility’s proximity both to its customers and to the sources of raw materials needed to make finished product. Based on those criteria, NGC is considering either adding capacity to existing plants or building a greenfield project in an optimized location – in this case Calvert, TX.

NGC currently serves Texas with wallboard plants in Rotan, TX, Westwego, LA and Medicine Lodge, KS that could be expanded to serve growing Texas and Gulf Coast area markets. The optimal plant for expansion is NGC’s Westwego, LA plant. In addition to proximity to the relevant markets, the Westwego plant has access to raw materials via both ocean-going ship and river barge. As an existing facility, expansion of Westwego would require relatively minimal site work and minor upgrades to infrastructure, and would allow the use of existing manufacturing equipment. The total projected investment at Westwego would be \$90 million and could be completed in 18 months. If NGC elected to expand its Westwego plant, the state of Louisiana is prepared to offer incentives to support the expansion. NGC is waiting on a formal offer from Louisiana Economic Development. An email from a representative from Louisiana Economic Development is attached outlining the terms of the forthcoming formal offer from the state.

As attractive as an expansion of the Westwego plant could be in the short-term, NGC believes that servicing the Texas and Gulf Coast area markets would be more efficient over the long-term from a modern, high-speed plant located in Calvert, TX. The proposed site in Calvert offers excellent access to the major metropolitan markets in Texas and rail access for interstate shipments, including to the Gulf Coast area. Calvert is also optimally located near raw material sources in Franklin and Limestone. In the event the new NGC plant is built in Texas, NGC has secured rights to purchase such raw materials from power plants in those communities. NGC is also party to a contract for the purchase of the land at the proposed Calvert site that guarantees NGC the right to purchase the property but also grants NGC the flexibility to terminate the contract without further obligation or penalty, if NGC elects not to move forward with the project.

From an efficiency and logistics perspective, the Calvert site is well-situated. However, the Calvert site is not without challenges. As a rural area, Calvert does not have adequate existing infrastructure for water, power and natural gas. The Calvert property is located within the

Texas Claypan Area, noted for expansive clay soils which would add additional capital to preparation costs for construction of this scope.

Air permit was filed after the application was deemed complete by the Comptroller on 08/05/2015. No formal permit filings have been received as of the date of this application. Other than agreements pertaining to preliminary design, engineering, and the development of technical studies, no engineering, procurement, or construction contracts have been negotiated or signed to support the proposed project. The agreements pertaining to preliminary design, engineering, and the development of technical studies are necessary for purposes of determining whether the proposed project is technically viable and can be cost competitive in the marketplace. No public announcements of a definitive intent to construct the proposed project have been made – any statements have indicated only that NGC is considering the proposed project.

NGC is currently holding talks with Entergy, the local area electric service provider, about upgrading Entergy's system to provide electric power to the proposed site. Entergy has indicated to NGC that it will file an application with the Texas Public Utility Commission (PUC) in the near future to initiate the process to secure PUC approval to provide service to the proposed site.

NGC prefers to service the growing Texas and Gulf Coast area markets through a strategy that maximizes efficiency and reduces transportation costs to enable NGC to compete over the long-term. This strategy requires significant up-front investment and will require a longer period of time to recover these initial costs. Therefore, it is critical to the feasibility of the project that some initial costs be offset. Receiving the Appraised Value Limitation from the Calvert Independent School District is a vital component to the long-term success of the project by helping NGC's reduce its startup costs, which in turn helps ensure the company's long-term ability to compete in these targeted markets.

**Email from Louisiana Economic
Development Detailing Terms of
Forthcoming Offer Letter**

From: Charlie Romaine [mailto:Charlie.Romaine@LA.GOV]
Sent: Friday, May 15, 2015 9:14 AM
To: Mortimer, Mundise
Subject: RE: Follow up on Project Description

Hello Mundise I hope this email finds you doing well. The following link will allow you to review the LED incentives that your project could qualify for: <http://www.opportunitylouisiana.com/index/incentives>

If and when it is decided that the project will happen I will assist you with the necessary steps need occur before making purchases or hiring employees. The project will qualify for the quality jobs program as a gypsum product manufacturer at the site which entitles you to a 5-6% payroll rebate. Also the Industrial tax exemption which will exclude the capital expenditure of the project for 10 years. The below is a summary total for 10 years. Attached is a yearly breakdown as well. I will have a letter signed from our new Secretary Steven Grissom for you next week as well. He took over this past Monday. Please call my cell with any questions. I would be happy to explain the estimate to you.

Louisiana Proposal Estimate (10 year) based on \$90 million investment as indicated with a 2 year hire ramp up of 27 new jobs

Quality Jobs payroll rebate	\$ 736,747
ITC portion	\$ 638,635
Industrial Tax Exemption	<u>\$12,751,027</u>
Total 10 year	\$14,126,399

Charlie Romaine

Assistant Director
Business Expansion & Retention Group
Louisiana Economic Development

Office 225.342.5444
Cell 504.236.4664
Fax 225.342.5349

www.opportunitylouisiana.com

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

All of the project is located in Calvert ISD. The project is also located 100% in the following tax districts and the tax rate for each district is shown below.

- | | |
|-------------------------|------------|
| 1) Robertson County | – \$.475 |
| 2) Robertson County ESD | –\$.075 |
| 3) Calvert ISD | – \$1.1700 |

Approximately 28% of the project land is located in the City of Calvert which has a tax rate of \$.47374. NGC estimates that, of the proposed improvements, only a small portion of a new road will be located inside the city limits of the City of Calvert. The likely taxable value of land and improvements within the city limits of the City of Calvert is less than .2% of the total estimated project investment.

TAB 7

Description of Qualified Investment

NGC Industries, LLC is requesting an appraised value limitation from Calvert ISD for a new wallboard manufacturing plant to be located within the Calvert ISD jurisdiction. The proposed project involves the purchase of approximately 264 acres of land to construct an approximately 414,000 square foot wallboard manufacturing facility capable of annual production of 500 million square feet of gypsum board (enough gypsum board to build 45,500 homes a year). The plant will service Texas and surrounding states primarily by truck with the capability to ship greater distances via rail. The current estimated capital cost of the manufacturing plant project is \$141 million.

Proposed Improvements

The proposed project improvements include, but are not limited to, the following:

- Site preparation including grading, soil stabilization and storm water management
- Laydown area improvements for receipt, storage, and handling of byproduct gypsum
- Manufacturing facilities
 - Process and mill equipment to convey, grind, and calcine byproduct gypsum
 - Wallboard Production equipment to process calcined gypsum with other ingredients including mixing tanks, wallboard production line conveyors, cutters, kiln, and taping and bundling equipment.
 - Quality control lab for testing
- Warehouse areas
 - Receiving and storage area for raw materials
 - Loading and shipping area for finished goods
- Office area
- Railroad spurs
- Roadways and paved areas for plant entry and exit, employee parking, and inbound/outbound truck and trailer staging
- Electric power infrastructure including supply lines and substation
- Natural gas pipeline and associated gas delivery infrastructure
- Water wells and water piping infrastructure to support manufacturing operations
- Pollution control equipment to facilitate a clean, safe manufacturing environment

Construction Timeline

Construction of the project is expected to take 24 months with a proposed start in the first quarter of 2017. The first shipments of finished products would begin in 2019.

TAB 8

Description of Qualified Investment

NGC Industries, LLC is requesting an appraised value limitation from Calvert ISD for a new wallboard manufacturing plant to be located within the Calvert ISD jurisdiction. The proposed project involves the purchase of approximately 264 acres of land to construct an approximately 414,000 square foot wallboard manufacturing facility capable of annual production of 500 million square feet of gypsum board (enough gypsum board to build 45,500 homes a year). The plant will service Texas and surrounding states primarily by truck with the capability to ship greater distances via rail. The current estimated capital cost of the manufacturing plant project is \$141 million.

Proposed Improvements

The proposed project improvements include, but are not limited to, the following:

- Site preparation including grading, soil stabilization and storm water management
- Laydown area improvements for receipt, storage, and handling of by-product gypsum
- Manufacturing facilities
 - Process and mill equipment to convey, grind, and calcine byproduct gypsum
 - Wallboard Production equipment to process calcined gypsum with other ingredients including mixing tanks, wallboard production line conveyors, cutters, kiln, and taping and bundling equipment.
 - Quality control lab for testing
- Warehouse areas
 - Receiving and storage area for raw materials
 - Loading and shipping area for finished goods
- Office area
- Railroad spurs
- Roadways and paved areas for plant entry and exit, employee parking, and inbound/outbound truck and trailer staging
- Electric power infrastructure including supply lines and substation
- Natural gas pipeline and associated gas delivery infrastructure
- Water wells and water piping infrastructure to support manufacturing operations
- Pollution control equipment to facilitate a clean, safe manufacturing environment

Construction Timeline

Construction of the project is expected to take 24 months with a proposed start in the first quarter of 2017. The first shipments of finished products would begin in 2019.

TAB 9

Description of Land

The land associated with the proposed project is described as real property located in Robertson County. It is bound on the east by State Highway 6 and on the west by Nelson Road and the Union Pacific railroad. A small part of the land is being leased for agriculture use; otherwise, the property is undeveloped. The full legal description is included on the following pages.

The Robertson County Appraisal district land value includes all or part of the account numbers shown below. Appraisal District records are attached on the following pages. Robertson County Appraisal District values the land in 2016 at \$758,277.

Account Number	2016 Land Value
000012-000010	\$397,433
000013-000102	\$13,428
000063-000011	\$347,416
Total	\$758,277

The legal description of the purchased land is attached.

Property Account Report

Robertson County Appraisal District
Date Updated: Wednesday, June 22, 2016

Appraisal Year: 2016
Account Number: 000012-000010 (468-1/7301)

Owner Info

Owner Name	NGC INDUSTRIES LLC
Mailing Address	2001 REXFORD ROAD CHARLOTTE, NC 28211
Situs Address	N STATE HIGHWAY 6
Legal Description	AB 12 TR 1JACOB FISHER 1274/599 139.45 ACRES

Account Info

Deed Date	10/2/2015
Owner Percentage	100.0%
Exemptions	
Deed Vol/Page	1274/599
Last Date To Protest	5/31/2016

Property Value Information

Land	397,433
Improvements	
Personal	
Mineral	
Market Value	397,433
Ag Market	397,433
Ag Productivity	7,809
Timber Market	
Timber Productivity	
Productivity Loss	389,624
Homesite Cap Loss	
Appraised Value	7,809

Current Year Jurisdiction Values

Code	Jurisdiction Name	Appraised	Exemptions	Taxable
	RC EMER SERV DIST	7,809		7,809
	CALVERT ISD	7,809		7,809
	ROBERTSON COUNTY	7,809		7,809
	ROBERTSON CAD	7,809		7,809

Five Year Historical Values

Year	Code	Jurisdiction Name	Appraised	Exemptions	Taxable
2015		RC EMER SERV DIST	7,809		7,809
2015		CALVERT ISD	7,809		7,809
2015		ROBERTSON COUNTY	7,809		7,809
2015		ROBERTSON CAD	7,809		7,809
2014		RC EMER SERV DIST	6,454		6,454
2014		CALVERT ISD	6,454		6,454
2014		ROBERTSON COUNTY	6,454		6,454
2014		ROBERTSON CAD	6,454		6,454
2013		RC EMER SERV DIST	6,723		6,723
2013		CALVERT ISD	6,723		6,723
2013		ROBERTSON COUNTY	6,723		6,723
2013		ROBERTSON CAD	6,723		6,723
2012		RC EMER SERV DIST	6,050		6,050
2012		CALVERT ISD	6,050		6,050
2012		ROBERTSON COUNTY	6,050		6,050
2012		ROBERTSON CAD	6,050		6,050
2011		RC EMER SERV DIST	6,588		6,588
2011		CALVERT ISD	6,588		6,588
2011		ROBERTSON COUNTY	6,588		6,588
2011		ROBERTSON CAD	6,588		6,588
2010		RC EMER SERV DIST	6,590		6,590
2010		CALVERT ISD	6,590		6,590
2010		ROBERTSON COUNTY	6,590		6,590
2010		ROBERTSON CAD	6,590		6,590

Land Seg	Mkt Class	Ag Class	Use Code	Land Use	Size	Units
1	MNP1	NP1	D1	NATP	139.450	ACRE

Property Account Report

Robertson County Appraisal District
Date Updated: Wednesday, June 22, 2016

Appraisal Year: 2016
Account Number: 000013-000102 (65032-1/41773)

Owner Info

Owner Name	NGC INDUSTRIES LLC
Mailing Address	2001 REXFORD ROAD CHARLOTTE, NC 28211
Situs Address	
Legal Description	AB 13 JNO FISHER QD#10 1274/631 1282/319 3.087 ACRES

Account Info

Deed Date	
Owner Percentage	100.0%
Exemptions	
Last Date To Protest	5/31/2016

Property Value Information

Land	13,428
Improvements	
Personal	
Mineral	
Market Value	13,428
Ag Market	13,428
Ag Productivity	500
Timber Market	
Timber Productivity	
Productivity Loss	12,928
Homesite Cap Loss	
Appraised Value	500

Current Year Jurisdiction Values

Code	Jurisdiction Name	Appraised	Exemptions	Taxable
	RC EMER SERV DIST	500		500
	CALVERT ISD	500		500
	ROBERTSON COUNTY	500		500
	ROBERTSON CAD	500		500

Five Year Historical Values

Year	Code	Jurisdiction Name	Appraised	Exemptions	Taxable
2015		RC EMER SERV DIST	500		500
2015		CALVERT ISD	500		500
2015		ROBERTSON COUNTY	500		500
2015		ROBERTSON CAD	500		500

AMENDED

Land Seg	Mkt Class	Ag Class	Use Code	Land Use	Size	Units
1	MNP1	NP1	D1	NATP	3.087	ACRE

Property Account Report

Robertson County Appraisal District
Date Updated: Wednesday, June 22, 2016

Appraisal Year: 2016
Account Number: 000063-000011 (65056-1/41553)

Owner Info

Account Info

Owner Name	NGC INDUSTRIES LLC
Mailing Address	2001 REXFORD ROAD CHARLOTTE, NC 28211
Situs Address	N STATE HIGHWAY 6 CALVERT
Legal Description	AB 63 TR 1G W BROWNING 1274/599 121.9 ACRES

Deed Date	10/2/2015
Owner Percentage	100.0%
Exemptions	
Deed Vol/Page	1274/599
Last Date To Protest	5/31/2016

Property Value Information

Land	347,416
Improvements	1,884
Personal	
Mineral	
Market Value	349,300
Ag Market	347,416
Ag Productivity	3,669
Timber Market	
Timber Productivity	
Productivity Loss	343,747
Homesite Cap Loss	
Appraised Value	5,553

Current Year Jurisdiction Values

Code	Jurisdiction Name	Appraised	Exemptions	Taxable
	RC EMER SERV DIST	5,553		5,553
	CITY OF CALVERT	5,553		5,553
	CALVERT ISD	5,553		5,553
	ROBERTSON COUNTY	5,553		5,553
	ROBERTSON CAD	5,553		5,553

Five Year Historical Values

Year	Code	Jurisdiction Name	Appraised	Exemptions	Taxable
2015		RC EMER SERV DIST	5,553		5,553
2015		CITY OF CALVERT	5,553		5,553
2015		CALVERT ISD	5,553		5,553
2015		ROBERTSON COUNTY	5,553		5,553
2015		ROBERTSON CAD	5,553		5,553

Land Seg	Mkt Class	Ag Class	Use Code	Land Use	Size	Units
1	MWA1	BRNW	D1	BRNW	101.850	ACRE
2	MNP1	NP1	D1	NATP	20.050	ACRE

Improvement Seg	Class	Use Code	Year Built
1	BWB1	D2	0

Structure Seg	Structure	Class	Year Built	Area
1	WB1	BWB1	0	240.000
2	SSW	BWB1	0	200.000
3	SSW1	BWB1	0	220.000
4	WB1	BWB1	0	800.000
5	SSW1	BWB1	0	320.000

Exhibit "A"

Fieldnote Description to 261.35 Acres
J. Fisher Survey, A-12
G. W. Browning Survey, A-63
Robertson County, Texas

Fieldnotes to all that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-12, and the G. W. Browning Survey, A-63, Robertson County, Texas, being 261.35 acres, more or less, and being a part of a called 274.95 acre tract, First Tract, as described in a deed dated May 14, 1974, from Lena Faye Allday to William Carl Allday, Sr. and recorded in Volume 291, Page 583, Deed Records, Robertson County, Texas, to which reference is hereby made. Said 274.95 acre tract being comprised of an acclaimed 72 acre tract conveyed to John McLendon in a deed dated December 6, 1883, and recorded in Volume 11, Page 421; an acclaimed 67 acre tract conveyed to John McLendon in a dated April 1876, and recorded in Volume Z, Page 423; an acclaimed 40 acre tract conveyed to John McLendon in a deed dated April 12, 1876, and recorded in Volume Z, Page 407; a part of a called 116 acre tract, First Tract, conveyed to W. C. Allday, et ux in a deed dated January 24, 1949, and recorded in Volume 162, Page 339; a called ¼ acre tract conveyed to William Carl Allday by a deed dated May 14, 1974, and recorded in Volume 291, Page 581; a called ¼ acre tract conveyed to Mrs. Eloise H. Allday by a deed dated March 9, 1948, and recorded in Volume 149, Page 500, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the western corner of the referenced 274.95 acre tract near an existing fence corner post in the northeastern right of way of State Highway 6 (variable width right of way). Same being the occupied western corner of the aforesaid 72 acre tract and a southern corner of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537;

THENCE NORTH 57°21'35" EAST 1046.72 feet, generally along an existing wire fence and with the common line of said 72 acre tract and said 195.00 acre tract, to a ½" iron rod found at the common occupied "ell" corner of said 72 acre tract and said 195.00 acre tract;

THENCE SOUTH 31°39'34" EAST 1123.88 feet, continuing generally along an existing wire fence and with the common occupied line of said 72 acre tract and said 195.00 acre tract, to a point at the base of an existing fence corner. Same being the western corner of the aforesaid 67 acre tract and an "ell" corner of said 195.00 acre tract;

THENCE NORTH 57°44'33" EAST 1826.46 feet, generally along an existing wire fence and with the common line of said 67 acre tract and said 195.00 acre tract, to a ½" capped iron rod set for the northern corner of said 67 acre tract, the western corner of a 3.087 acre tract described on January 13, 2015, and the western corner of a tract conveyed to Randall D. Rychlik, Tract 2, by deed of record in Volume 1135, Page 473. Said point being in or near the common line of the J. Fisher Survey, A-12, and the J. Fisher Survey, A-13. From said point the intersection of the northwestern line of said 67 acre tract, the southeastern line of said 195.00 acre tract, and the northwestern line of said Rychlik tract with the southwestern line of the Houston & Central Texas Railway right of way, 100 feet from the centerline of same (right of way of record in Volume R, Page 174) bears N51°06'41"E 296.41 feet and an iron rod found for the eastern corner of said 195.00 acre tract (found fifty feet from the railroad centerline) bears N51°06'41" E 349.61 feet. Said intersection also being the northern corner of the aforementioned 3.087 acre tract;

THENCE SOUTH 32°37'53" EAST 907.49 feet, along or near said common survey line, with the northeastern line of said 67 acre tract, the southwestern line of said Rychlik tract, and along the southwestern line of said 3.087 acre tract, to a capped ½" iron rod set for corner in the southwestern right of way of said railroad (100 feet from the centerline). From said point a capped ½" iron rod set in the northeastern right of way of said railroad for the northern corner of a 0.128 acre tract described January 13, 2015, bears S39°15'45"E 642.93 feet and from said point a capped ½" iron rod set for the northeastern corner of said 67 acre tract bears S39°15'45"E 185.13 feet;

THENCE in a southerly direction along the southwestern right of way of said railroad, 100 feet from and parallel to the centerline, and with the northeastern lines of said 67 acre tract, the referenced 40 acre tract, the referenced 116 acre tract, and the first referenced ¼ acre tract, as follows:

SOUTH 14°30'27" EAST 4733.52 feet to a capped ½" iron rod set for the beginning of a curve to the left,

SOUTH 14°52'21" EAST 95.63 feet to a capped ½" iron rod set for an angle point,

SOUTH 15°06'43" EAST 105.88 feet to a capped ½" iron rod set for an angle point,

SOUTH 16°27'38" EAST 100.00 feet to a capped ½" iron rod set for an angle point, and

SOUTH 17°39'48" EAST 66.36 feet to a capped ½" iron rod set for the eastern corner of said ¼ acre tract. Same being near the occupied eastern corner of a tract conveyed to Larry Smith by deed of record in Volume 890, Page 321 (described in Volume 426, Page 564). From said point an unreferenced iron rod, found capped RPLS 2547, bears N81°26'41"E 16.46 feet;

THENCE SOUTH 62°30'29" WEST 177.84 feet, with the southern line of said ¼ acre tract, a southern line of said 116 acre tract, and generally along an existing wire fence (old wire fence) to a ½" capped iron rod set for a bend;

THENCE SOUTH 56°05'29" WEST 55.88 feet, continuing with the southern line of said 116 acre tract, picking up the southern line of the second referenced ¼ acre tract, and generally along said old wire fence, to a point in an existing creek for corner. Same being the northeastern right of way of State Highway 6 (variable width right of way). From said point a capped ½" iron rod set for reference bears N45°28'34"W 75.0 feet;

THENCE in a northwesterly direction, crossing the remainder of the referenced tracts, and with the northeastern right of way of State Highway 6, as follows:

NORTH 38°50'42" WEST 449.96 feet to a TxDOT Type II right of way monument (brass monument),

NORTH 61°50'08" WEST 70.92 feet to an aluminum TxDOT monument,

NORTH 42°51'14" WEST 657.24 feet to a TxDOT Type I right of way monument (concrete),

NORTH 50°27'25" WEST 220.07 feet to a capped ½" iron rod set for bend,

NORTH 45°31'53" WEST 583.92 feet to a capped ½" iron rod set for bend,

NORTH 46°15'10" WEST 351.76 feet to a capped ½" iron rod set for bend,

NORTH 47°14'10" WEST 605.38 feet to a capped ½" iron rod set for bend,

NORTH 51°17'35" WEST 138.22 feet to a capped ½" iron rod set for bend,

NORTH 53°01'03" WEST 147.47 feet to a capped ½" iron rod set for bend,

NORTH 52°56'25" WEST 40.44 feet to a capped ½" iron rod set for bend,

NORTH 53°06'53" WEST 192.18 feet to a TxDOT Type I monument found for a bend,

NORTH 49°10'41" WEST 104.23 feet to a TxDOT Type I monument found for a bend,

NORTH 51°56'04" WEST 128.68 feet to a TxDOT Type I monument found for a bend,

NORTH 49°20'33" WEST 190.76 feet to a TxDOT aluminum monument found for the beginning of a curve to the right, from which the radius point bears N41°58'05"E 3776.10 feet,

Along the arc of said curve (CA=11°35'16", R=3776.10 feet, LC=N42°14'17"W 762.40 feet) at 763.70 feet an aluminum TxDOT monument found for the end of said curve and the beginning of another curve to the right, from which the radius point bears N53°35'28"E 3767.43 feet,

Along the arc of said curve (CA=01°24'44", R=3767.43 feet, LC=N35°42'10"W 92.86 feet) at 92.87 feet a ½" capped iron rod set,

NORTH 33°27'03" WEST 206.23 feet to a capped ½" iron rod set for a bend, and

NORTH 31°48'41" WEST 2075.07 feet to the Point of Beginning and containing 261.35 acres, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing Note: Bearings are based on the N.A.D. 83 Grid Values.

Fieldnote Description to 3.087 Acres
J. Fisher Survey, A-13
Robertson County, Texas

Fieldnotes to all that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-13, Robertson County, Texas, being 3.087 acres, more or less, and being a part of a called 40 acre tract, Tract 2, as described in a deed dated May 18, 2011, from Linda Ables Deal to Randall Duane Rycklik, and recorded in Volume 1135, Page 473, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the northwest corner of the referenced tract, the northeast corner of a called 67.45 acre tract conveyed to John McClendon by deed of record in Volume Z, Page 423, (further being a part of the First Tract in Volume 291, Page 583), and in the southeastern line of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537. Same being in or near the common division line between the J. Fisher Survey, A-12, and the J. Fisher, A-13;

THENCE NORTH 57°44'33" EAST 296.41 feet, generally along an existing wire fence and with the common line of the referenced tract and said 195.00 acre tract, to a capped ½" iron rod set for this northern corner. Same being 100 feet perpendicular to the centerline of the existing rail which is claimed by prescription according to Houston & Texas Central Railroad Map, V.S. #2, Map #33 (provided by the Southern Pacific Railroad). From said point a ½" iron rod found for the eastern corner of the aforesaid 195.00 acre tract bears N57°44'33"E 53.20 feet;

THENCE SOUTH 14°30'27" EAST 952.83 feet, across the referenced tract and 100 feet southwesterly of and parallel to the centerline of said railroad (Volume R, Page 174, establishes the railroad right of way as a 200 foot wide strip), to a capped ½" iron rod set for this southern corner in the intersection of the southwestern railroad right of way with the southwestern line of the referenced tract and the northeastern line of the aforesaid 67.45 acre tract. From said point a capped ½" iron rod set for the beginning of a curve to the left, in said right of way, bears S14°30'27"E 4733.52 feet and another capped ½" iron rod, set in the intersection of the northeastern railroad right of way with the common line of the referenced tract and said 67.45 acre tract bears S32°37'53"E 642.93 feet (same being the northern corner of a 0.128 acre tract described this same date);

THENCE NORTH 32°37'53" WEST 907.49 feet, with the common line of the referenced tract and the aforementioned 67.45 acre tract, along or near said common division line, to the Point of Beginning and containing 3.087 acres, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing Note: Bearings are based on N.A.D. 83 Grid values.

TAB 10

Description of all property not eligible to become qualified property (if applicable)

Robertson CAD account number 000063-000011 has existing improvements with a 2016 value of \$1,884. The existing improvements are a wood shed and wooden barn (both with dirt floors) that will be demolished by the Applicant if the project moves forward.

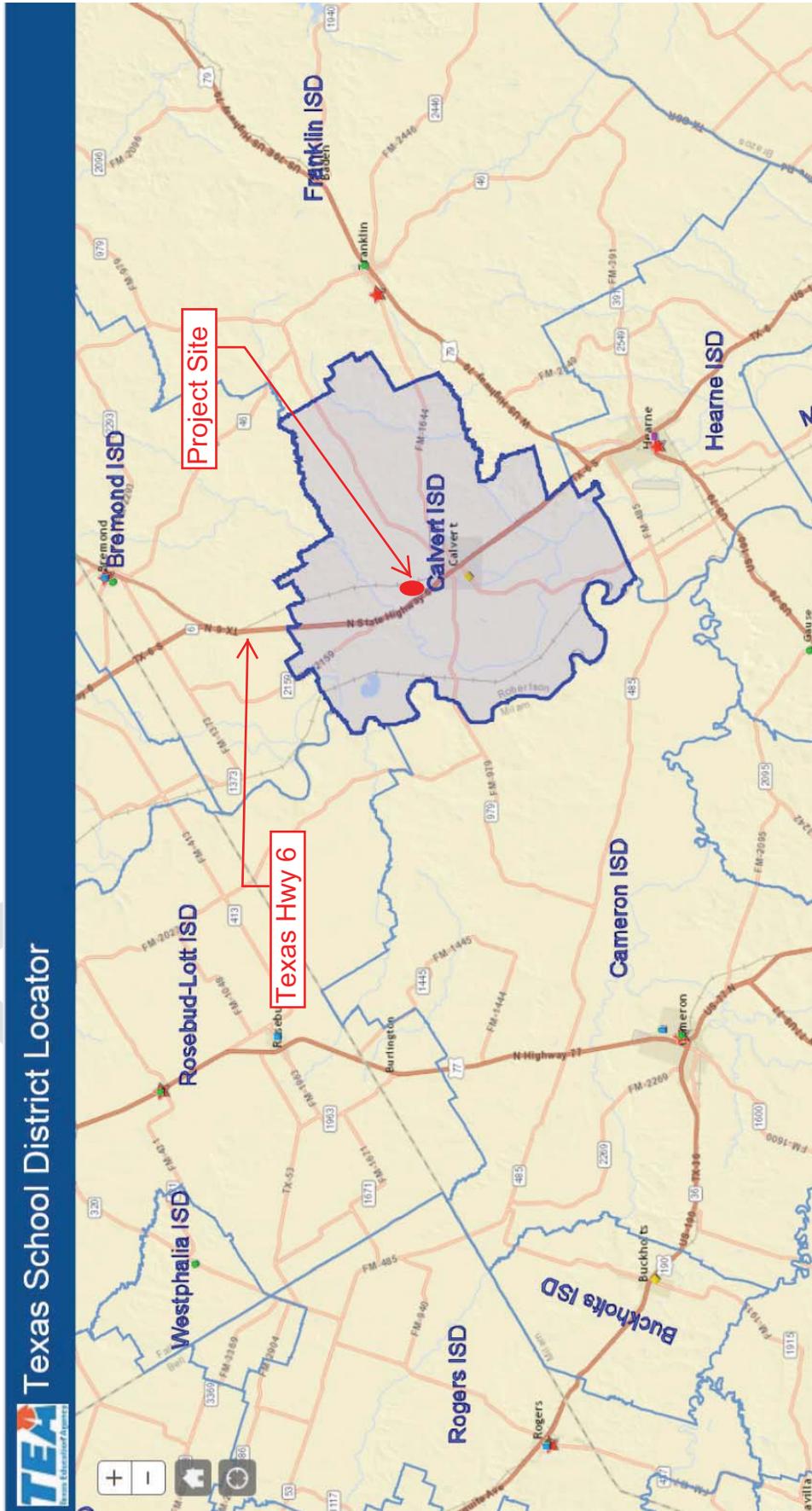
TAB 11

Maps that clearly show:

- a) Project vicinity*
- b) Qualified investment including location of new buildings or new improvements*
- c) Qualified property including new buildings or 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*

See attached maps.

Calvert ISD Map Showing Project Location



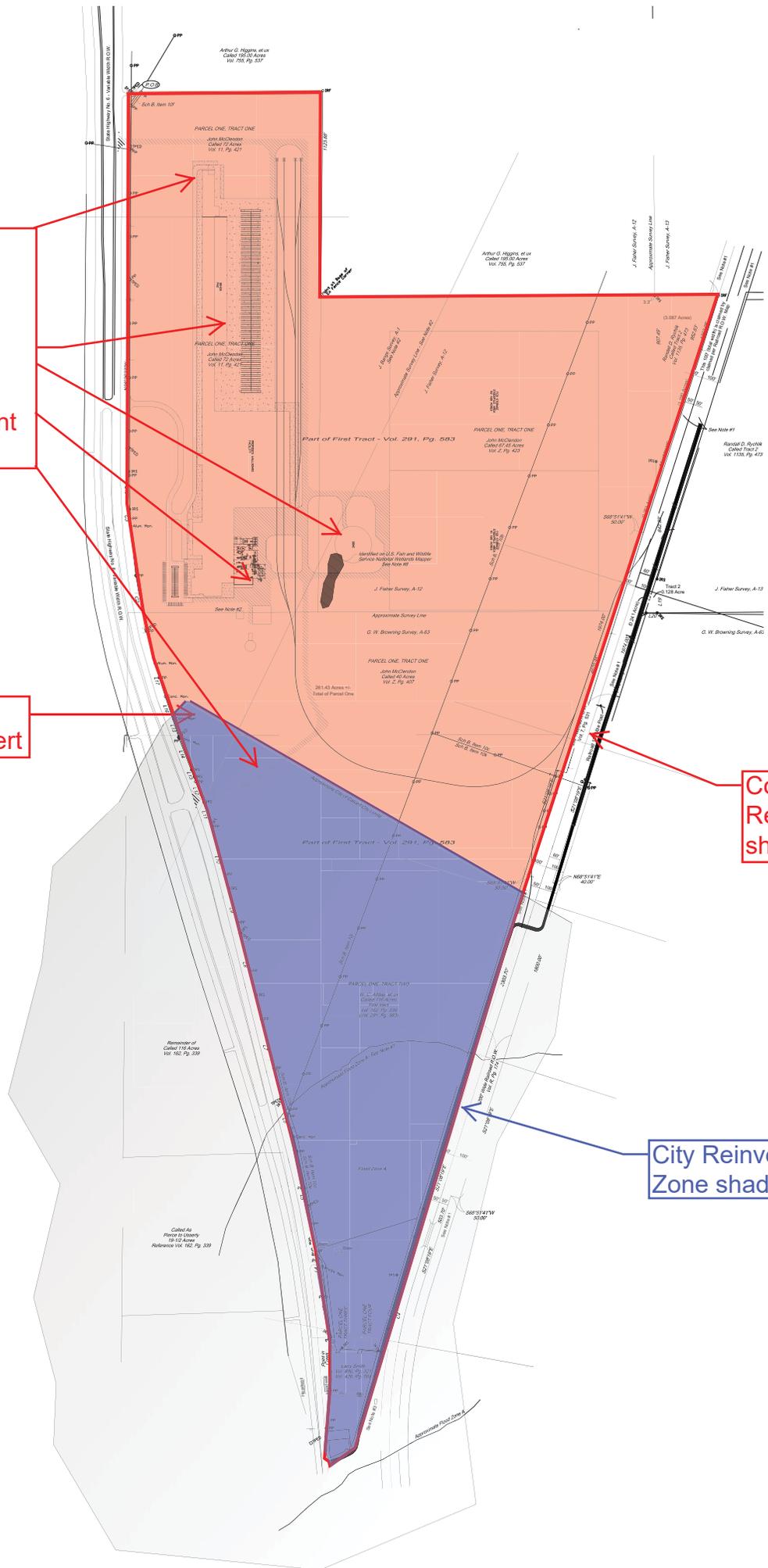
AMENDED

Proposed improvements shown with black lines. All proposed improvements will be wholly within the created reinvestment zones.

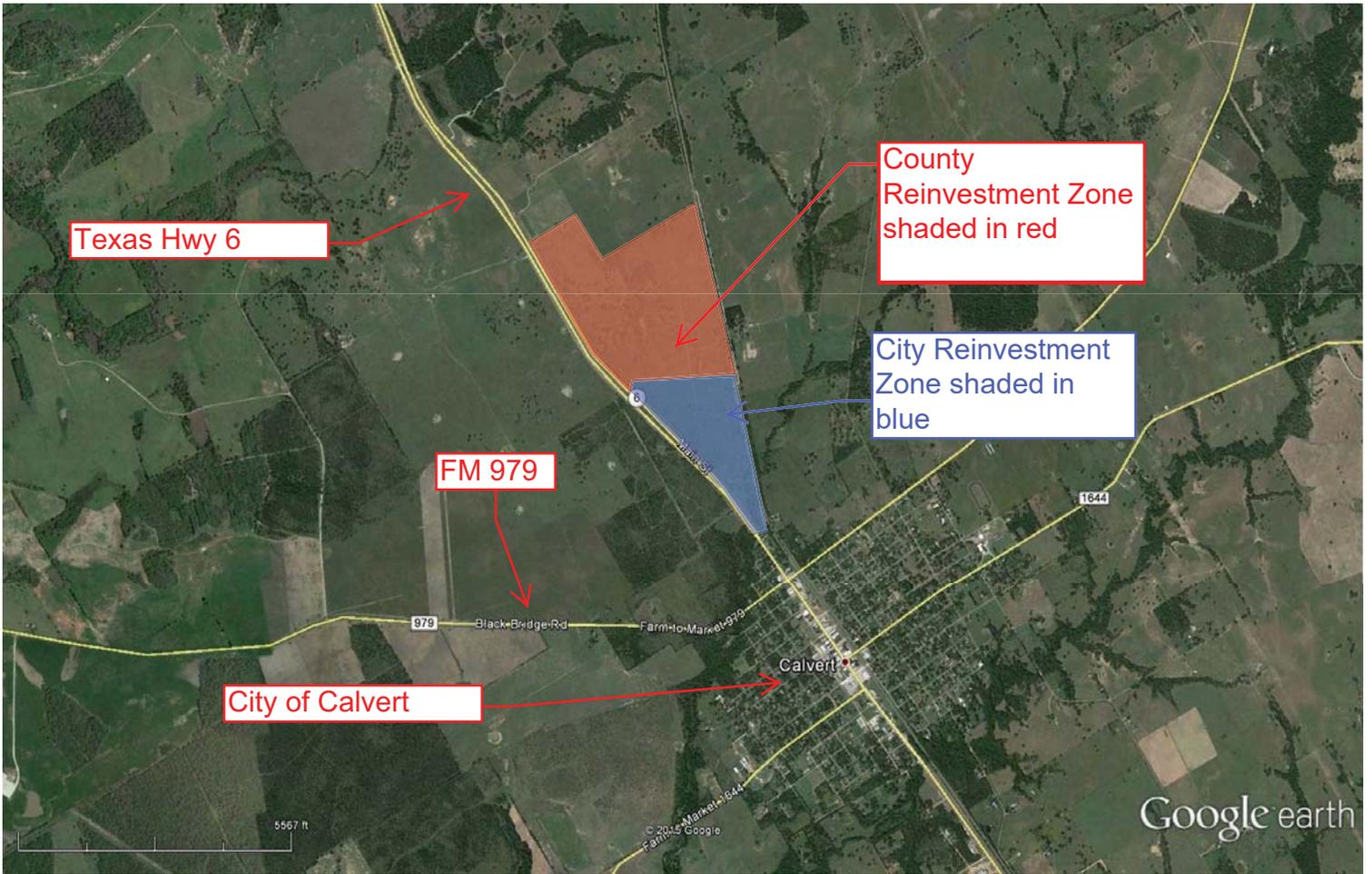
approximate city limit line for Calvert

County Reinvestment Zone shaded in red

City Reinvestment Zone shaded in blue



11F Vicinity Map Showing
Reinvestment Zones



TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

Not applicable.

TAB 13

Calculation of three possible wage requirements with TWC documentation

See attachments.

**NGC INDUSTRIES, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**ROBERTSON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2015	\$ 836	\$ 43,472
THIRD	2015	\$ 801	\$ 41,652
FOURTH	2015	\$ 978	\$ 50,856
FIRST	2016	\$ 901	\$ 46,852
AVERAGE		\$ 879.00	\$ 45,708

**ROBERTSON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
SECOND	2015	\$ 873	\$ 45,396
THIRD	2015	\$ 798	\$ 41,496
FOURTH	2015	\$ 983	\$ 51,116
FIRST	2016	\$ 873	\$ 45,396
AVERAGE		\$ 881.75	\$ 45,851
X		110%	110%
		\$ 969.93	\$ 50,436.10

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Brazos Valley	2015	\$ 751	\$ 39,057
X		110%	110%
		\$ 826.21	\$ 42,963

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	2nd Qtr	Robertson County	Private	00	0	10	Total, All Industries	\$836
2015	3rd Qtr	Robertson County	Private	00	0	10	Total, All Industries	\$801
2015	4th Qtr	Robertson County	Private	00	0	10	Total, All Industries	\$978
2016	1st Qtr	Robertson County	Private	00	0	10	Total, All Industries	\$901

Quarterly Employment and Wages (QCEW)

[Back](#)

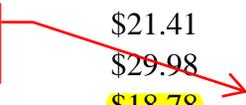
Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	2nd Qtr	Robertson County	Total All	31	2	31-33	Manufacturing	\$873
2015	3rd Qtr	Robertson County	Total All	31	2	31-33	Manufacturing	\$798
2015	4th Qtr	Robertson County	Total All	31	2	31-33	Manufacturing	\$983
2016	1st Qtr	Robertson County	Total All	31	2	31-33	Manufacturing	\$873

**2015 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

$\$39,057 \times 110\% =$
 $\$42,962.70$



Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

TAB 14

Schedules A1, A2, B, C and D and signed Economic Impact (if applicable)

Applicant Name: **NGC Industries, LLC**
ISD Name: **Calvert ISD**

PROPERTY INVESTMENT AMOUNTS

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

Investment made before filing complete application with district	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 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 after filing complete application with district, but before final board approval of application	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016-2017	2016		No eligible to become Qualified Property				
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	QTP1	2017-2018	2017	\$ 33,272,522	\$ 20,176,702	\$ -	\$ -	\$ 53,449,224	
		QTP2	2018-2019	2018	\$ 54,286,746	\$ 32,919,882	\$ -	\$ -	\$ 87,206,628
Complete six years of qualifying time period									
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 87,559,268	\$ 53,096,584	\$ -	\$ -	\$ 1,000,000	
Total Qualified Investment (sum of green cells)				\$ 141,655,852	Enter amounts from TOTAL row above in Schedule A2				\$ 141,655,852

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.

Column B: Only tangible personal property that is specifically described in the application can become qualified property.

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

Column D: 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 E: 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.

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)
	TOTALS FROM SCHEDULE A1*			\$ 87,599,268.0	\$ 53,096,594.0	-	\$ 1,000,000.0	\$ 141,695,862.0
Each year prior to start of value limitation period**	0	2016-2017	2016					
Each year prior to start of value limitation period**	0	2017-2018	2017					
Each year prior to start of value limitation period**	0	2018-2019	2018					
	1	2019-2020	2019					
	2	2020-2021	2020					
	3	2021-2022	2021					
	4	2022-2023	2022					
	5	2023-2024	2023					
	6	2024-2025	2024					
	7	2025-2026	2025					
	8	2026-2027	2026					
	9	2027-2028	2027					
	10	2028-2029	2028					
Total Investment made through limitation				\$ 87,599,268.0	\$ 53,096,594.0	\$ -	\$ 1,000,000.0	\$ 141,695,862.0
Continue to maintain viable presence								
	11	2029-2030	2029					
	12	2030-2031	2030					
	13	2031-2032	2031					
	14	2032-2033	2032					
	15	2033-2034	2033					
	16	2034-2035	2034					
	17	2035-2036	2035					
	18	2036-2037	2036					
	19	2037-2038	2037					
	20	2038-2039	2038					
	21	2039-2040	2039					
	22	2040-2041	2040					
	23	2041-2042	2041					
	24	2042-2043	2042					
	25	2043-2044	2043					

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

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

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

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

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

Column B: Only tangible personal property that is specifically described in the application can become qualified property.

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

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investments 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 E: 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.

Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	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 1&S after all reductions	Final taxable value for M&O after all reductions		
0	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	2017-2018	2017	\$ 758,277	\$ -	\$ 16,636,261	\$ -	\$ 758,277	\$ 27,482,889	\$ 27,482,889	\$ 758,277	\$ 27,482,889
0	2018-2019	2018	\$ 758,277	\$ 10,088,351	\$ -	\$ 27,482,889	\$ 27,482,889	\$ 27,482,889	\$ 27,482,889	\$ 758,277	\$ 27,482,889
1	2019-2020	2019	\$ 758,277	\$ 53,096,584	\$ 87,559,268	\$ 141,414,129	\$ 141,414,129	\$ 141,414,129	\$ 141,414,129	\$ 20,000,000	\$ 20,000,000
2	2020-2021	2020	\$ 758,277	\$ 51,503,686	\$ 83,181,305	\$ 135,443,268	\$ 135,443,268	\$ 135,443,268	\$ 135,443,268	\$ 20,000,000	\$ 20,000,000
3	2021-2022	2021	\$ 758,277	\$ 49,910,789	\$ 78,803,341	\$ 129,472,407	\$ 129,472,407	\$ 129,472,407	\$ 129,472,407	\$ 20,000,000	\$ 20,000,000
4	2022-2023	2022	\$ 758,277	\$ 48,317,891	\$ 74,425,378	\$ 123,501,546	\$ 123,501,546	\$ 123,501,546	\$ 123,501,546	\$ 20,000,000	\$ 20,000,000
5	2023-2024	2023	\$ 758,277	\$ 46,724,994	\$ 70,047,414	\$ 117,530,685	\$ 117,530,685	\$ 117,530,685	\$ 117,530,685	\$ 20,000,000	\$ 20,000,000
6	2024-2025	2024	\$ 758,277	\$ 45,132,096	\$ 65,669,451	\$ 111,559,824	\$ 111,559,824	\$ 111,559,824	\$ 111,559,824	\$ 20,000,000	\$ 20,000,000
7	2025-2026	2025	\$ 758,277	\$ 43,539,199	\$ 61,291,488	\$ 105,588,963	\$ 105,588,963	\$ 105,588,963	\$ 105,588,963	\$ 20,000,000	\$ 20,000,000
8	2026-2027	2026	\$ 758,277	\$ 41,946,301	\$ 56,913,524	\$ 99,618,103	\$ 99,618,103	\$ 99,618,103	\$ 99,618,103	\$ 20,000,000	\$ 20,000,000
9	2027-2028	2027	\$ 758,277	\$ 40,353,404	\$ 52,535,561	\$ 93,647,242	\$ 93,647,242	\$ 93,647,242	\$ 93,647,242	\$ 20,000,000	\$ 20,000,000
10	2028-2029	2028	\$ 758,277	\$ 38,760,506	\$ 48,157,597	\$ 87,676,381	\$ 87,676,381	\$ 87,676,381	\$ 87,676,381	\$ 20,000,000	\$ 20,000,000
11	2029-2030	2029	\$ 758,277	\$ 37,167,609	\$ 43,779,634	\$ 81,705,520	\$ 81,705,520	\$ 81,705,520	\$ 81,705,520	\$ 20,000,000	\$ 20,000,000
12	2030-2031	2030	\$ 758,277	\$ 35,574,711	\$ 39,401,671	\$ 75,734,659	\$ 75,734,659	\$ 75,734,659	\$ 75,734,659	\$ 20,000,000	\$ 20,000,000
13	2031-2032	2031	\$ 758,277	\$ 33,981,814	\$ 35,023,707	\$ 69,763,798	\$ 69,763,798	\$ 69,763,798	\$ 69,763,798	\$ 20,000,000	\$ 20,000,000
14	2032-2033	2032	\$ 758,277	\$ 32,388,916	\$ 30,645,744	\$ 63,792,937	\$ 63,792,937	\$ 63,792,937	\$ 63,792,937	\$ 20,000,000	\$ 20,000,000
15	2033-2034	2033	\$ 758,277	\$ 30,796,019	\$ 26,267,780	\$ 57,822,076	\$ 57,822,076	\$ 57,822,076	\$ 57,822,076	\$ 20,000,000	\$ 20,000,000
16	2034-2035	2034	\$ 758,277	\$ 29,203,121	\$ 21,889,817	\$ 51,851,215	\$ 51,851,215	\$ 51,851,215	\$ 51,851,215	\$ 20,000,000	\$ 20,000,000
17	2035-2036	2035	\$ 758,277	\$ 27,610,224	\$ 17,511,854	\$ 45,880,354	\$ 45,880,354	\$ 45,880,354	\$ 45,880,354	\$ 20,000,000	\$ 20,000,000
18	2036-2037	2036	\$ 758,277	\$ 26,017,326	\$ 17,511,854	\$ 44,287,457	\$ 44,287,457	\$ 44,287,457	\$ 44,287,457	\$ 20,000,000	\$ 20,000,000
19	2037-2038	2037	\$ 758,277	\$ 24,424,429	\$ 17,511,854	\$ 42,694,559	\$ 42,694,559	\$ 42,694,559	\$ 42,694,559	\$ 20,000,000	\$ 20,000,000
20	2038-2039	2038	\$ 758,277	\$ 22,831,531	\$ 17,511,854	\$ 41,101,662	\$ 41,101,662	\$ 41,101,662	\$ 41,101,662	\$ 20,000,000	\$ 20,000,000
21	2039-2040	2039	\$ 758,277	\$ 21,238,634	\$ 17,511,854	\$ 39,508,764	\$ 39,508,764	\$ 39,508,764	\$ 39,508,764	\$ 20,000,000	\$ 20,000,000
22	2040-2041	2040	\$ 758,277	\$ 19,645,736	\$ 17,511,854	\$ 37,915,867	\$ 37,915,867	\$ 37,915,867	\$ 37,915,867	\$ 20,000,000	\$ 20,000,000
23	2041-2042	2041	\$ 758,277	\$ 18,052,839	\$ 17,511,854	\$ 36,322,969	\$ 36,322,969	\$ 36,322,969	\$ 36,322,969	\$ 20,000,000	\$ 20,000,000
24	2042-2043	2042	\$ 758,277	\$ 16,459,941	\$ 17,511,854	\$ 34,730,072	\$ 34,730,072	\$ 34,730,072	\$ 34,730,072	\$ 20,000,000	\$ 20,000,000
25	2043-2044	2043	\$ 758,277	\$ 14,867,044	\$ 17,511,854	\$ 33,137,174	\$ 33,137,174	\$ 33,137,174	\$ 33,137,174	\$ 20,000,000	\$ 20,000,000

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 NGC Industries, LLC
ISD Name Calvert ISD

Form 50-296A
Revised Feb 2014

	Construction		Non-Qualifying Jobs		Qualifying Jobs		
	Column A	Column B	Column C	Column D	Column E		
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTEs or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	0	-	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	235 FTE	\$ 65,000	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	240 FTE	\$ 65,000	N/A	2	\$ 42,970
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020			17	10	\$ 42,970
	2	2020-2021			35	10	\$ 42,970
	3	2021-2022			35	10	\$ 42,970
	4	2022-2023			35	10	\$ 42,970
	5	2023-2024			35	10	\$ 42,970
	6	2024-2025			35	10	\$ 42,970
	7	2025-2026			35	10	\$ 42,970
	8	2026-2027			35	10	\$ 42,970
	9	2027-2028			35	10	\$ 42,970
	10	2028-2029			35	10	\$ 42,970
Years Following Value Limitation Period	11 through 26	2029-2044	2029-2043		35	10	\$ 42,970

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) 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
ISD Name

NGC Industries, LLC
Calvert ISD

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:	Not applicable Not applicable Not applicable				
Tax Code Chapter 312	County: Robertson City: Other:	2019 Not applicable Not applicable	10 Years Not applicable Not applicable	\$ 544,000.00 Not applicable Not applicable	\$ 544,000.00 Not applicable Not applicable	\$ - Not applicable Not applicable
Local Government Code Chapters 380/381	County: City: Other:	Not applicable Not applicable Not applicable				
Freeport Exemptions		To be determined				
Non-Annexation Agreements		To be determined				
Enterprise Zone/Project		Not applicable				
Economic Development Corporation		Not applicable				
Texas Enterprise Fund		Not applicable				
Employee Recruitment		Not applicable				
Skills Development Fund		Not applicable				
Training Facility Space and Equipment		Not applicable				
Infrastructure Incentives		Not applicable				
Permitting Assistance		Not applicable				
Other:		Not applicable				
Other:		Not applicable				
Other:		Not applicable				
TOTAL				\$ 544,000.00	\$ 544,000.00	\$ -

Additional information on incentives for this project:

Figures above are 10 year average

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TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

Not Applicable.

TAB 16

Description of Reinvestment or Enterprise Zone, including:

- a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office*
- b) legal description of reinvestment zone**
- c) order, resolution or ordinance establishing the reinvestment zone**
- d) guidelines and criteria for creating the zone**

See attached resolutions from Robertson County and City of Calvert creating the reinvestment zones. Legal descriptions are included in these resolutions.

9/28/15 Filed 4:05p
 Kathryn N. Brimhall
 County Clerk
 Robertson County, Texas

RESOLUTION OF THE COMMISSIONERS
 COURT OF ROBERTSON COUNTY, TEXAS
 DESIGNATING ROBERTSON COUNTY NGC REINVESTMENT ZONE

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN ROBERTSON COUNTY, TEXAS ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the Commissioners Court of Robertson County, Texas, desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, et seq.), and the Guidelines and Criteria of the Commissioners Court of Robertson County, Texas (the "Guidelines"); and

Whereas, on August 11, 2015, a hearing before the Commissioners Court of Robertson County, Texas, was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Robertson County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Commissioners Court of Robertson County, Texas, at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COMMISSIONERS COURT OF ROBERTSON COUNTY, TEXAS:

Section 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 2. That the Commissioners Court of Robertson County, Texas, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which

are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and

- c. That the creation of the reinvestment zone will result in benefits to Robertson County, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and
- d. The reinvestment zone meet the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Robertson County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Robertson County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Robertson County Commissioners Court hereby creates Robertson County NGC Reinvestment Zone, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as Robertson County NGC Reinvestment Zone.

SECTION 4. That Robertson County NGC Reinvestment Zone shall take effect on August 11, 2015, and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years for such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Robertson County Commissioners Court at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 11th day of August, 2015.

 *SA 28/15*

 Robertson County Judge

EXHIBIT A
LEGAL DESCRIPTION OF ROBERTSON COUNTY NGC REINVESTMENT ZONE

Robertson County NGC Reinvestment Zone is comprised of the following parcels. In the event of discrepancy between this Exhibit A and that attached map in Exhibit B, the map in Exhibit B shall control.

Exhibit AREINVESTMENT ZONE LEGAL DESCRIPTIONBASE TRACT – 261.35 ACRES

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-12, and the G. W. Browning Survey, A-63, Robertson County, Texas, being 261.35 acres, more or less, and being a part of a called 274.95 acre tract, First Tract, as described in a deed dated May 14, 1974, from Lena Faye Allday to William Carl Allday, Sr. and recorded in Volume 291, Page 583, Deed Records, Robertson County, Texas, to which reference is hereby made. Said 274.95 acre tract being comprised of an acclaimed 72 acre tract conveyed to John McLendon in a deed dated December 6, 1883, and recorded in Volume 11, Page 421; an acclaimed 67 acre tract conveyed to John McLendon in a dated April 1876, and recorded in Volume Z, Page 423; an acclaimed 40 acre tract conveyed to John McLendon in a deed dated April 12, 1876, and recorded in Volume Z, Page 407; a part of a called 116 acre tract, First Tract, conveyed to W. C. Allday, et ux in a deed dated January 24, 1949, and recorded in Volume 162, Page 339; a called ¼ acre tract conveyed to William Carl Allday by a deed dated May 14, 1974, and recorded in Volume 291, Page 581; a called ¼ acre tract conveyed to Mrs. Eloise H. Allday by a deed dated March 9, 1948, and recorded in Volume 149, Page 500, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the western corner of the referenced 274.95 acre tract near an existing fence corner post in the northeastern right of way of State Highway 6 (variable width right of way). Same being the occupied western corner of the aforesaid 72 acre tract and a southern corner of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537;

THENCE NORTH 57°21'35" EAST 1046.72 feet, generally along an existing wire fence and with the common line of said 72 acre tract and said 195.00 acre tract, to a ½" iron rod found at the common occupied "ell" corner of said 72 acre tract and said 195.00 acre tract;

THENCE SOUTH 31°39'34" EAST 1123.88 feet, continuing generally along an existing wire fence and with the common occupied line of said 72 acre tract and said 195.00 acre tract, to a point at the base of an existing fence corner. Same being the western corner of the aforesaid 67 acre tract and an "ell" corner of said 195.00 acre tract;

THENCE NORTH 57°44'33" EAST 1826.46 feet, generally along an existing wire fence and with the common line of said 67 acre tract and said 195.00 acre tract, to a ½" capped iron rod set for the northern corner of said 67 acre tract, the western corner of a 3.087 acre tract described on January 13, 2015, and the western corner of a tract conveyed to Randall D. Rychlik, Tract 2, by deed of record in Volume 1135, Page 473. Said point being in or near the common line of the J. Fisher Survey, A-12, and the J. Fisher Survey, A-13. From said point the intersection of the northwestern line of said 67 acre tract, the southeastern line of said 195.00 acre tract, and the northwestern line of said Rychlik tract with the southwestern line of the Houston & Central Texas Railway right of way, 100 feet from the centerline of same (right of way of record in Volume R, Page 174) bears N51°06'41"E 296.41 feet and an iron rod found for the eastern corner of said 195.00 acre tract (found fifty feet from the railroad centerline) bears N51°06'41" E 349.61 feet. Said intersection also being the northern corner of the aforementioned 3.087 acre tract;

THENCE SOUTH 32°37'53" EAST 907.49 feet, along or near said common survey line, with the northeastern line of said 67 acre tract, the southwestern line of said Rychlik tract, and along the southwestern line of said 3.087 acre tract, to a capped ½" iron rod set for corner in the southwestern right of way of said railroad (100 feet from the centerline). From said point a capped ½" iron rod set in the northeastern right of way of said railroad for the northern corner of a 0.128 acre tract described January 13, 2015, bears S39°15'45"E 642.93 feet and from said point a capped ½" iron rod set for the northeastern corner of said 67 acre tract bears S39°15'45"E 185.13 feet;

THENCE in a southerly direction along the southwestern right of way of said railroad, 100 feet from and parallel to the centerline, and with the northeastern lines of said 67 acre tract, the referenced 40 acre tract, the referenced 116 acre tract, and the first referenced ¼ acre tract, as follows:

SOUTH 14°30'27" EAST 4733.52 feet to a capped ½" iron rod set for the beginning of a curve to the left,

SOUTH 14°52'21" EAST 95.63 feet to a capped ½" iron rod set for an angle point,

SOUTH 15°06'43" EAST 105.88 feet to a capped ½" iron rod set for an angle point,

SOUTH 16°27'38" EAST 100.00 feet to a capped ½" iron rod set for an angle point, and

SOUTH 17°39'48" EAST 66.36 feet to a capped ½" iron rod set for the eastern corner of said ¼ acre tract. Same being near the occupied eastern corner of a tract conveyed to Larry Smith by deed of record in Volume 890, Page 321 (described in Volume 426, Page 564). From said point an unreferenced iron rod, found capped RPLS 2547, bears N81°26'41"E 16.46 feet;

THENCE SOUTH 62°30'29" WEST 177.84 feet, with the southern line of said ¼ acre tract, a southern line of said 116 acre tract, and generally along an existing wire fence (old wire fence) to a ½" capped iron rod set for a bend;

THENCE SOUTH 56°05'29" WEST 55.88 feet, continuing with the southern line of said 116 acre tract, picking up the southern line of the second referenced ¼ acre tract, and generally along said old wire fence, to a point in an existing creek for corner. Same being the northeastern right of way of State Highway 6 (variable width right of way). From said point a capped ½" iron rod set for reference bears N45°28'34"W 75.0 feet;

THENCE in a northwesterly direction, crossing the remainder of the referenced tracts, and with the northeastern right of way of State Highway 6, as follows:

NORTH 38°50'42" WEST 449.96 feet to a TxDOT Type II right of way monument (brass monument),

NORTH 61°50'08" WEST 70.92 feet to an aluminum TxDOT monument,

NORTH 42°51'14" WEST 657.24 feet to a TxDOT Type I right of way monument (concrete),

NORTH 50°27'25" WEST 220.07 feet to a capped ½" iron rod set for bend,

NORTH 45°31'53" WEST 583.92 feet to a capped ½" iron rod set for bend,

NORTH 46°15'10" WEST 351.76 feet to a capped ½" iron rod set for bend,

Map 3, provided by the Southern Pacific Railroad, identifies a right of way width which is less than 100 feet from the centerline and varies in width). Same being the northwestern corner of a called 26 ¼ acre tract, Tract 3, conveyed to Randall D. Rychlik by the aforementioned deed;

THENCE NORTH 14°30'27" WEST 194.83 feet, along said railroad right of way, 100 feet perpendicular and parallel, to a capped ½" iron rod set for this northern corner in the intersection of said right of way with the eastern line of the referenced tract and the southwestern line of the aforementioned 40 acre tract. Same being in or near the common division line between the aforesaid Fisher Surveys. From said point a capped ½" iron rod set in the intersection of said line(s) with the southwestern railroad right of way, for the southern corner of a 3.087 acre tract described this same date, bears N32°37'53"W 642.93 feet;

THENCE SOUTH 32°37'53" EAST 185.13 feet, along the common line of the referenced tract and said 40 acre tract, along or near said common division line, to the Point of Beginning and containing 0.128 acre, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing

Note:

Bearings are based on N.A.D. 83 Grid values.

PLUS 3.087 ACRES DESCRIBED AS FOLLOWS:

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-13, Robertson County, Texas, being 3.087 acres, more or less, and being a part of a called 40 acre tract, Tract 2, as described in a deed dated May 18, 2011, from Linda Ables Deal to Randall Duane Rychlik, and recorded in Volume 1135, Page 473, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the northwest corner of the referenced tract, the northeast corner of a called 67.45 acre tract conveyed to John McClendon by deed of record in Volume Z, Page 423, (further being a part of the First Tract in Volume 291, Page 583), and in the southeastern line of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537. Same being in or near the common division line between the J. Fisher Survey, A-12, and the J. Fisher, A-13;

THENCE NORTH 57°44'33" EAST 296.41 feet, generally along an existing wire fence and with the common line of the referenced tract and said 195.00 acre tract, to a capped ½" iron rod set for this northern corner. Same being 100 feet perpendicular to the centerline of the existing rail which is claimed by prescription according to Houston & Texas Central Railroad Map, V.S. #2, Map #33 (provided by the Southern Pacific Railroad). From said point a ½" iron rod found for the eastern corner of the aforesaid 195.00 acre tract bears N57°44'33"E 53.20 feet;

THENCE SOUTH 14°30'27" EAST 952.83 feet, across the referenced tract and 100 feet southwesterly of and parallel to the centerline of said railroad (Volume R, Page 174, establishes the railroad right of way as a 200 foot wide strip), to a capped ½" iron rod set for this southern corner in the intersection of the southwestern railroad right of way with the southwestern line of the referenced tract and the northeastern line of the aforesaid 67.45 acre tract. From said point a capped ½" iron rod set for the beginning of a curve to the left, in said right of way, bears S14°30'27"E 4733.52 feet and another capped ½" iron rod, set in the intersection of the northeastern railroad right of way with the common line of the referenced tract and said 67.45 acre tract bears S32°37'53"E 642.93 feet (same being the northern corner of a 0.128 acre tract described this same date);

THENCE NORTH 32°37'53" WEST 907.49 feet, with the common line of the referenced tract and the aforementioned 67.45 acre tract, along or near said common division line, to the Point of Beginning and containing 3.087 acres, more or less, as shown on the accompanying survey plat of even date herewith.

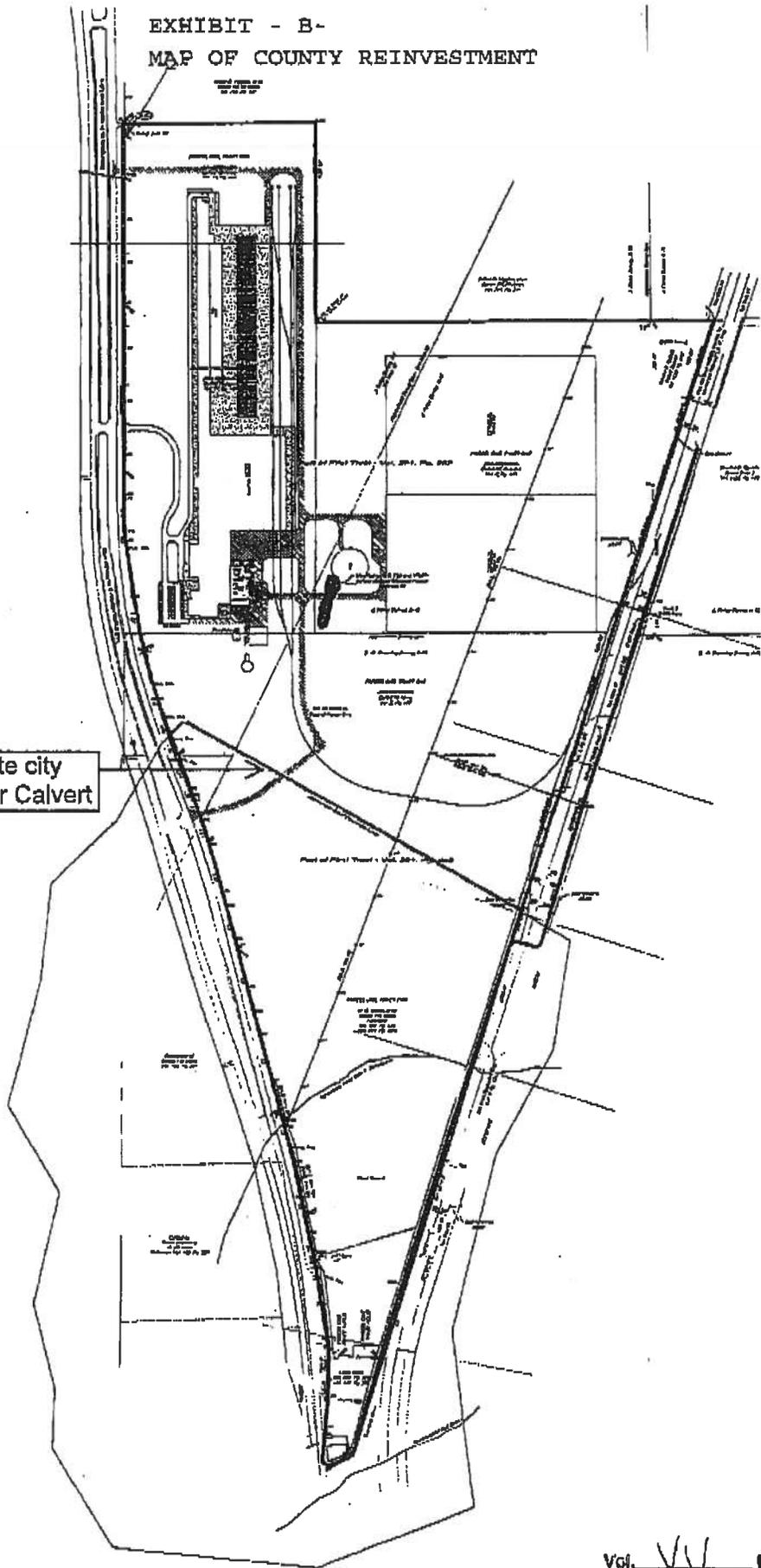
Bearing

Note:
Bearings are based on N.A.D. 83 Grid values.

SAVE AND EXCEPT approximately 75 acres of land within the boundaries of the City of Calvert.

EXHIBIT - B-
MAP OF COUNTY REINVESTMENT

approximate city
limit line for Calvert



RESOLUTION OF THE CITY OF CALVERT
DESIGNATING CITY OF CALVERT NGC REINVESTMENT ZONE

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN ROBERTSON COUNTY, TEXAS ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE.

Whereas, the City of Calvert Council desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Property Tax Code §312.001, et seq.), and the Guidelines and Criteria of the City of Calvert, Texas (the "Guidelines"); and

Whereas, on August 20, 2015, a hearing before the Council for the City of Calvert was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Robertson County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone; and

Whereas, the Council of the City of Calvert at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

Whereas, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CALVERT:

Section 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 2. That the Council of the City of Calvert after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a. That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies and all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area described in the attached Exhibit "A" and depicted in the map attached hereto as Exhibit "B", which are incorporated herein by reference for all purposes. In the event of discrepancy between the descriptions of Exhibit "A" and map in Exhibit "B", the map shall control; and

- c. That the creation of the reinvestment zone will result in benefits to City of Calvert, Texas, and to the land included in the zone and that the improvements sought are feasible and practical; and
- d. The reinvestment zone meet the criteria set forth in Texas Property Tax Code Chapter 312 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the contribute to the retention of expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of Robertson County, Texas, and that the entire tract of land is located entirely within an unincorporated area of Robertson County, Texas.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, Council of the City of Calvert hereby creates City of Calvert NGC Reinvestment Zone, a reinvestment zone for commercial-industrial tax abatement encompassing only the area described in Exhibit "A" and depicted in Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be referred to as City of Calvert NGC Reinvestment Zone.

SECTION 4. That City of Calvert NGC Reinvestment Zone shall take effect on August 20, 2015, and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years for such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Council of the City of Calvert at which this Resolution was adopted was posted at a place conveniently and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officers of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 20th day of August, 2015.

Marcus Greaves
Mayor, City of Calvert

Subscribed and sworn before me, this 10th
day of August, 2015, a Notary Public
in and for Robertson County,
State of Texas.

Denice Zan
(Signature)

NOTARY PUBLIC
My Commission expires Feb 22, 2019

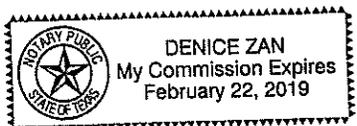


EXHIBIT A
LEGAL DESCRIPTION OF CITY OF CALVERT NGC REINVESTMENT ZONE

City of Calvert NGC Reinvestment Zone is comprised of the following parcels. In the event of discrepancy between this Exhibit A and that attached map in Exhibit B, the map in Exhibit B shall control.

Exhibit A**REINVESTMENT ZONE LEGAL DESCRIPTION****BASE TRACT – 261.35 ACRES**

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-12, and the G. W. Browning Survey, A-63, Robertson County, Texas, being 261.35 acres, more or less, and being a part of a called 274.95 acre tract, First Tract, as described in a deed dated May 14, 1974, from Lena Faye Allday to William Carl Allday, Sr. and recorded in Volume 291, Page 583, Deed Records, Robertson County, Texas, to which reference is hereby made. Said 274.95 acre tract being comprised of an acclaimed 72 acre tract conveyed to John McLendon in a deed dated December 6, 1883, and recorded in Volume 11, Page 421; an acclaimed 67 acre tract conveyed to John McLendon in a dated April 1876, and recorded in Volume Z, Page 423; an acclaimed 40 acre tract conveyed to John McLendon in a deed dated April 12, 1876, and recorded in Volume Z, Page 407; a part of a called 116 acre tract, First Tract, conveyed to W. C. Allday, et ux in a deed dated January 24, 1949, and recorded in Volume 162, Page 339; a called ¼ acre tract conveyed to William Carl Allday by a deed dated May 14, 1974, and recorded in Volume 291, Page 581; a called ¼ acre tract conveyed to Mrs. Eloise H. Allday by a deed dated March 9, 1948, and recorded in Volume 149, Page 500, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the western corner of the referenced 274.95 acre tract near an existing fence corner post in the northeastern right of way of State Highway 6 (variable width right of way). Same being the occupied western corner of the aforesaid 72 acre tract and a southern corner of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537;

THENCE NORTH 57°21'35" EAST 1046.72 feet, generally along an existing wire fence and with the common line of said 72 acre tract and said 195.00 acre tract, to a ½" iron rod found at the common occupied "ell" corner of said 72 acre tract and said 195.00 acre tract;

THENCE SOUTH 31°39'34" EAST 1123.88 feet, continuing generally along an existing wire fence and with the common occupied line of said 72 acre tract and said 195.00 acre tract, to a point at the base of an existing fence corner. Same being the western corner of the aforesaid 67 acre tract and an "ell" corner of said 195.00 acre tract;

THENCE NORTH 57°44'33" EAST 1826.46 feet, generally along an existing wire fence and with the common line of said 67 acre tract and said 195.00 acre tract, to a ½" capped iron rod set for the northern corner of said 67 acre tract, the western corner of a 3.087 acre tract described on January 13, 2015, and the western corner of a tract conveyed to Randall D. Rychlik, Tract 2, by deed of record in Volume 1135, Page 473. Said point being in or near the common line of the J. Fisher Survey, A-12, and the J. Fisher Survey, A-13. From said point the intersection of the northwestern line of said 67 acre tract, the southeastern line of said 195.00 acre tract, and the northwestern line of said Rychlik tract with the southwestern line of the Houston & Central Texas Railway right of way, 100 feet from the centerline of same (right of way of record in Volume R, Page 174) bears N51°06'41"E 296.41 feet and an iron rod found for the eastern corner of said 195.00 acre tract (found fifty feet from the railroad centerline) bears N51°06'41" E 349.61 feet. Said intersection also being the northern corner of the aforementioned 3.087 acre tract;

THENCE SOUTH 32°37'53" EAST 907.49 feet, along or near said common survey line, with the northeastern line of said 67 acre tract, the southwestern line of said Rychlik tract, and along the southwestern line of said 3.087 acre tract, to a capped ½" iron rod set for corner in the southwestern right of way of said railroad (100 feet from the centerline). From said point a capped ½" iron rod set in the northeastern right of way of said railroad for the northern corner of a 0.128 acre tract described January 13, 2015, bears S39°15'45"E 642.93 feet and from said point a capped ½" iron rod set for the northeastern corner of said 67 acre tract bears S39°15'45"E 185.13 feet;

THENCE in a southerly direction along the southwestern right of way of said railroad, 100 feet from and parallel to the centerline, and with the northeastern lines of said 67 acre tract, the referenced 40 acre tract, the referenced 116 acre tract, and the first referenced ¼ acre tract, as follows:

SOUTH 14°30'27" EAST 4733.52 feet to a capped ½" iron rod set for the beginning of a curve to the left,

SOUTH 14°52'21" EAST 95.63 feet to a capped ½" iron rod set for an angle point,

SOUTH 15°06'43" EAST 105.88 feet to a capped ½" iron rod set for an angle point,

SOUTH 16°27'38" EAST 100.00 feet to a capped ½" iron rod set for an angle point, and

SOUTH 17°39'48" EAST 66.36 feet to a capped ½" iron rod set for the eastern corner of said ¼ acre tract. Same being near the occupied eastern corner of a tract conveyed to Larry Smith by deed of record in Volume 890, Page 321 (described in Volume 426, Page 564). From said point an unreferenced iron rod, found capped RPLS 2547, bears N81°26'41"E 16.46 feet;

THENCE SOUTH 62°30'29" WEST 177.84 feet, with the southern line of said ¼ acre tract, a southern line of said 116 acre tract, and generally along an existing wire fence (old wire fence) to a ½" capped iron rod set for a bend;

THENCE SOUTH 56°05'29" WEST 55.88 feet, continuing with the southern line of said 116 acre tract, picking up the southern line of the second referenced ¼ acre tract, and generally along said old wire fence, to a point in an existing creek for corner. Same being the northeastern right of way of State Highway 6 (variable width right of way). From said point a capped ½" iron rod set for reference bears N45°28'34"W 75.0 feet;

THENCE in a northwesterly direction, crossing the remainder of the referenced tracts, and with the northeastern right of way of State Highway 6, as follows:

NORTH 38°50'42" WEST 449.96 feet to a TxDOT Type II right of way monument (brass monument),

NORTH 61°50'08" WEST 70.92 feet to an aluminum TxDOT monument,

NORTH 42°51'14" WEST 657.24 feet to a TxDOT Type I right of way monument (concrete),

NORTH 50°27'25" WEST 220.07 feet to a capped ½" iron rod set for bend,

NORTH 45°31'53" WEST 583.92 feet to a capped ½" iron rod set for bend,

NORTH 46°15'10" WEST 351.76 feet to a capped ½" iron rod set for bend,

NORTH 47°14'10" WEST 605.38 feet to a capped ½" iron rod set for bend,
 NORTH 51°17'35" WEST 138.22 feet to a capped ½" iron rod set for bend,

NORTH 53°01'03" WEST 147.47 feet to a capped ½" iron rod set for bend,

NORTH 52°56'25" WEST 40.44 feet to a capped ½" iron rod set for bend,

NORTH 53°06'53" WEST 192.18 feet to a TxDOT Type I monument found for a bend,

NORTH 49°10'41" WEST 104.23 feet to a TxDOT Type I monument found for a bend,

NORTH 51°56'04" WEST 128.68 feet to a TxDOT Type I monument found for a bend,

NORTH 49°20'33" WEST 190.76 feet to a TxDOT aluminum monument found for the beginning of a curve to the right, from which the radius point bears N41°58'05"E 3776.10 feet,

Along the arc of said curve (CA=11°35'16", R=3776.10 feet, LC=N42°14'17"W 762.40 feet) at 763.70 feet an aluminum TxDOT monument found for the end of said curve and the beginning of another curve to the right, from which the radius point bears N53°35'28"E 3767.43 feet,

Along the arc of said curve (CA=01°24'44", R=3767.43 feet, LC=N35°42'10"W 92.86 feet) at 92.87 feet a ½" capped iron rod set,

NORTH 33°27'03" WEST 206.23 feet to a capped ½" iron rod set for a bend, and

NORTH 31°48'41" WEST 2075.07 feet to the Point of Beginning and containing 261.35 acres, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing Note:
 Bearings are based on the N.A.D. 83 Grid Values.

LESS .128 ACRE DESCRIBED AS FOLLOWS:

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-13, Robertson County, Texas, being 0.128 acre, more or less, and being a part of a called 67.45 acre tract, as described in a deed dated April 24, 1876, from B. S. Wright to J. W. McLendon, and recorded in Volume Z, Page 423, and further being a part of the First Tract, of record in Volume 291, Page 583, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the eastern corner of the referenced tract and the southern corner of a called 40 acre tract, Tract 2, as conveyed to Randall D. Rychlik by deed of record in Volume 1135, Page 473. Same being in the occupied northern line of the G. W. Browning Survey, A-63, and at or near the common southern corner of the J. Fisher Survey, A-12, and the J. Fisher Survey, A-13;

THENCE SOUTH 57°20'38" WEST 60.61 feet, along the common occupied line of the referenced tract and said 40 acre tract, along or near the common line of said Browning and J. Fisher Survey, A-12, to a capped ½" iron rod set for this southern corner in the intersection of said line with the northeastern right of way of the Houston & Texas Central Railroad right of way, 100 feet perpendicular and northeasterly of the existing rail centerline (200 foot width according to Volume R, Page 174 – railroad map V.S. #2,

Map 3, provided by the Southern Pacific Railroad, identifies a right of way width which is less than 100 feet from the centerline and varies in width). Same being the northwestern corner of a called 26 ¼ acre tract, Tract 3, conveyed to Randall D. Rychlik by the aforementioned deed;

THENCE NORTH 14°30'27" WEST 194.83 feet, along said railroad right of way, 100 feet perpendicular and parallel, to a capped ½" iron rod set for this northern corner in the intersection of said right of way with the eastern line of the referenced tract and the southwestern line of the aforementioned 40 acre tract. Same being in or near the common division line between the aforesaid Fisher Surveys. From said point a capped ½" iron rod set in the intersection of said line(s) with the southwestern railroad right of way, for the southern corner of a 3.087 acre tract described this same date, bears N32°37'53"W 642.93 feet;

THENCE SOUTH 32°37'53" EAST 185.13 feet, along the common line of the referenced tract and said 40 acre tract, along or near said common division line, to the Point of Beginning and containing 0.128 acre, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing

Note:

Bearings are based on N.A.D. 83 Grid values.

PLUS 3.087 ACRES DESCRIBED AS FOLLOWS:

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-13, Robertson County, Texas, being 3.087 acres, more or less, and being a part of a called 40 acre tract, Tract 2, as described in a deed dated May 18, 2011, from Linda Ables Deal to Randall Duane Rychlik, and recorded in Volume 1135, Page 473, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the northwest corner of the referenced tract, the northeast corner of a called 67.45 acre tract conveyed to John McClendon by deed of record in Volume Z, Page 423, (further being a part of the First Tract in Volume 291, Page 583), and in the southeastern line of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537. Same being in or near the common division line between the J. Fisher Survey, A-12, and the J. Fisher, A-13;

THENCE NORTH 57°44'33" EAST 296.41 feet, generally along an existing wire fence and with the common line of the referenced tract and said 195.00 acre tract, to a capped ½" iron rod set for this northern corner. Same being 100 feet perpendicular to the centerline of the existing rail which is claimed by prescription according to Houston & Texas Central Railroad Map, V.S. #2, Map #33 (provided by the Southern Pacific Railroad). From said point a ½" iron rod found for the eastern corner of the aforesaid 195.00 acre tract bears N57°44'33"E 53.20 feet;

THENCE SOUTH 14°30'27" EAST 952.83 feet, across the referenced tract and 100 feet southwesterly of and parallel to the centerline of said railroad (Volume R, Page 174, establishes the railroad right of way as a 200 foot wide strip), to a capped ½" iron rod set for this southern corner in the intersection of the southwestern railroad right of way with the southwestern line of the referenced tract and the northeastern line of the aforesaid 67.45 acre tract. From said point a capped ½" iron rod set for the beginning of a curve to the left, in said right of way, bears S14°30'27"E 4733.52 feet and another capped ½" iron rod, set in the intersection of the northeastern railroad right of way with the common line of the referenced tract and said 67.45 acre tract bears S32°37'53"E 642.93 feet (same being the northern corner of a 0.128 acre tract described this same date);

THENCE NORTH 32°37'53" WEST 907.49 feet, with the common line of the referenced tract and the aforementioned 67.45 acre tract, along or near said common division line, to the Point of Beginning and containing 3.087 acres, more or less, as shown on the accompanying survey plat of even date herewith.

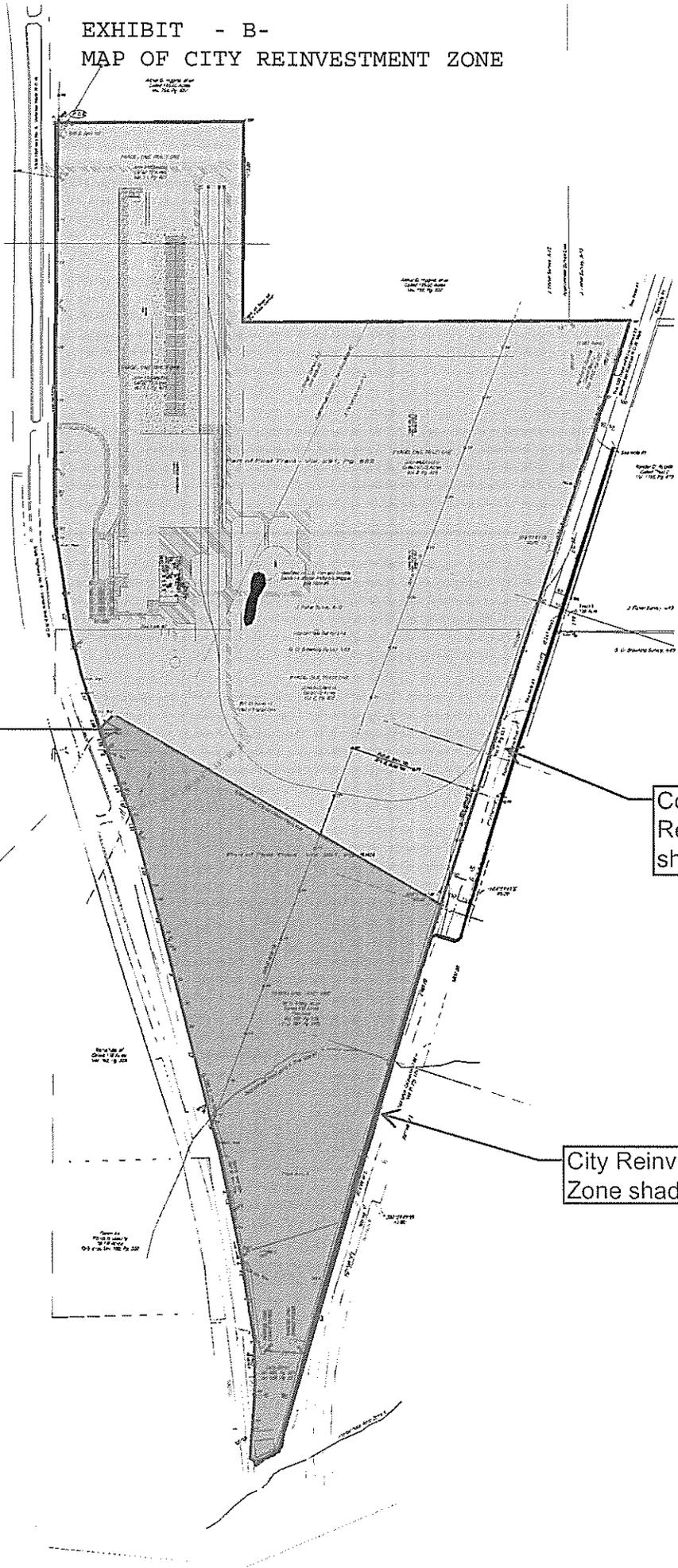
Bearing

Note:

Bearings are based on N.A.D. 83 Grid values.

SAVE AND EXCEPT approximately 189.309 acres of land designated as the Robertson County NGC Reinvestment Zone.

EXHIBIT - B-
MAP OF CITY REINVESTMENT ZONE



approximate city
limit line for Calvert

County
Reinvestment Zone
shaded in red

City Reinvestment
Zone shaded in blue

TAB 17

*Signature and Certification page, signed and dated by Authorized School
District Representative and Authorized Company Representative (applicant)*

See attachments in Tab 1.

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 Maxie Morgan Superintendent
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 Laura Budzichowski Vice President & Secretary
Print Name (Authorized Company Representative (Applicant)) Title

sign here [Signature] 8/18/2016
Signature (Authorized Company Representative (Applicant)) Date



GIVEN under my hand and seal of office this, the 18th day of August, 2016
Natalie S. [Signature]
Notary Public in and for the State of TEXAS North Carolina
My Commission expires: August 16, 2021

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.

AMENDED



Application for Appraised Value Limitation on Qualified Property

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.

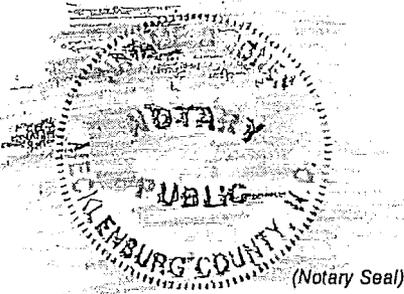
print here Maxie Morgan Superintendent
Print Name (Authorized School District Representative) Title
sign here Maxie Morgan August 18th 2016
Signature (Authorized School District Representative) Date

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 Laura Budzichowski Vice President & Secretary
Print Name (Authorized Company Representative (Applicant)) Title
sign here Laura Budzichowski 8/18/2016
Signature (Authorized Company Representative (Applicant)) Date



GIVEN under my hand and seal of office this, the
18th day of August, 2016
Natalie S. Jones
Notary Public in and for the State of Texas, North Carolina
My Commission expires: August 16, 2021

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.

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC
(Tax ID 32057100854) (Application # 1075)

ATTACHMENT B
Franchise Account Status of
NGC Industries, LLC



Franchise Tax Account Status

As of : 10/14/2016 19:33:50 PM

This Page is Not Sufficient for Filings with the Secretary of State

NGC INDUSTRIES, LLC	
Texas Taxpayer Number	32057100854
Mailing Address	2001 REXFORD RD CHARLOTTE, NC 28211-3415
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	04/29/2015
Texas SOS File Number	0802204362
Registered Agent Name	CORPORATE CREATIONS NETWORK INC.
Registered Office Street Address	2425 W LOOP SOUTH #200 HOUSTON, TX 77027

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT C
Comptroller Letter of
August 25, 2016
Certifying
Application as Complete



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

August 25, 2016

Maxie Morgan
Superintendent
Calvert Independent School District
P.O. Box 7
Calvert, Texas 77837

AMENDED COMPLETENESS

Re: Application for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Calvert School District and NGC
Industries, LLC, Application #1075

Dear Superintendent Morgan:

On August 23, 2016, the Comptroller's office received from Calvert Independent School District (Calvert ISD) an amendment from NGC Industries, LLC for a limitation on appraised value (App #1075).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the amendment and determined that it includes the information necessary to be determined as complete on August 29, 2016. Pursuant to 34 TAC 9.1053(f)(2)(P)(ii) the Comptroller shall provide a revised comptroller certificate for a limitation within 90 days or the request to amend the application is denied.

The Comptroller's office will move forward with our economic impact evaluation and will send a revised letter of determination to the ISD and the applicant.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597, or direct in Austin at 512-936-8597.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency

cc: Sara Leon, Powell & Leon LLP
Samuel Schiffman, NGC Industries, LLC
Mundise Mortimer, NGC Industries, LLC
Dale Cummings, Cummings Westlake, LLC

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT D
Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 26, 2016

AMENDED CERTIFICATION

Maxie Morgan
Superintendent
Calvert Independent School District
P.O. Box 7
Calvert, Texas 77837

Re: Amended Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Calvert Independent School District and NGC Industries, LLC, Application #1075

Dear Superintendent Morgan:

This application (Application #1075) was originally submitted on June 16, 2015, to the Calvert Independent School District (the school district) by NGC Industries, LLC (the applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313^[1]. On August 05, 2015, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a Certificate for a limitation on appraised value on November 03, 2015.

On August 23, 2016, the Comptroller received an amendment. This presents the Comptroller's review of that amendment 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)

The information provided by the applicant related to eligibility has not changed and therefore, 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)

Based on the amended information provided by the applicant, 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.

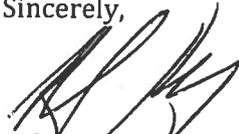
Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value for the amendment.

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 50-826) 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 amendment to the agreement by December 31, 2016.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or direct in Austin at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure
cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of NGC Industries, LLC (the project) applying to Calvert 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 NGC Industries, LLC.

Applicant	NGC Industries, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Calvert ISD
2014-2015 Average Daily Attendance	152
County	Robertson
Proposed Total Investment in District	\$141,655,852
Proposed Qualified Investment	\$141,655,852
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	35
Average weekly wage of qualifying jobs committed to by applicant	\$826.35
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$826.21
Minimum annual wage committed to by applicant for qualified jobs	\$42,970
Minimum weekly wage required for non-qualifying jobs	\$880
Minimum annual wage required for non-qualifying jobs	\$45,760
Investment per Qualifying Job	\$14,165,585
Estimated M&O levy without any limit (15 years)	\$18,420,058
Estimated M&O levy with Limitation (15 years)	\$7,358,263
Estimated gross M&O tax benefit (15 years)	\$11,061,795

Table 2 is the estimated statewide economic impact of NGC Industries, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	235	1,051	1286	\$15,275,000	\$92,725,000	\$108,000,000
2018	242	1,484	1726	\$15,685,940	\$132,314,060	\$148,000,000
2019	10	632	642	\$447,267	\$56,552,733	\$57,000,000
2020	10	308	318	\$451,400	\$34,548,600	\$35,000,000
2021	10	111	121	\$451,400	\$18,548,600	\$19,000,000
2022	10	(1)	9	\$451,400	\$8,548,600	\$9,000,000
2023	10	(58)	-48	\$451,400	\$1,548,600	\$2,000,000
2024	10	(84)	-74	\$451,400	-\$3,451,400	-\$3,000,000
2025	10	(89)	-79	\$451,400	-\$5,451,400	-\$5,000,000
2026	10	(83)	-73	\$451,400	-\$6,451,400	-\$6,000,000
2027	10	(73)	-63	\$451,400	-\$6,451,400	-\$6,000,000
2028	10	(60)	-50	\$451,400	-\$6,451,400	-\$6,000,000
2029	10	(49)	-39	\$451,400	-\$5,451,400	-\$5,000,000
2030	10	(39)	-29	\$451,400	-\$5,451,400	-\$5,000,000
2031	10	(30)	-20	\$451,400	-\$4,451,400	-\$4,000,000

Source: CPA REMI, NGC Industries, LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Calvert ISD I&S Tax Levy	Calvert ISD M&O Tax Levy	M&O and I&S Tax Levies	Roberston County Tax Levy	Robertson County ESD Tax Levy	City of Calvert (per application 0.2% of Project in City 0.47374 rate * 0.2%)	Estimated Total Property Taxes	
			0.0000		1.1700		0.4750	0.0750	0.0009		
2017	\$758,277	\$758,277	\$0	\$0	\$8,872	\$8,872	\$3,602	\$569	\$7	\$13,042	
2018	\$27,482,889	\$27,482,889	\$0	\$0	\$321,550	\$321,550	\$130,544	\$20,612	\$260	\$472,706	
2019	\$141,414,129	\$141,414,129	\$0	\$0	\$1,654,545	\$1,654,545	\$671,717	\$106,061	\$1,340	\$2,432,323	
2020	\$135,443,268	\$135,443,268	\$0	\$0	\$1,584,686	\$1,584,686	\$643,356	\$101,582	\$1,283	\$2,329,624	
2021	\$129,472,407	\$129,472,407	\$0	\$0	\$1,514,827	\$1,514,827	\$614,994	\$97,104	\$1,227	\$2,226,925	
2022	\$123,501,546	\$123,501,546	\$0	\$0	\$1,444,968	\$1,444,968	\$586,632	\$92,626	\$1,170	\$2,124,227	
2023	\$117,530,685	\$117,530,685	\$0	\$0	\$1,375,109	\$1,375,109	\$558,271	\$88,148	\$1,114	\$2,021,528	
2024	\$111,559,824	\$111,559,824	\$0	\$0	\$1,305,250	\$1,305,250	\$529,909	\$83,670	\$1,057	\$1,918,829	
2025	\$105,588,963	\$105,588,963	\$0	\$0	\$1,235,391	\$1,235,391	\$501,548	\$79,192	\$1,000	\$1,816,130	
2026	\$99,618,103	\$99,618,103	\$0	\$0	\$1,165,532	\$1,165,532	\$473,186	\$74,714	\$944	\$1,713,431	
2027	\$93,647,242	\$93,647,242	\$0	\$0	\$1,095,673	\$1,095,673	\$444,824	\$70,235	\$887	\$1,610,733	
2028	\$87,676,381	\$87,676,381	\$0	\$0	\$1,025,814	\$1,025,814	\$416,463	\$65,757	\$831	\$1,508,034	
2029	\$81,705,520	\$81,705,520	\$0	\$0	\$955,955	\$955,955	\$388,101	\$61,279	\$774	\$1,405,335	
2030	\$75,734,659	\$75,734,659	\$0	\$0	\$886,096	\$886,096	\$359,740	\$56,801	\$718	\$1,302,636	
2031	\$69,763,798	\$69,763,798	\$0	\$0	\$816,236	\$816,236	\$331,378	\$52,323	\$661	\$1,199,937	
2032	\$63,792,937	\$63,792,937	\$0	\$0	\$746,377	\$746,377	\$303,016	\$47,845	\$604	\$1,097,239	
2033	\$57,822,076	\$57,822,076	\$0	\$0	\$676,518	\$676,518	\$274,655	\$43,367	\$548	\$994,540	
2034	\$51,851,215	\$51,851,215	\$0	\$0	\$606,659	\$606,659	\$246,293	\$38,888	\$491	\$891,841	
				Total	\$0	\$18,420,058	\$18,420,058	\$7,478,229	\$1,180,773	\$14,917	\$24,095,440

Source: CPA, NGC Industries, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Robertson 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 a 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	Calvert ISD I&S Tax Levy	Calvert ISD M&O Tax Levy	M&O and I&S Tax Levies	Roberston County Tax Levy	Robertson County ESD Tax Levy	City of Calvert (per application 0.2% of Project in City 0.47374 rate * 0.2%)	Estimated Total Property Taxes
				0.0000	1.1700		0.4750	0.0750	0.0009	
2017	\$758,277	\$758,277		\$0	\$8,872	\$8,872	\$3,602	\$569	\$7	\$13,042
2018	\$27,482,889	\$27,482,889		\$0	\$321,550	\$321,550	\$130,544	\$20,612	\$260	\$472,706
2019	\$141,414,129	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$106,061	\$1,340	\$340,061
2020	\$135,443,268	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$101,582	\$1,283	\$335,582
2021	\$129,472,407	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$97,104	\$1,227	\$331,104
2022	\$123,501,546	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$92,626	\$1,170	\$326,626
2023	\$117,530,685	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$88,148	\$1,114	\$322,148
2024	\$111,559,824	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$83,670	\$1,057	\$317,670
2025	\$105,588,963	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$79,192	\$1,000	\$313,192
2026	\$99,618,103	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$74,714	\$944	\$308,714
2027	\$93,647,242	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$70,235	\$887	\$304,235
2028	\$87,676,381	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$65,757	\$831	\$299,757
2029	\$81,705,520	\$81,705,520		\$0	\$955,955	\$955,955	\$388,101	\$61,279	\$774	\$1,405,335
2030	\$75,734,659	\$75,734,659		\$0	\$886,096	\$886,096	\$359,740	\$56,801	\$718	\$1,302,636
2031	\$69,763,798	\$69,763,798		\$0	\$816,236	\$816,236	\$331,378	\$52,323	\$661	\$1,199,937
2032	\$63,792,937	\$63,792,937		\$0	\$746,377	\$746,377	\$303,016	\$47,845	\$604	\$1,097,239
2033	\$57,822,076	\$57,822,076		\$0	\$676,518	\$676,518	\$274,655	\$43,367	\$548	\$994,540
2034	\$51,851,215	\$51,851,215		\$0	\$606,659	\$606,659	\$246,293	\$38,888	\$491	\$891,841
			Total	\$0	\$7,358,263	\$7,358,263	\$2,037,329	\$1,180,773	\$14,917	\$10,576,365
			Diff	\$0	\$11,061,795	\$11,061,795	\$5,440,900	\$0	\$0	\$13,519,075

Source: CPA, NGC Industries
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 before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that NGC Industries, LLC (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	\$0	\$0	\$0	\$0
	2015	\$8,872	\$8,872	\$0	\$0
	2016	\$321,550	\$330,422	\$0	\$0
Limitation Period (10 Years)	2017	\$234,000	\$564,422	\$1,420,545	\$1,420,545
	2018	\$234,000	\$798,422	\$1,350,686	\$2,771,232
	2019	\$234,000	\$1,032,422	\$1,280,827	\$4,052,059
	2020	\$234,000	\$1,266,422	\$1,210,968	\$5,263,027
	2021	\$234,000	\$1,500,422	\$1,141,109	\$6,404,136
	2022	\$234,000	\$1,734,422	\$1,071,250	\$7,475,386
	2023	\$234,000	\$1,968,422	\$1,001,391	\$8,476,777
	2024	\$234,000	\$2,202,422	\$931,532	\$9,408,308
	2025	\$234,000	\$2,436,422	\$861,673	\$10,269,981
	2026	\$234,000	\$2,670,422	\$791,814	\$11,061,795
Maintain Viable Presence (5 Years)	2027	\$955,955	\$3,626,376	\$0	\$11,061,795
	2028	\$886,096	\$4,512,472	\$0	\$11,061,795
	2029	\$816,236	\$5,328,708	\$0	\$11,061,795
	2030	\$746,377	\$6,075,086	\$0	\$11,061,795
	2031	\$676,518	\$6,751,604	\$0	\$11,061,795
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$606,659	\$7,358,263	\$0	\$11,061,795
	2033	\$536,800	\$7,895,063	\$0	\$11,061,795
	2034	\$518,163	\$8,413,226	\$0	\$11,061,795
	2035	\$499,526	\$8,912,753	\$0	\$11,061,795
	2036	\$480,889	\$9,393,642	\$0	\$11,061,795
	2037	\$462,253	\$9,855,895	\$0	\$11,061,795
	2038	\$443,616	\$10,299,510	\$0	\$11,061,795
	2039	\$424,979	\$10,724,489	\$0	\$11,061,795
	2040	\$406,342	\$11,130,831	\$0	\$11,061,795
	2041	\$387,705	\$11,518,536	\$0	\$11,061,795

\$11,518,536

is greater than

\$11,061,795

Analysis Summary

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

Yes

Source: CPA, NGC Industries, LLC

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.

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 3, 2015

Maxie Morgan
Superintendent
Calvert Independent School District
P.O. Box 7
Calvert, Texas 77837

Dear Superintendent Morgan:

On August 5, 2015, the Comptroller issued written notice that NGC Industries LLC (NGC) (the applicant) submitted a completed application (Application #1075) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on June 16, 2015, to the Calvert 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 requested a waiver 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 #1094. |

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.

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

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

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).

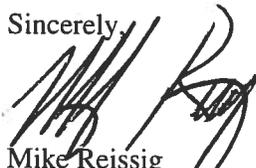
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed 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 August 5, 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 of Data Analysis and Transparency, 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 NGC Industries, LLC (NGC) (the project) applying Calvert 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 NGC.

Applicant	NGC Industries, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Calvert ISD
2013-14 Enrollment in School District	164
County	Robertson
Proposed Total Investment in District	\$169,539,450
Proposed Qualified Investment	\$169,539,450
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	35
Average weekly wage of qualifying jobs committed to by applicant	\$759.62
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$756.67
Minimum annual wage committed to by applicant for qualified jobs	\$39,500
Minimum weekly wage required for non-qualifying jobs	858.25
Minimum annual wage required for non-qualifying jobs	44,629
Investment per Qualifying Job	\$16,953,945
Estimated M&O levy without any limit (15 years)	\$19,526,401
Estimated M&O levy with Limitation (15 years)	\$5,867,211
Estimated gross M&O tax benefit (15 years)	\$13,659,190

Table 2 is the estimated statewide economic impact of NGC Industries, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	235	254	489	\$15,275,000	\$17,683,984	\$32,958,984
2017	242	269	511	\$15,679,000	\$21,674,516	\$37,353,516
2018	10	31	41	\$395,000	\$6,074,727	\$6,469,727
2019	10	13	23	\$395,000	\$3,755,391	\$4,150,391
2020	10	2	12	\$395,000	\$2,534,688	\$2,929,688
2021	10	(2)	8	\$395,000	\$1,558,125	\$1,953,125
2022	10	(2)	8	\$395,000	\$1,436,055	\$1,831,055
2023	10	2	12	\$395,000	\$1,191,914	\$1,586,914
2024	10	(0)	10	\$395,000	\$947,773	\$1,342,773
2025	10	6	16	\$395,000	\$825,703	\$1,220,703
2026	10	6	16	\$395,000	\$947,773	\$1,342,773
2027	10	8	18	\$395,000	\$1,069,844	\$1,464,844
2028	10	2	12	\$395,000	\$581,563	\$976,563
2029	10	(0)	10	\$395,000	\$581,563	\$976,563
2030	10	(0)	10	\$395,000	\$337,422	\$732,422
2031	10	(4)	6	\$395,000	\$93,281	\$488,281
2032	10	(2)	8	\$395,000	-\$150,859	\$244,141

Source: CPA, REMI, NGC Industries, LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	CALVERT ISD I&S Levy	CALVERT ISD M&O Levy	CALVERT ISD M&O and I&S Tax Levies	Robertson County	Robertson County ESD	City of Calvert (per application 0.2% of Project in City 0.4954 rate * 0.2%)	Estimated Total Property Taxes
				0.0000	1.1700		0.43773	0.07236	0.0009908	
2016	\$924,677	\$924,677		\$0	\$10,819	\$10,819	\$4,048	\$669	\$9	\$15,545
2017	\$31,225,778	\$31,225,778		\$0	\$365,342	\$365,342	\$136,685	\$22,595	\$309	\$524,931
2018	\$169,264,127	\$169,264,127		\$0	\$1,980,390	\$1,980,390	\$740,920	\$122,480	\$1,677	\$2,845,467
2019	\$162,037,705	\$162,037,705		\$0	\$1,895,841	\$1,895,841	\$709,288	\$117,250	\$1,605	\$2,723,985
2020	\$154,811,282	\$154,811,282		\$0	\$1,811,292	\$1,811,292	\$677,655	\$112,021	\$1,534	\$2,602,503
2021	\$147,584,860	\$147,584,860		\$0	\$1,726,743	\$1,726,743	\$646,023	\$106,792	\$1,462	\$2,481,021
2022	\$140,358,437	\$140,358,437		\$0	\$1,642,194	\$1,642,194	\$614,391	\$101,563	\$1,391	\$2,359,539
2023	\$133,132,015	\$133,132,015		\$0	\$1,557,645	\$1,557,645	\$582,759	\$96,334	\$1,319	\$2,238,057
2024	\$125,905,592	\$125,905,592		\$0	\$1,473,095	\$1,473,095	\$551,127	\$91,105	\$1,247	\$2,116,575
2025	\$118,679,170	\$118,679,170		\$0	\$1,388,546	\$1,388,546	\$519,494	\$85,876	\$1,176	\$1,995,093
2026	\$111,452,747	\$111,452,747		\$0	\$1,303,997	\$1,303,997	\$487,862	\$80,647	\$1,104	\$1,873,611
2027	\$104,226,325	\$104,226,325		\$0	\$1,219,448	\$1,219,448	\$456,230	\$75,418	\$1,033	\$1,752,129
2028	\$96,999,902	\$96,999,902		\$0	\$1,134,899	\$1,134,899	\$424,598	\$70,189	\$961	\$1,630,647
2029	\$89,773,480	\$89,773,480		\$0	\$1,050,350	\$1,050,350	\$392,965	\$64,960	\$889	\$1,509,165
2030	\$82,547,057	\$82,547,057		\$0	\$965,801	\$965,801	\$361,333	\$59,731	\$818	\$1,387,683
2031	\$75,320,635	\$75,320,635		\$0	\$881,251	\$881,251	\$329,701	\$54,502	\$746	\$1,266,201
2032	\$68,094,212	\$68,094,212		\$0	\$796,702	\$796,702	\$298,069	\$49,273	\$675	\$1,144,719
			Total	\$0	\$21,204,355	\$21,204,355	\$7,933,147	\$1,311,408	\$17,957	\$30,466,866

Source: CPA, NGC Industries, LLC

¹Tax Rate per \$100 Valuation

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller’s determination that NGC Industries (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 and direct, indirect and induced tax effects from project employment 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	2015	\$0	\$0	\$0	\$0
	2016	\$10,819	\$10,819	\$0	\$0
	2017	\$365,342	\$376,160	\$0	\$0
Limitation Period (10 Years)	2018	\$234,000	\$610,160	\$1,746,390	\$1,746,390
	2019	\$234,000	\$844,160	\$1,661,841	\$3,408,231
	2020	\$234,000	\$1,078,160	\$1,577,292	\$4,985,523
	2021	\$234,000	\$1,312,160	\$1,492,743	\$6,478,266
	2022	\$234,000	\$1,546,160	\$1,408,194	\$7,886,460
	2023	\$234,000	\$1,780,160	\$1,323,645	\$9,210,105
	2024	\$234,000	\$2,014,160	\$1,239,095	\$10,449,200
	2025	\$234,000	\$2,248,160	\$1,154,546	\$11,603,746
	2026	\$234,000	\$2,482,160	\$1,069,997	\$12,673,743
	2027	\$234,000	\$2,716,160	\$985,448	\$13,659,191
Maintain Viable Presence (5 Years)	2028	\$1,134,899	\$3,851,059	\$0	\$13,659,191
	2029	\$1,050,350	\$4,901,409	\$0	\$13,659,191
	2030	\$965,801	\$5,867,209	\$0	\$13,659,191
	2031	\$881,251	\$6,748,461	\$0	\$13,659,191
	2032	\$796,702	\$7,545,163	\$0	\$13,659,191
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$712,153	\$8,257,316	\$0	\$13,659,191
	2034	\$627,604	\$8,884,920	\$0	\$13,659,191
	2035	\$606,710	\$9,491,630	\$0	\$13,659,191
	2036	\$585,816	\$10,077,446	\$0	\$13,659,191
	2037	\$564,922	\$10,642,367	\$0	\$13,659,191
	2038	\$544,027	\$11,186,395	\$0	\$13,659,191
	2039	\$523,133	\$11,709,528	\$0	\$13,659,191
	2040	\$502,239	\$12,211,767	\$0	\$13,659,191
	2041	\$481,345	\$12,693,112	\$0	\$13,659,191
	2042	\$460,451	\$13,153,563	\$0	\$13,659,191

<u>\$13,153,563</u>	is less than	<u>\$13,659,191</u>
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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?	No

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, NGC Industries

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	235	254	489	\$15,275,000	\$17,683,984	\$32,958,984	1754761	-862122	\$2,616,883
2017	242	269	511	\$15,679,000	\$21,674,516	\$37,353,516	1899719	-541687	\$2,441,406
2018	10	31	41	\$395,000	\$6,074,727	\$6,469,727	328064	633240	-\$305,176
2019	10	13	23	\$395,000	\$3,755,391	\$4,150,391	259399	610352	-\$350,953
2020	10	2	12	\$395,000	\$2,534,688	\$2,929,688	190735	572205	-\$381,470
2021	10	(2)	8	\$395,000	\$1,558,125	\$1,953,125	152588	495911	-\$343,323
2022	10	(2)	8	\$395,000	\$1,436,055	\$1,831,055	167847	419617	-\$251,770
2023	10	2	12	\$395,000	\$1,191,914	\$1,586,914	160217	373840	-\$213,623
2024	10	(0)	10	\$395,000	\$947,773	\$1,342,773	160217	328064	-\$167,847
2025	10	6	16	\$395,000	\$825,703	\$1,220,703	152588	267029	-\$114,441
2026	10	6	16	\$395,000	\$947,773	\$1,342,773	152588	236511	-\$83,923
2027	10	8	18	\$395,000	\$1,069,844	\$1,464,844	99182	152588	-\$53,406
2028	10	2	12	\$395,000	\$581,563	\$976,563	68665	137329	-\$68,664
2029	10	(0)	10	\$395,000	\$581,563	\$976,563	45776	91553	-\$45,777
2030	10	(0)	10	\$395,000	\$337,422	\$732,422	0	45776	-\$45,776
2031	10	(4)	6	\$395,000	\$93,281	\$488,281	-53406	-15259	-\$38,147
2032	10	(2)	8	\$395,000	-\$150,859	\$244,141	-68665	-61035	-\$7,630
2033	10	(4)	6	\$395,000	\$93,281	\$488,281	-83923	-114441	\$30,518
2034	10	(6)	4	\$395,000	-\$150,859	\$244,141	-129700	-144958	\$15,258
2035	10	(10)	0	\$395,000	-\$1,127,422	-\$732,422	-213623	-213623	\$0
2036	10	(10)	0	\$395,000	-\$883,281	-\$488,281	-244141	-274658	\$30,517
2037	10	(14)	-4	\$395,000	-\$1,371,563	-\$976,563	-297546	-335693	\$38,147
2038	10	(18)	-8	\$395,000	-\$1,615,703	-\$1,220,703	-274658	-389099	\$114,441
2039	10	(14)	-4	\$395,000	-\$1,371,563	-\$976,563	-289917	-457764	\$167,847
2040	10	(12)	-2	\$395,000	-\$2,592,266	-\$2,197,266	-335693	-518799	\$183,106
2041	10	(12)	-2	\$395,000	-\$1,615,703	-\$1,220,703	-335693	-549316	\$213,623
2042	10	(12)	-2	\$395,000	-\$1,859,844	-\$1,464,844	-366211	-556946	\$190,735
						Total	\$2,899,170	-\$671,385	\$3,570,555
							\$16,724,118	is greater than	\$13,659,191

Analysis Summary

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

Yes

Source: CPA, REMI, NGC Industries

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 NGC Industries, LLC’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 the applicant, Robertson County Commissioners Court and numerous media reports, the applicant entered into a tax abatement agreement in July 2015.
- The applicant has numerous facilities throughout North America and is looking to better serve the Texas market primarily by truck with the capability to ship by rail.
- The applicant submitted information indicating that it intends to better serve the Texas market but has alternatives to the Calvert location outside of the state.
- Confidential documents provided by the applicant indicate that should a new Calvert facility be established it would augment and not adversely affect any current Texas operations.
- According to GoogleMaps (including street level photos) the property in question matches the description in the application.

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**

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 checked="" type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input 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, contracts or letters of intent 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 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. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. 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

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

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

TAB 5

Documentation to assist in determining if limitation is a determining factor.

NGC Industries, LLC and its parent company, New NGC, Inc. doing business as National Gypsum Company, (together, "NGC") have 17 wallboard plants throughout the United States and are seeking to expand their collective footprint in Texas and the Gulf Coast area. Because transportation is a significant expense, a major factor in deciding how best to service any market is the manufacturing facility's proximity both to its customers and to the sources of raw materials needed to make finished product. Based on those criteria, NGC is considering either adding capacity to existing plants or building a greenfield project in an optimized location – in this case Calvert, TX.

NGC currently serves Texas with wallboard plants in Rotan, TX, Westwego, LA and Medicine Lodge, KS that could be expanded to serve growing Texas and Gulf Coast area markets. The optimal plant for expansion is NGC's Westwego, LA plant. In addition to proximity to the relevant markets, the Westwego plant has access to raw materials via both ocean-going ship and river barge. As an existing facility, expansion of Westwego would require relatively minimal site work and minor upgrades to infrastructure, and would allow the use of existing manufacturing equipment. The total projected investment at Westwego would be \$90 million and could be completed in 18 months. If NGC elected to expand its Westwego plant, the state of Louisiana is prepared to offer incentives to support the expansion. NGC is waiting on a formal offer from Louisiana Economic Development. An email from a representative from Louisiana Economic Development is attached outlining the terms of the forthcoming formal offer from the state.

As attractive as an expansion of the Westwego plant could be in the short-term, NGC believes that servicing the Texas and Gulf Coast area markets would be more efficient over the long-term from a modern, high-speed plant located in Calvert, TX. The proposed site in Calvert offers excellent access to the major metropolitan markets in Texas and rail access for interstate shipments, including to the Gulf Coast area. Calvert is also optimally located near raw material sources in Franklin and Rockdale. In the event the new NGC plant is built in Texas, NGC has secured rights to purchase such raw materials from power plants in those communities. NGC is also party to a contract for the purchase of the land at the proposed Calvert site that guarantees NGC the right to purchase the property but also grants NGC the flexibility to terminate the contract without further obligation or penalty, if NGC elects not to move forward with the project.

From an efficiency and logistics perspective, the Calvert site is well-situated. However, the Calvert site is not without challenges. As a rural area, Calvert does not have adequate existing infrastructure for water, power and natural gas. The Calvert property is located within the

Texas Claypan Area, noted for expansive clay soils which would add additional capital to preparation costs for construction of this scope.

No formal permit filings have been made as of the date of this application. Other than agreements pertaining to preliminary design, engineering, and the development of technical studies, no engineering, procurement, or construction contracts have been negotiated or signed to support the proposed project. The agreements pertaining to preliminary design, engineering, and the development of technical studies are necessary for purposes of determining whether the proposed project is technically viable and can be cost competitive in the marketplace. No public announcements of a definitive intent to construct the proposed project have been made – any statements have indicated only that NGC is considering the proposed project.

NGC is currently holding talks with Entergy, the local area electric service provider, about upgrading Entergy's system to provide electric power to the proposed site. Entergy has indicated to NGC that it will file an application with the Texas Public Utility Commission (PUC) in the near future to initiate the process to secure PUC approval to provide service to the proposed site.

NGC prefers to service the growing Texas and Gulf Coast area markets through a strategy that maximizes efficiency and reduces transportation costs to enable NGC to compete over the long-term. This strategy requires significant up-front investment and will require a longer period of time to recover these initial costs. Therefore, it is critical to the feasibility of the project that some initial costs be offset. Receiving the Appraised Value Limitation from the Calvert Independent School District is a vital component to the long-term success of the project by helping NGC's reduce its startup costs, which in turn helps ensure the company's long-term ability to compete in these targeted markets.

Email from Louisiana Economic
Development Detailing Terms of
Forthcoming Offer Letter

From: Charlie Romaine [mailto:Charlie.Romaine@LA.GOV]
Sent: Friday, May 15, 2015 9:14 AM
To: Mortimer, Mundise
Subject: RE: Follow up on Project Description

Hello Mundise I hope this email finds you doing well. The following link will allow you to review the LED incentives that your project could qualify for: <http://www.opportunitylouisiana.com/index/incentives>
If and when it is decided that the project will happen I will assist you with the necessary steps need occur before making purchases or hiring employees. The project will qualify for the quality jobs program as a gypsum product manufacturer at the site which entitles you to a 5-6% payroll rebate. Also the Industrial tax exemption which will exclude the capital expenditure of the project for 10 years. The below is a summary total for 10 years. Attached is a yearly breakdown as well. I will have a letter signed from our new Secretary Steven Grissom for you next week as well. He took over this past Monday. Please call my cell with any questions. I would be happy to explain the estimate to you.

Louisiana Proposal Estimate (10 year) based on \$90 million investment as indicated with a 2 year hire ramp up of 27 new jobs

Quality Jobs payroll rebate	\$ 736,747
ITC portion	\$ 638,635
Industrial Tax Exemption	<u>\$12,751,027</u>
Total 10 year	\$14,126,399

Charlie Romaine

Assistant Director
Business Expansion & Retention Group
Louisiana Economic Development

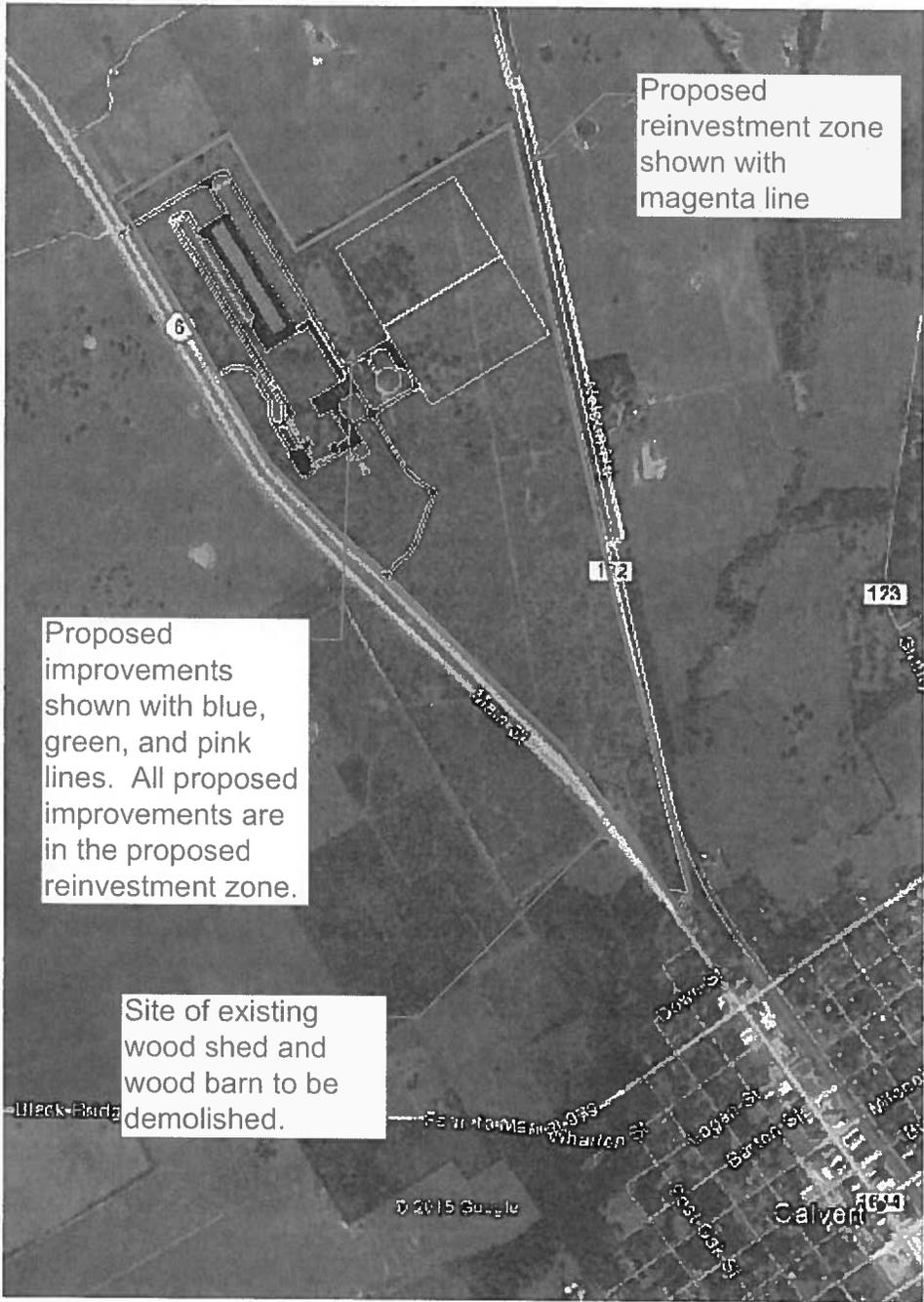
Office 225.342.5444
Cell 504.236.4664
Fax 225.342.5349

www.opportunitylouisiana.com

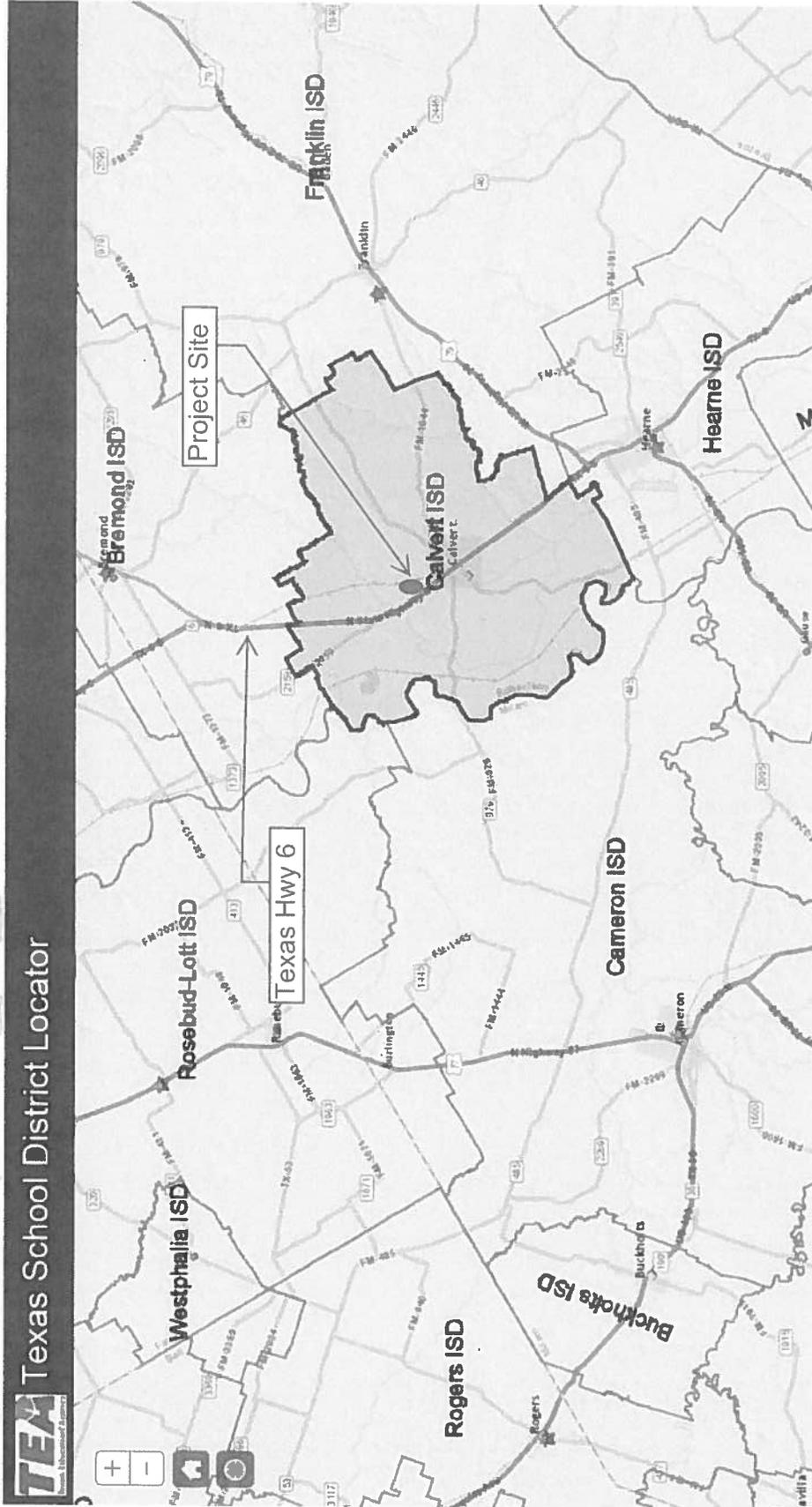
Supporting Information

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

Proposed Reinvestment
Zone with Proposed
Improvement Layout

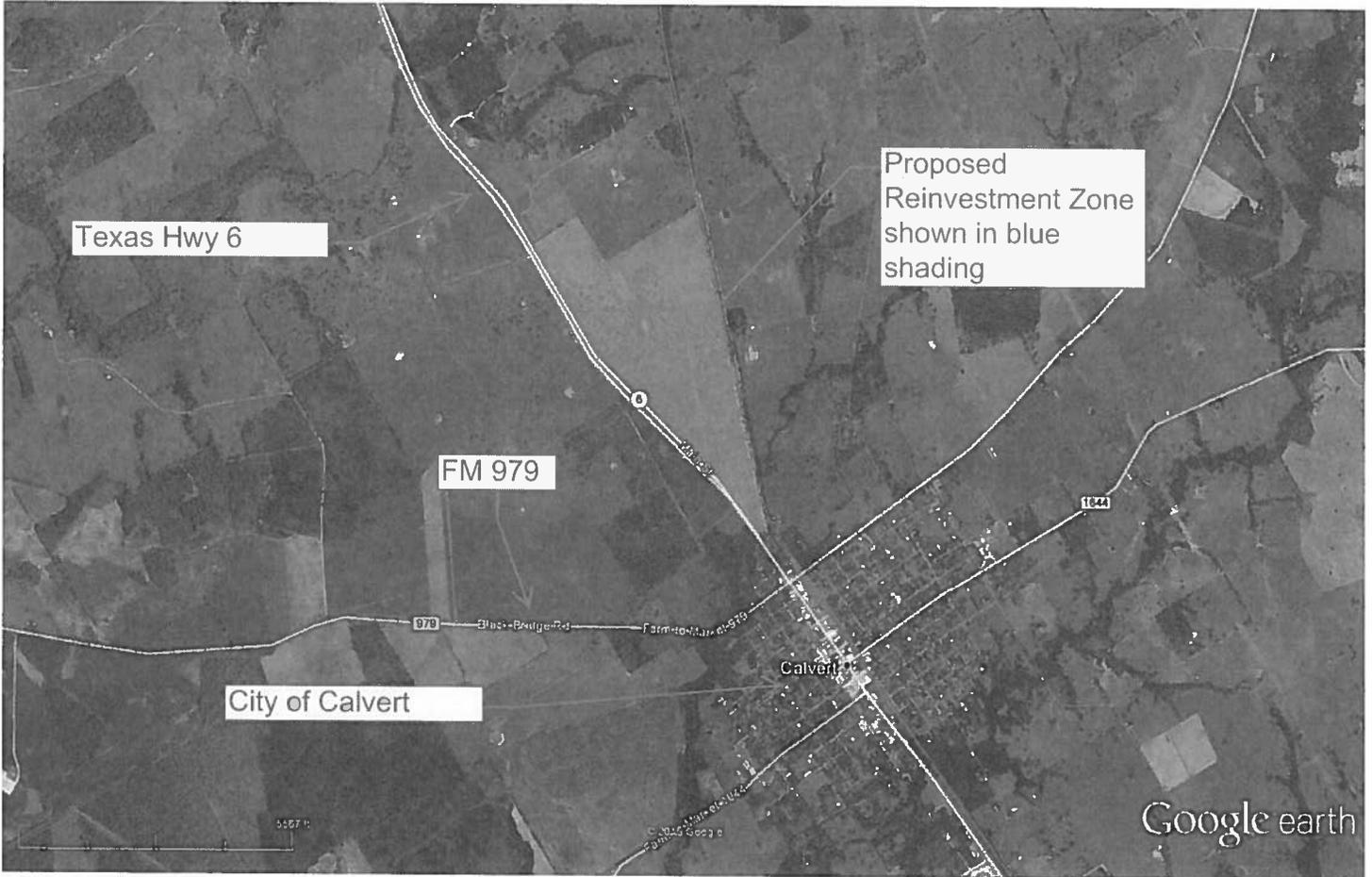


Calvert ISD Map Showing Project Location



Vicinity Map Showing Proposed Reinvestment Zone

NGC Industries, LLC
Application to Calvert ISD



A Regular Meeting of the Commissioners' Court of Robertson County, Texas was held on the 13th day of July at 2:00 P.M. in the Robertson County Historic Courthouse, County Courtroom, 3rd Floor, Franklin, Texas.

The following members were present:

Charles Ellison, County Judge
Keith Pettit, Commissioner Precinct #1
Donald Threadgill, Commissioner Precinct #2
Keith Nickelson, Commissioner Precinct #3
Robert Bielamowicz, Commissioner Precinct #4
Kathryn N. Brimhall, County Clerk
Candace Anderson, County Auditor

Notices of the meeting were duly posted.

Judge Ellison opened Court at 2:00 P.M. and the following proceedings were had, to-wit:

- (1) Prayer – Tony Harper
- (2) Verification of Quorum by County Judge and Pledge of Allegiance
- (3) Kathryn N. Brimhall, County Clerk
 - A. Discuss and take action to approve the minutes from the June 22nd regular meeting
Motion was made by Commissioner Bielamowicz to approve and place of record the minutes from June 22nd regular meeting, seconded by Commissioner Nickelson and motion carried unanimously.
 - B. Discuss and take action to approve Monthly Report for June 2015
Motion was made by Commissioner Nickelson to approve and place of record the Monthly Report for June 2015 in the amount of \$26,905.85, seconded by Commissioner Bielamowicz and motion carried unanimously.
 - C. Approve bonds and oaths
Motion was made by Commissioner Threadgill to approve and place of record the continuation certificate for Joe Davis, seconded by Commissioner Bielamowicz and motion carried unanimously.
- (4) Trudy Hancock, Election Administrator – Ray Rodriguez
 - A. Discuss and take action to set polling locations for November 2015 election
Motion was made by Commissioner Pettit to approve the polling locations as presented for the November 2015 election (see attached list), seconded by Commissioner Threadgill and motion carried unanimously.
 - B. Discuss and take action to set hours for November 2015 election
Motion was made by Commissioner Threadgill to approve setting the hours for the November 2015 election as follows: October 19th – October 24th from 8:00 am to 5:00 pm; October 26th-30th from 8:00 am – 5:00 pm at the Robertson County Election Center, seconded by Commissioner Bielamowicz and motion carried unanimously.
 - C. Discuss and take action to appoint Judges and Alternates for November 2015 election
Motion was made by Commissioner Bielamowicz to approve the appointment for Judges and Alternates (see attached list) for the November 2015 election, seconded by Commissioner Nickelson and motion carried unanimously.
 - D. Discuss and take action to approve upgrade/purchase of Poll books with funds from contracting services
Motion was made by Commissioner Bielamowicz to approve the upgrade/purchase of Poll books with funds from contracting services, seconded by Commissioner Pettit and motion carried unanimously.
 - E. Discuss and take action on election related matters
None.
- (5) Barbara Axtell, District Clerk
 - A. Discuss and take action to approve District Clerk's Office collections for June 2015
Motion was made by Commissioner Threadgill to approve the District Clerk's Office collections for June 2015 in the amount of \$10,515.00, seconded by Commissioner Nickelson and motion carried unanimously.
- (6) Carol Bielamowicz, Tax Assessor/Collector
 - A. Discuss and take action to approve Report of Collections for June 2015
Motion was made by Commissioner Nickelson to approve the Report of Collections for June 2015 in the amount of \$256,097.63, seconded by Commissioner Pettit and motion carried unanimously.
- (7) Fredrick Webber, Justice of the Peace, Pct. 4
 - A. Discuss and take action to approve purchases of a computer for JP # 4 office
Motion was made by Commissioner Nickelson to approve the purchase of a computer for the JP #4 office in the amount of \$1,155.00, seconded by Commissioner Bielamowicz and motion carried unanimously.

(8) Gerald Yezak, Sheriff

- A. Discuss and take action to adopt a Resolution for the submission of a grant application for the Records Management Enhancement Project

Motion was made by Commissioner Pettitt to adopt the Resolution for the submission of a grant application for the Records Management Enhancement Project and authorize the Judge to sign, seconded by Commissioner Nickelson and motion carried. Commissioner Threadgill opposed.

(9) Donald Kelm, District 8 Extension Administrator

- A. Presentation and updates on the Texas AgriLife Extension Program

Presentation was made.

(10) Charles Ellison, County Judge

- A. Presentation regarding budget related matters

Discussion.

- B. Presentation regarding speed limit changes on Farm to Market Roads

Discussion.

- C. Discuss and take action to approve and adopt guidelines and criteria for tax abatement in Robertson County

Motion was made by Commissioner Pettitt to approve and adopt guidelines & criteria for tax abatement in Robertson County, seconded by Commissioner Threadgill and motion carried unanimously.

- D. Discuss and take action on request of the National Gypsum Company to create a Reinvestment Zone associated with the construction of a new plant in Robertson County

Motion was made by Commissioner Threadgill to approve the request by National Gypsum Company to create a Reinvestment Zone associated with the construction of a new plant in Robertson County, seconded by Commissioner Pettitt and motion carried unanimously.

- E. Discuss and take action on approving and signing a Resolution to create and appoint members to an Industrial Development Committee

Motion was made by Commissioner Pettitt to approve Resolution and appoint Carty Hicks, Marcus Greaves, Keith Pettitt, Molly Hedrick, Jan Roe, Charles Ellison, James Green (Ricky Swick if Mr. Green is unable to serve) to the Industrial Development Committee, seconded by Commissioner Nickelson and motion carried unanimously.

- F. Discuss and take action on request made by Texas Department of Transportation to upgrade existing Grade Crossing Warning Devices on Embra Rd near New Baden

Motion was made by Commissioner Threadgill to approve the request made by Texas Department of Transportation to upgrade existing Grade Crossing Warning Devices on Embra Rd near New Baden, pending approval by Legal, and authorize the Judge to sign, seconded by Commissioner Pettitt and motion carried unanimously.

- G. Discuss and take action on Construction related matters

Discussion. Election Center.

- H. Discuss and take action on County Burn Ban

No Action Taken.

(11) Candy Anderson, County Auditor

- A. Discuss and take action on approving budget adjustments and/or amendments, credit applications and/or lease purchase agreements, and/or cell phone allowance agreements

Motion was made by Commissioner Pettitt to approve the budget adjustment for the Constable Pet#4 (see attached adjustment), seconded by Commissioner Bielamowicz and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve the budget adjustment for Constable Pet#3 (see attached adjustment), seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Bielamowicz to approve the budget adjustment for the Jail (see attached adjustment), seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve the budget adjustment for Emergency Management (see attached adjustment), seconded by Commissioner Pettitt and motion carried unanimously.

Motion was made by Commissioner Nickelson to approve the budget adjustment for the Agriculture Agent (see attached adjustment), seconded by Commissioner Bielamowicz and motion carried unanimously.

- B. Settlement of Accounts: Discussion, consideration and possible action to settle and pay all accounts against the county as per Texas Local Government Code Section 115.021

Motion was made by Commissioner Threadgill to approve payment of the invoice in the amount of \$1,574.40 to the Robertson County Soil and Water Conservation District #451, seconded by Commissioner Bielamowicz and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve invoice from Bryan & Bryan Asphalt (CERTZ grant) in the amount of \$15,445.20, seconded by Commissioner Nickelson and motion carried unanimously.

Motion was made by Commissioner Threadgill to approve accounts payable in the amount of \$319,721.29, seconded by Commissioner Biczamowicz and motion carried unanimously.

C. Discuss and take action on approval to bid dental and life insurance for County Employees

Motion was made by Commissioner Pettit to approve to bid for dental and life insurance for County Employees, seconded by Commissioner Threadgill and motion carried unanimously.

D. Discuss and take action to approve Open Enrollment period for County Employees

Motion was made by Commissioner Threadgill to approve for the Auditor's Office to schedule the Open Enrollment for County Employees, seconded by Commissioner Nickelson and motion carried unanimously.

E. Discuss and take action on renewal for Health insurance Table.

(12) Adjourn

There being no other business, Motion was made by Commissioner Threadgill to adjourn, seconded by Commissioner Pettit and motion carried unanimously.

[Handwritten Signature]

Robertson County Judge

[Handwritten Signature]
Commissioner Precinct #1

[Handwritten Signature]
Commissioner Precinct #3

[Handwritten Signature]
County Clerk

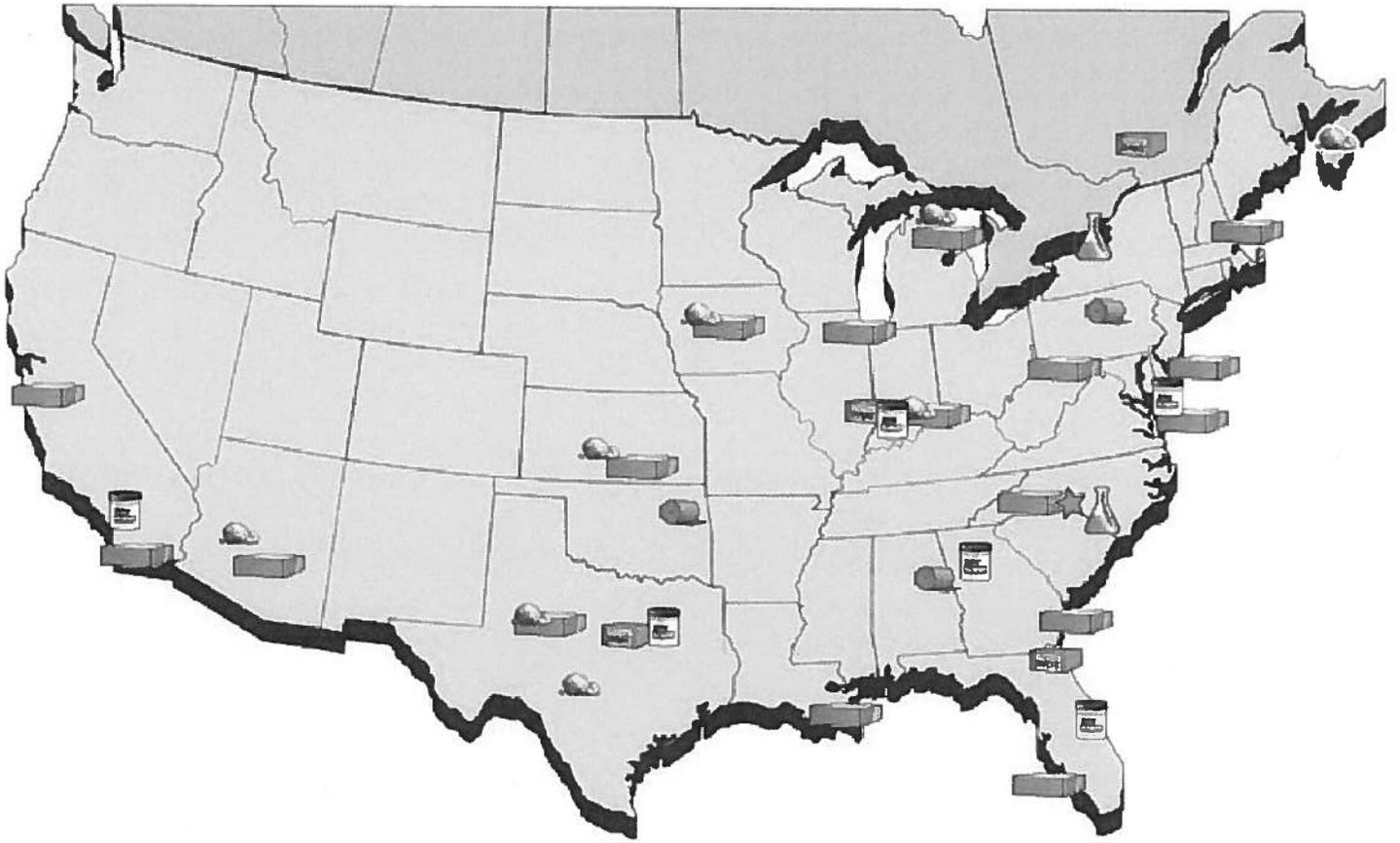
[Handwritten Signature]
Commissioner Precinct #2

[Handwritten Signature]
Commissioner Precinct #4

[Handwritten Signature]
County Auditor



07-27-15



<input checked="" type="checkbox"/>		Wallboard Plants	<input checked="" type="checkbox"/>		Interior Finishing Plants	<input checked="" type="checkbox"/>		Cement Board Plants
<input checked="" type="checkbox"/>		Paper Plants	<input checked="" type="checkbox"/>		Gypsum Mines and Quarries	<input checked="" type="checkbox"/>		Research Centers

Check box to view ; Place cursor over location for details

Google Maps

400 TX-6

NGC Calvert - Looking East (structure)



Image capture: Oct 2013 © 2015 Google

Calvert, Texas

Street View - Oct 2013



Google Maps

TX-6

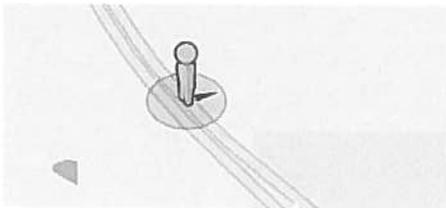
NGC-Calvert - west side facing south



Image capture: Oct 2013 © 2015 Google

Calvert, Texas

Street View - Oct 2013





Products | Resources | SDS | Specs | Submittals | Sales Terms | LEED - GPS | Continuing Education | Sustainability | About Us | News | Careers

About Us

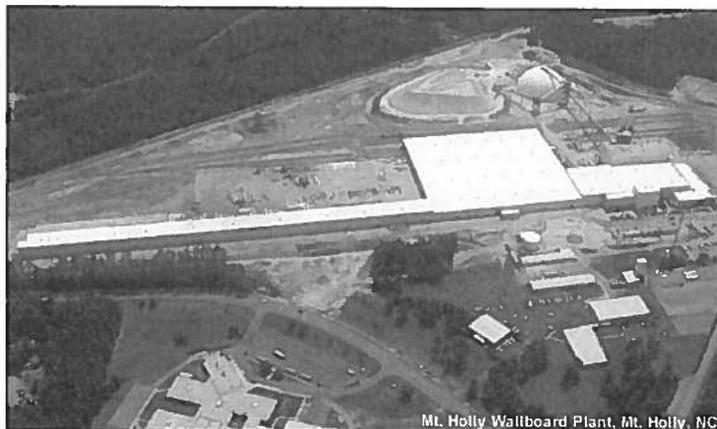
Quick Facts

CA Supply Chains Act

Company Profile

- [NGC History](#)
- [Gypsum Rock](#)
- [Wallboard Production](#)
- [Product Lines](#)
- [Plant Locations](#)
- [Vision & Values](#)

Plant Locations



Mt. Holly Wallboard Plant, Mt. Holly, NC

The company has 17 operative gypsum board plant locations located in strategic markets nationwide to offer customers quick delivery. Some of the newest, such as the Apollo Beach, FL, Shippingport, PA, Westwego, LA and Mt. Holly, NC facilities, use solid waste byproduct gypsum from nearby power plants to produce wallboard.

NGC operates the largest gypsum quarry in the world, located outside Halifax, Nova Scotia, and seven other mines and quarries.

One of the top recycled paper users in the United States, National Gypsum operates three paper mills that use 100 percent waste paper to produce facing paper for its wallboard products.

Interior finishing products, including joint treatment compounds, tape and dry powders, are produced in five stand alone plants and in combination with one board plant. The company also manufactures cement board in three locations in the United States and one in Canada.

For an interactive map showing all of the National Gypsum locations, please click the map illustration at right.

Cement Board plant locations:

- Bromont, Quebec
- Clinton, IN
- Cleburne, TX
- Jacksonville, FL

Paper plant locations:

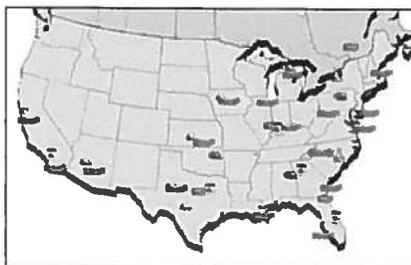
- Oxford, AL
- Pryor, OK
- West Milton, PA

Interior Finishing plant locations:

- Atlanta, GA
- Belcamp, MD
- Dallas, TX
- Jasper, IN
- Long Beach, CA
- Orlando, FL

Gypsum board plant locations:

- Apollo Beach, FL
- Baltimore, MD
- Burlington, NJ
- Fort Dodge, IA
- Long Beach, CA
- Medicine Lodge, KS
- Mt. Holly, NC
- National City, MI
- Phoenix, AZ
- Portsmouth, NH
- Richmond, CA
- Rotan, TX
- Savannah, GA
- Shippingport, PA
- Shoals, IN
- Waukegan, IL
- Westwego, LA



Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT E
Summary of Financial Impact on
Calvert Independent School District
Prepared by
Jigsaw School Finance Solutions, LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
NGC INDUSTRIES, LLC PROJECT (APP # 1075) ON THE
FINANCES OF CALVERT ISD UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION
UPDATED WITH AMENDED APPLICATION DATA

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
SEPTEMBER 6, 2016

Introduction

NGC Industries, LLC has submitted an application to the Calvert ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Calvert ISD Board of Trustees accepted the application on June 16, 2015. An amended application was received on August 16, 2016. The Comptroller issued a certificate for limitation on appraised value of the property described in the Amended Application and provided the certificate to the District on August 26, 2016. The application is for a manufacturing project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$141 million qualifying investment.

This project is consistent with the state’s goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

NGC Industries, LLC is proposing to invest in Calvert ISD for a wallboard manufacturing facility. Under the provisions of Chapter 313, CISD may offer a minimum value limitation of \$20 million. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. NGC Industries, LLC proposed the first quarter of 2019 as the commencement of commercial operations with a January 1, 2019 beginning date of the limitation. For the purpose of this review, the limitation would extend from 2019-20 through 2028-29 (years 1-10). Beginning with the 2019-20 school year, the project would go on the local tax roll at \$20 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

This is a revised analysis based on timelines and value estimates provided by NGC Industries, LLC’s amended application and is uses current school funding formulas adopted in the 84th Legislative session. The overall conclusions are below.

Total Estimated School District Revenue Loss Payment owed to Calvert ISD	\$1.4 million
Total Estimated Savings to Company after School District Revenue Loss Payment	\$9.6 million

School Finance Background

Calvert ISD intends to offer a value limitation for this project of \$20 million effective school year 2019-20 through 2028-29. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will be at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate of about 4-9% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller’s property tax division (CPTD) value for

the purpose of calculating the district's required local shares within the funding tiers of that formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means that most districts now receive additional state aid for tax reduction (ASATR) to offset the loss in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

This initial school finance analysis incorporates the principal legislative changes adopted in May 2015 following the 84th Regular Session of the Texas Legislature. The basic allotment was raised from \$5040 to \$5140 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 in 2015-16 and \$77.53 in 2016-17 and beyond. Future legislative sessions will determine the course of school finance after school year 2016-17 and beyond.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the "comptroller's property tax division" (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district's state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. For the purposes of these calculations, the starting point is the 2015 Comptroller's CPTD values and the District's 2016 local CAD certified value of \$112,873,990.

An initial ADA of 149.88 has been used as the basis of these calculations. NGC Industries, LLC commits to 10 qualifying new jobs and 35 non-qualifying jobs. Student enrollment growth may occur as a result of this project, but it is anticipated to be minimal if the workforce is sourced locally.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by NGC Industries, LLC, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by House Bill 1 passed in 2015 as mentioned above. In addition, the hold harmless provisions related to the additional \$10,000 homestead exemption outlined in

Senate Bill 1 and the constitutional amendment approved by the voters in November have also been factored into this review. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2016-17 school year.

2. The ADA funding driver used is 149.88 was held constant for the duration of the agreement.
3. The general approach used here is to maintain relatively static base property values. The certified freeze adjusted CAD taxable value as furnished by Robertson County Appraisal District for school year 206-17 as released on or about July 25, 2016 was used as the base value to which the estimated project values for each year as set forth in schedule B of the application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values as heretofore explained.
4. Although the impact of the approval of this agreement could result in lower M&O tax rates in future years, an evaluation of the M&O tax rate is not included in the scope of this analysis. The calculated tax collections each year are based on the district's 2016-17 proposed M&O rate of \$1.17 and was used for the duration of the review with an assumed collection rate of 100 percent each year.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Calvert ISD and NGC Industries, LLC, – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those values to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement (Table 4). **If the full value of the project increases significantly during the value limitation period, the school district revenue losses may be larger than these estimates.**

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the

first year of the value limitation. The estimated total revenue loss is \$1,438,339. Gains are noted in years 2-11. The larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the inverse of that observed in year 1. Any significant M&O revenue increase however, may possibly be mitigated since increases in taxable value after the limitation period ends will count against CISD's tax rollback calculation under current law.

M&O Impact on Taxpayer (NGC Industries, LLC)

In tax year 2019, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.17 per \$100 of taxable value.

Under these provisions, NGC Industries, LLC has the potential savings in M&O taxes of \$11.1 million in tax savings. (This does not include school revenue loss or any other supplemental payments permitted by law). NGC Industries, LLC is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to NGC Industries, LLC and the reimbursement by the state for such tax credit payments has been eliminated. Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. **It is important to note that 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.**

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, however, CISD currently has no outstanding debt and does not levy taxes for I&S purposes. The value of the NGC Industries, LLC 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 \$859,296 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 project to the local I&S tax roll.

Student enrollment growth may occur as a result of this project but it is anticipated to be minimal if the workforce is sourced locally. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population.

Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, the following points appear to currently apply to the NGC Industries, LLC project and the CISD. The proposed project enhances the tax base of CISD and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for NGC Industries, LLC under a Chapter 313 agreement could reach an estimated \$9.6 million. This amount is after the anticipated revenue loss payment and prior to any supplemental payments to CISD as permitted by law. The additional taxable value also enhances the tax base of CISD in meeting possible future debt service obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the project provided NGC Industries, LLC contractually agrees to offset the loss that is indicated in the Table 5.

Table 1 - Base District Information with NGC Industries, LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project and No Agreement	CAD Value with Limitation Agreement	CPTD with Project and No Agreement	CPTD With Limitation Agreement	CPTD Value with Project and No Agreement per WADA	CPTD Value with Limitation Agreement per WADA
QTP 0	2016-17	149.88	295.93	\$1.1700	\$0.0000	\$112,873,990	\$112,873,990	\$111,868,181	\$111,868,181	\$378,028	\$378,028
QTP 1	2017-18	149.88	295.93	\$1.1700	\$0.0000	\$113,632,267	\$113,632,267	\$112,873,990	\$112,873,990	\$381,426	\$381,426
QTP 2	2018-19	149.88	295.93	\$1.1700	\$0.0000	\$140,356,879	\$140,356,879	\$113,632,267	\$113,632,267	\$383,989	\$383,989
1	2019-20	149.88	295.93	\$1.1700	\$0.0000	\$254,288,119	\$132,873,990	\$140,356,879	\$140,356,879	\$474,297	\$474,297
2	2020-21	149.88	295.93	\$1.1700	\$0.0000	\$248,317,258	\$132,873,990	\$254,288,119	\$132,873,990	\$859,296	\$449,011
3	2021-22	149.88	295.93	\$1.1700	\$0.0000	\$242,346,397	\$132,873,990	\$248,317,258	\$132,873,990	\$839,119	\$449,011
4	2022-23	149.88	295.93	\$1.1700	\$0.0000	\$236,375,536	\$132,873,990	\$242,346,397	\$132,873,990	\$818,943	\$449,011
5	2023-24	149.88	295.93	\$1.1700	\$0.0000	\$230,404,675	\$132,873,990	\$236,375,536	\$132,873,990	\$798,766	\$449,011
6	2024-25	149.88	295.93	\$1.1700	\$0.0000	\$224,433,814	\$132,873,990	\$230,404,675	\$132,873,990	\$778,589	\$449,011
7	2025-26	149.88	295.93	\$1.1700	\$0.0000	\$218,462,953	\$132,873,990	\$224,433,814	\$132,873,990	\$758,412	\$449,011
8	2026-27	149.88	295.93	\$1.1700	\$0.0000	\$212,492,093	\$132,873,990	\$218,462,953	\$132,873,990	\$738,235	\$449,011
9	2027-28	149.88	295.93	\$1.1700	\$0.0000	\$206,521,232	\$132,873,990	\$212,492,093	\$132,873,990	\$718,058	\$449,011
10	2028-29	149.88	295.93	\$1.1700	\$0.0000	\$200,550,371	\$132,873,990	\$206,521,232	\$132,873,990	\$697,881	\$449,011
11	2029-30	149.88	295.93	\$1.1700	\$0.0000	\$194,579,510	\$194,579,510	\$200,550,371	\$132,873,990	\$677,704	\$449,011
12	2030-31	149.88	295.93	\$1.1700	\$0.0000	\$188,608,649	\$188,608,649	\$194,579,510	\$194,579,510	\$657,528	\$657,528
13	2031-32	149.88	295.93	\$1.1700	\$0.0000	\$182,637,788	\$182,637,788	\$188,608,649	\$188,608,649	\$637,351	\$637,351
14	2032-33	149.88	295.93	\$1.1700	\$0.0000	\$176,666,927	\$176,666,927	\$182,637,788	\$182,637,788	\$617,174	\$617,174
15	2033-34	149.88	295.93	\$1.1700	\$0.0000	\$170,696,066	\$170,696,066	\$176,666,927	\$176,666,927	\$596,997	\$596,997

Basic Allotment: \$5140; AISD Yield: 2015-16 \$74.28/2016-17 and beyond \$77.53.; Equalized Wealth: \$514,000 per WADA

Table 2 - "Baseline Revenue Model" - Project Value Added with No Agreement

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Tier II Funding	Recapture at the \$319,500 Level	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP 0	2016-17	\$1,128,740	\$465,920	\$0	\$0	\$173,897	\$71,126	-\$17,988	\$0	\$7,460	\$1,847,144
QTP 1	2017-18	\$1,136,323	\$455,862	\$0	\$0	\$174,181	\$70,401	-\$18,993	\$0	\$7,460	\$1,844,227
QTP 2	2018-19	\$1,403,569	\$448,279	\$0	\$0	\$214,220	\$85,807	-\$24,387	\$0	\$7,460	\$2,159,335
1	2019-20	\$2,542,881	\$181,033	\$0	\$0	\$345,632	\$96,824	-\$86,658	\$13,409	\$7,460	\$3,187,239
2	2020-21	\$2,483,173	\$48,469	\$0	-\$970,934	\$259,305	\$0	-\$162,834	\$0	\$7,460	\$1,827,472
3	2021-22	\$2,423,464	\$48,469	\$0	-\$913,407	\$255,376	\$0	-\$156,612	\$0	\$7,460	\$1,821,362
4	2022-23	\$2,363,755	\$48,469	\$0	-\$855,942	\$251,444	\$0	-\$150,395	\$0	\$7,460	\$1,815,186
5	2023-24	\$2,304,047	\$48,469	\$0	-\$798,543	\$247,507	\$0	-\$144,181	\$0	\$7,460	\$1,808,940
6	2024-25	\$2,244,338	\$48,469	\$0	-\$741,215	\$243,565	\$0	-\$137,972	\$0	\$7,460	\$1,802,617
7	2025-26	\$2,184,630	\$48,469	\$0	-\$683,965	\$239,618	\$2,919	-\$131,769	\$0	\$7,460	\$1,799,131
8	2026-27	\$2,124,921	\$48,469	\$0	-\$626,798	\$235,666	\$6,406	-\$125,571	\$0	\$7,460	\$1,796,123
9	2027-28	\$2,065,212	\$48,469	\$0	-\$569,722	\$231,707	\$9,876	-\$119,379	\$0	\$7,460	\$1,793,002
10	2028-29	\$2,005,504	\$48,469	\$0	-\$512,745	\$227,742	\$13,357	-\$113,194	\$0	\$7,460	\$1,789,787
11	2029-30	\$1,945,795	\$48,469	\$0	-\$455,874	\$223,770	\$16,809	-\$107,015	\$0	\$7,460	\$1,786,429
12	2030-31	\$1,886,086	\$48,469	\$0	-\$399,121	\$219,790	\$20,284	-\$100,845	\$0	\$7,460	\$1,782,968
13	2031-32	\$1,826,378	\$48,469	\$0	-\$342,496	\$215,801	\$23,718	-\$94,683	\$0	\$7,460	\$1,779,330
14	2032-33	\$1,766,669	\$48,469	\$0	-\$286,012	\$211,804	\$27,140	-\$88,530	\$0	\$7,460	\$1,775,529
15	2033-34	\$1,706,961	\$48,469	\$0	-\$229,684	\$207,795	\$30,603	-\$82,388	\$0	\$7,460	\$1,771,604

Table 3 - "Value Limitation Revenue Model" - Project Value Added with Agreement

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Tier II Funding	Recapture at the \$319,500 Level	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP 0	2016-17	\$1,128,740	\$465,920	\$0	\$0	\$173,897	\$71,126	-\$17,988	\$0	\$7,460	\$1,847,144
QTP 1	2017-18	\$1,136,323	\$455,862	\$0	\$0	\$174,181	\$70,401	-\$18,993	\$0	\$7,460	\$1,844,227
QTP 2	2018-19	\$1,403,569	\$448,279	\$0	\$0	\$214,220	\$85,807	-\$24,387	\$0	\$7,460	\$2,159,335
1	2019-20	\$1,328,740	\$181,033	\$0	\$0	\$181,073	\$50,594	-\$44,813	\$0	\$7,460	\$1,748,900
2	2020-21	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
3	2021-22	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
4	2022-23	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
5	2023-24	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
6	2024-25	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
7	2025-26	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
8	2026-27	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
9	2027-28	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
10	2028-29	\$1,328,740	\$255,862	\$0	\$0	\$186,282	\$57,934	-\$39,604	\$0	\$7,460	\$1,836,278
11	2029-30	\$1,945,795	\$255,862	\$0	\$0	\$272,386	\$84,874	-\$58,399	\$4,011	\$7,460	\$2,570,388
12	2030-31	\$1,886,086	\$48,469	\$0	-\$399,121	\$219,790	\$20,284	-\$100,845	\$0	\$7,460	\$1,782,968
13	2031-32	\$1,826,378	\$48,469	\$0	-\$342,496	\$215,801	\$23,718	-\$94,683	\$0	\$7,460	\$1,779,330
14	2032-33	\$1,766,669	\$48,469	\$0	-\$286,012	\$211,804	\$27,140	-\$88,530	\$0	\$7,460	\$1,775,529
15	2033-34	\$1,706,961	\$48,469	\$0	-\$229,684	\$207,795	\$30,603	-\$82,388	\$0	\$7,460	\$1,771,604

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture at the \$514,000 Level	Additional Local M&O Collections	Tier II Funding	Recapture at the \$319,500 Level	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP 0	2016-17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP 1	2017-18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP 2	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2019-20	-\$1,214,141	\$0	\$0	\$0	-\$164,559	-\$46,230	\$41,845	-\$13,409	\$0	-\$1,438,339
2	2020-21	-\$1,154,433	\$207,393	\$0	\$970,934	-\$73,023	\$57,934	\$123,230	\$0	\$0	\$8,805
3	2021-22	-\$1,094,724	\$207,393	\$0	\$913,407	-\$69,095	\$57,934	\$117,008	\$0	\$0	\$14,916
4	2022-23	-\$1,035,015	\$207,393	\$0	\$855,942	-\$65,162	\$57,934	\$110,791	\$0	\$0	\$21,091
5	2023-24	-\$975,307	\$207,393	\$0	\$798,543	-\$61,225	\$57,934	\$104,577	\$0	\$0	\$27,338
6	2024-25	-\$915,598	\$207,393	\$0	\$741,215	-\$57,283	\$57,934	\$98,368	\$0	\$0	\$33,661
7	2025-26	-\$855,890	\$207,393	\$0	\$683,965	-\$53,336	\$55,015	\$92,165	\$0	\$0	\$37,147
8	2026-27	-\$796,181	\$207,393	\$0	\$626,798	-\$49,384	\$51,528	\$85,967	\$0	\$0	\$40,154
9	2027-28	-\$736,472	\$207,393	\$0	\$569,722	-\$45,425	\$48,058	\$79,775	\$0	\$0	\$43,275
10	2028-29	-\$676,764	\$207,393	\$0	\$512,745	-\$41,460	\$44,577	\$73,589	\$0	\$0	\$46,491
11	2029-30	\$0	\$207,393	\$0	\$455,874	\$48,616	\$68,065	\$48,616	\$4,011	\$0	\$783,959
12	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5: Estimated Financial Impact of the NGC Industries, LLC #1075 Property Value Limitation Request Submitted to Calvert ISD at \$1.17 M&O 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
QTP 0	2016-17	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP 1	2017-18	\$758,277	\$758,277	\$0	\$1.170	\$8,872	\$8,872	\$0	\$0	\$0
QTP 2	2018-19	\$27,482,889	\$27,482,889	\$0	\$1.170	\$321,550	\$321,550	\$0	\$0	\$0
LP 1	2019-20	\$141,414,129	\$20,000,000	\$121,414,129	\$1.170	\$1,654,545	\$234,000	\$1,420,545	-\$1,420,545*	\$0
LP 2	2020-21	\$135,443,268	\$20,000,000	\$115,443,268	\$1.170	\$1,584,686	\$234,000	\$1,350,686	-\$17,794	\$1,332,892
LP 3	2021-22	\$129,472,407	\$20,000,000	\$109,472,407	\$1.170	\$1,514,827	\$234,000	\$1,280,827	\$0	\$1,280,827
LP 4	2022-23	\$123,501,546	\$20,000,000	\$103,501,546	\$1.170	\$1,444,968	\$234,000	\$1,210,968	\$0	\$1,210,968
LP 5	2023-24	\$117,530,685	\$20,000,000	\$97,530,685	\$1.170	\$1,375,109	\$234,000	\$1,141,109	\$0	\$1,141,109
LP 6	2024-25	\$111,559,824	\$20,000,000	\$91,559,824	\$1.170	\$1,305,250	\$234,000	\$1,071,250	\$0	\$1,071,250
LP 7	2025-26	\$105,588,963	\$20,000,000	\$85,588,963	\$1.170	\$1,235,391	\$234,000	\$1,001,391	\$0	\$1,001,391
LP 8	2026-27	\$99,618,103	\$20,000,000	\$79,618,103	\$1.170	\$1,165,532	\$234,000	\$931,532	\$0	\$931,532
LP 9	2027-28	\$93,647,242	\$20,000,000	\$73,647,242	\$1.170	\$1,095,673	\$234,000	\$861,673	\$0	\$861,673
LP 10	2028-29	\$87,676,381	\$20,000,000	\$67,676,381	\$1.170	\$1,025,814	\$234,000	\$791,814	\$0	\$791,814
VP 1	2029-30	\$81,705,520	\$81,705,520	\$0	\$1.170	\$955,955	\$955,955	\$0	\$0	\$0
VP 2	2030-31	\$75,734,659	\$75,734,659	\$0	\$1.170	\$886,096	\$886,096	\$0	\$0	\$0
VP 3	2031-32	\$69,763,798	\$69,763,798	\$0	\$1.170	\$816,236	\$816,236	\$0	\$0	\$0
VP 4	2032-33	\$63,792,937	\$63,792,937	\$0	\$1.170	\$746,377	\$746,377	\$0	\$0	\$0
VP 5	2033-34	\$57,822,076	\$57,822,076	\$0	\$1.170	\$676,518	\$676,518	\$0	\$0	\$0
						\$17,813,399	\$6,751,604	\$11,061,795	\$1,438,339	\$9,623,456

* Any revenue loss exceeding tax savings is rolled to the following school year.

QTP = Qualifying Time Period

LP = Limitation Period

VP = Continue to Maintain Viable Presence

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates and enrollment. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT F
Comptroller's 2015 ISD Summary Worksheet
For Calvert Independent School District



Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax

SCHOOL AND APPRAISAL DISTRICTS PROPERTY VALUE STUDY 2015 REPORT

2015 ISD Summary Worksheet

198/Robertson

198-902/Calvert ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	28,457,890	.9539	29,833,201	28,457,890
B. Multi-Family Residences	340,084	N/A	340,084	340,084
C1. Vacant Lots	1,538,334	N/A	1,538,334	1,538,334
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	6,731,875	1.0446	6,444,304	6,731,875
D2. Real Prop Farm & Ranch	5,619,611	N/A	5,619,611	5,619,611
E. Real Prop NonQual Acres	20,837,994	.9640	21,616,176	20,837,994
F1. Commercial Real	6,912,587	.9672	7,147,009	6,912,587
F2. Industrial Real	2,519,407	N/A	2,519,407	2,519,407
G. Oil, Gas, Minerals	9,616,203	.9973	9,642,237	9,616,203
J. Utilities	35,411,166	.9883	35,830,381	35,411,166
L1. Commercial Personal	1,442,322	N/A	1,442,322	1,442,322

L2. Industrial Personal	8,291,878	N/A	8,291,878	8,291,878
M. Other Personal	1,280,656	N/A	1,280,656	1,280,656
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	129,000,007		131,545,600	129,000,007
Less Total Deductions	17,131,826		17,877,509	17,131,826
Total Taxable Value	111,868,181		113,668,091	111,868,181 T2

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
114,562,680	111,868,181	114,562,680	111,868,181

<p>Loss To the Additional \$10,000 Homestead Exemption</p>	<p>50% of the loss to the Local Optional Percentage Homestead Exemption</p>
<p>2,694,499</p>	<p>0</p>

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10
114,562,680	111,868,181	114,562,680	111,868,181

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT G
Proposed Agreement Between
Calvert Independent School District
and
NGC Industries, LLC



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 14, 2016

Maxie Morgan
Superintendent
Calvert Independent School District
P.O. Box 7
Calvert, Texas 77837

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Calvert Independent School District and NGC Industries, LLC, Application #1075

Dear Superintendent Morgan:

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 Calvert Independent School District and NGC Industries, LLC (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.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Counihan".

Will Counihan
Director
Data Analysis & Transparency Division

cc: Sara Leon, O'Hanlon, Powell & Leon, LLP
Laura Budzichowski, NGC Industries, LLC
Mundise Mortimer, NGC Industries, LLC
Dale Cummings, Cummings Westlake, LLC

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

by and between

CALVERT INDEPENDENT SCHOOL DISTRICT

and

NGC INDUSTRIES, LLC

(Texas Taxpayer ID #32057100854)

Comptroller Application #1075

Dated

October 18, 2016

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

STATE OF TEXAS §
§
COUNTY OF ROBERTSON §

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 **CALVERT INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **NGC INDUSTRIES, LLC**, Texas Taxpayer Identification Number 32057100854 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on June 16, 2015, the Superintendent of Schools of the Calvert Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on June 16, 2015, 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 of the TEXAS TAX CODE;

WHEREAS, on August 5, 2015, the District and the Texas Comptroller’s Office determined that the Application was complete;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Robertson County Appraisal District established in Robertson County, Texas (the “Robertson 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 November 3, 2015, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, on November 30, 2015, the Board of Trustees, by resolution, agreed to extend the time period to for final action on Application 1075 for a property value limitation until March 5, 2016;

WHEREAS, on February 16, 2016, the Board of Trustees approved the Applicant's request for an extension of the 150-day deadline to review the Application until August 31, 2016;

WHEREAS, on August 16, 2016 the Board of Trustees received an amended Application, and the Board of Trustees, by resolution, approved the Applicant's request for an extension of the 150-day deadline to review the Application until October 31, 2016;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application, as amended, is complete and August 25, 2016 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051 with respect to the Application, as amended;

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 August 26, 2016, issued a certificate for limitation on appraised value of the property described in the Application, as amended, 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 313.025 of the TEXAS TAX CODE;

WHEREAS, on October 18, 2016, 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 18, 2016, 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) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on October 14, 2016, 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;

WHEREAS, on October 18, 2016, 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 in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 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 Sections 10.2 and 10.3.

“Applicant” means NGC Industries, LLC, (*Texas Taxpayer ID #32057100854*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant's assigns and successors-in-interest as approved according to Sections 10.2 and 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 **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on June 16, 2015. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the 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 the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the 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 Robertson County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Calvert Independent School District.

“Commercial Operations” shall mean the date on which the Project described in the Application for Value Limitation Agreement becomes commercially operational and capable of being placed into service, such that it has been constructed and is capable of producing gypsum board and achieving a Qualifying Investment of \$10 million dollars.

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

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

“County” means Robertson County, Texas.

“District” or “School District” means the Calvert 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 the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the 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 30 (thirty) 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 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“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 by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in 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.

Section 1.2. NEGOTIATED DEFINITIONS.

Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C:

“Applicable School Finance Law” means the state laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools generally and the District specifically at the time the computation, calculation or obligation of either party under this Agreement is performed.

“*Cumulative Payments*” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus (to the extent not duplicative of other payments made hereunder) payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“*Cumulative Unadjusted Tax Benefit*” means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

“*Lost M&O Revenue*” means the reduction in Maintenance and Operations ad valorem tax revenue to the District resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date of this Agreement.

“*New M&O Revenue*” means the total State and local Maintenance and Operations revenue that the District received from Applicant or accrued, after all adjustments have been made to such Maintenance and Operations revenue because of any portion of this Agreement in accordance with the provisions of the Applicable School Finance Law for such school year.

“*Net Tax Benefit*” means an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District from Applicant or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement, plus (B) any and all Cumulative Payments.

“*Original M&O Revenue*” means the total State and local Maintenance and Operations revenue that the 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 Applicant’s Qualified Property and/or the Applicant’s Qualified Investment been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, the Third Party will base its calculations upon actual local taxable values for each applicable year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property and/or the Applicant’s Qualified Investment subject to this Agreement, *plus* the total appraised value of the Qualified Property and/or the Applicant’s Qualified Investment subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt tax purposes. For the calculation of Original M&O Revenue, Applicant’s Taxable value for its Qualified Property and/or the Applicant’s Qualified Investment for M&O purposes will not be used.

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

“Unadjusted Tax Benefit” means for each Tax Year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant’s taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount of Twenty Million Dollars (\$20,000,000.00), multiplied by the District’s Maintenance & Operations tax rate for the applicable Tax Year.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

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

Section 2.2. PURPOSE.

In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the 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 August 25, 2016, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is October 18, 2016.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on the Application Approval Date; and
 - ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.
- D. The Tax Limitation Period for this Agreement:
 - i. Starts on January 1, 2019, the first complete Tax Year that begins after the date of commencement of Commercial Operation; and

- ii. Ends on December 31, 2028 which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
- E. The Final Termination Date for this Agreement is December 31, 2032, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.
- F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION.

So long as the Applicant makes the Qualified Investment as required by Section 2.5, 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. Twenty Million Dollars (\$20,000,000.00)

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. 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, the Applicant shall:

- A. Have completed the Applicant's Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00) during the Qualifying Time Period;
- B. Have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. Pay an average weekly wage of at least \$880.00 for all New 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 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 the 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;
- D. Create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

**ARTICLE III
QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is 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, and information concerning the designation, 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 in **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 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** 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 the 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.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/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.

The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement (including Section 7.1), and in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, it is the intent of the Parties that the District shall be compensated by the Applicant as provided in this Article IV for any and all losses that the District incurs in its Maintenance and Operations revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any and all negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

The calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time for the first complete Tax Year following the start of Commercial Operations, and every year thereafter during the term of this Agreement.

Within 60 days from the date commercial operations begin, the Applicant shall provide to the District and the Appraisal District a written statement, describing in reasonable detail the land, tangible

personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such qualified property within the boundaries of the land which is subject to the agreement, if such final description is different than the description provided in the application or any supplemental application information, or if no substantial changes have been made, a written statement verifying the fact that no substantial changes have been made.

The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are:

- i. For illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement;
- ii. Are based upon current School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,
- iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 CALCULATING LOST M&O REVENUE.

The amount to be paid by the Applicant to compensate the District for Lost M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula: The Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue. In making the calculations required by this Section 4.2:

- 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 the 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 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection *ii* of this subsection will reflect the Tax Limitation Amount for such year.

- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full Maintenance and Operation Revenue impact caused by this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION.

In no event shall the Cumulative Payments made by Applicant during any year of the Tax Limitation Period exceed an amount equal to One Hundred Percent (100%) of Applicant's Cumulative Unadjusted Tax Benefit for that tax year. For each year of this Agreement, amounts due and owing by Applicant to the District which, by virtue of the application of this Cumulative Payment limitation set forth in this Section 4.3 are not payable to the District for that given year, such sums shall be carried forward to and paid to the District in the succeeding year or years, subject, in each succeeding year, to the limit set forth in this Section.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected each year by the District. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for any other loss of District revenues which are, or may be reasonably attributable to the District's compliance with this Agreement, including, but not limited to:

- A. All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the acquisition of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.10 herein.
- B. Any other loss of District revenues which are, or may be reasonably attributable to the payment by the Applicant to or on behalf of any third party beneficiary of this Agreement.
- C. Any other costs to the District, including costs under Subsection 8.6(C), below, which are or may be attributable to compliance with State-imposed costs of compliance with the terms of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year 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 Third Party 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 Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.6. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Investment at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. 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 amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.7. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 and/or 4.3, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to

the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.8. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION 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 the Comptroller, Commissioner of Education, or the Texas Education Agency, 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 that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the 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 the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Section 4, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.10.

Section 4.9. PAYMENT BY APPLICANT.

The Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year 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 Third Party for all calculations under this Agreement under Section 4.4, 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 other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of fees and expenses under this Section 4.9 that exceeds the necessary and reasonable costs incurred by the District for compliance with this Agreement. In any year in which such compliance is anticipated to exceed an aggregate amount of

Fifteen Thousand Dollars (\$15,000) per year, the District shall provide the Applicant with prior written notice of the anticipated annual aggregate amount the District anticipates it will incur, and if the Applicant disagrees that such fees are necessary and reasonable, the parties may resolve such dispute as provided in Section 4.10.

Section 4.10. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the notice of anticipated fees or Third Party calculations made pursuant to Article 4 of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for the following:

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

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

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of Article IV and VI, the Parties agree as follows:

A. Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article IV and Article V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI. 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 for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under Article VI of this agreement are separate and independent of the obligation of the Applicant to pay the amounts described in Article IV and Article V; provided, however, that all payments under Articles IV and VI are subject to such limitations as are contained in Section 7.1, and that all payments under Article VI are subject to the separate limitations contained in Section 6.3.

- B. 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) unless that limit is increased by the Legislature at a future date, in which case Applicant agrees to cooperate with the District to amend this Agreement to allow the District to receive the maximum amount of Supplemental Payments as allowed by applicable law; provided, however, that that total Supplemental Payments for any given year of this Agreement shall not exceed the greater of (i) fifty percent (50%) of Applicant's Net Tax Benefit under this Agreement, and (ii) the amount calculated pursuant to Section 6.2.A below.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

- A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for 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 times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application. In the event of a merger or consolidation of the District with another school district or other governmental authority, the total of the Supplemental Payments made pursuant to this Article shall be calculated by using the number of students in the legacy District per year in average daily attendance rather than the consolidated district's average daily attendance.
- B. Supplemental Payments may 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.

- C. The limitation in Section 6.2.A 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.
 - i. For purposes of this Agreement, the amount of the annual Supplemental Payment shall be \$50,000, unless a larger amount is subsequently authorized by law and adjusted pursuant to Section 6.1.B.

Section 6.3. LIMITATION BASED ON NET TAX BENEFIT

- A. Notwithstanding the provisions set forth in Section 6.1, for any supplemental Payment occurring prior to the start of the Tax Limitation Period, if the amount of the Supplemental Payments calculated in Section 6.2 exceeds Applicant’s Net Tax Benefit, the difference between the amount of the Supplemental Payments and Applicant’s Net Tax Benefit shall be carried forward from year-to-year (the “Deferred Payments”). Beginning in the first year of the Tax Limitation Period, and in addition to the Supplemental Payment for that year, all Deferred Payments owed to the District shall be paid by the Applicant to the extent all Supplemental Payments from Applicant to the District for that year do not exceed fifty percent (50%) of the Applicant’s total Net Tax Benefit to date. Any amount of Deferred Payments that remain unpaid shall be carried forward from year to year until paid in full; provided, however, that the total of the Supplemental Payments paid to the District over the Term of the Agreement pursuant to this Article shall not exceed forty percent (40%) of the Applicant’s total Net Tax Benefit under this Agreement.
- B. In the event that Applicant fails to make the Minimum Qualified Investment during the Qualifying Time Period, causing this Agreement to become null and void, Applicant’s obligation to make any deferred payments that were carried over by operation of Section 6.3.A shall be cancelled.

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 beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the 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 the Applicant would have paid to the District for such Tax Year (determined by using the 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 the Applicant to the 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 the Applicant to the District under Article IV, Article V, 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, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year 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 next 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 the 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 (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration 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, the Applicant shall Maintain Viable Presence in the 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, the 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 the Applicant makes commercially reasonable efforts to remedy the cause of such 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, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.

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

Section 8.4. DATA REQUESTS.

Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records 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 the 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 the Applicant's Qualified Property.

- B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the 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; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

- A. The District and the 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. The Applicant and the 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 latest occurring date of:
- i. date of submission of the final payment;
 - ii. Final Termination Date; or
 - iii. date of resolution of all disputes or payment.
- B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New 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 the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the 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 the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

- C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly 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, the Applicant or the 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. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

- D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

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 the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

- A. Represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

- B. Agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

- C. Acknowledges that if the 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 the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

- A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;
- B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;
- C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
- D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
- E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
- F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;
- G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;
- H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;
- I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;
- J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;
- K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller 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;
- L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor’s Office to have access to the Applicant’s Qualified Property 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 the Applicant's Qualified Property under Sections 8.5 and 8.6;
- M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;
 - N. The 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 IV, V and VI of this Agreement; or,
 - O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

- A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.
- B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the 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, the 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:
 - i. Whether or not a breach of this Agreement has occurred;
 - ii. Whether or not such breach is a Material Breach;
 - iii. The date such breach occurred, if any;
 - iv. Whether or not any such breach has been cured; and
- C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:
 - i. The amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
 - ii. The amount of any penalty or interest under Section 9.4.E that are owed to the District; and
 - iii. In the event of a finding of a Material Breach, whether to terminate this

Agreement.

- D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a “Determination of Breach and Notice of Contract Termination”) and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

- A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have not greater than 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 the 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 initiates mediation, 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 presiding in Robertson 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) the District shall bear one-half of such mediator’s fees and expenses and the 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 within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Robertson County, Texas, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.
- C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 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 the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the District pursuant to Section

6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

- A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.
- B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.
- C. The sum of liquidated damages due and payable shall be the sum total of the 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 the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.
- D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.
- E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The 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 9.4.C 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 9.5. 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, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make Ten Million Dollars (\$10,000,000.00) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

- A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.
- B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax

Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

- C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.
- D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

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 or email transmission, with notice 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 or email 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 the District shall be addressed to the District's Authorized Representative as follows:

To the District

Name: Calvert ISD
Attn: Superintendent Maxie Morgan,
Or his successor
Address: 310 Hickory Street
City/Zip: Calvert, Texas 77837
Phone : 979-364-2824
Fax : 979- 364-2468
Email: mmorgan@calvertisd.com

With Copy to

Powell & Leon. LLP
Sara Hardner Leon
115 Wild Basin Road #106
West Lake Hills TX 78746
Phone : (512) 494-1177
Fax : (512) 494-1188
sleon@powell-leon.com

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

To the Applicant

Name: National Gypsum Company
Attn: Mundise Mortimer
Director of Strategic Planning
Address: 2001 Rexford Road
City/Zip: Charlotte, NC 28211
Phone : 704-365-7476
Email: MMortimer@NationalGypsum.com

With Copy to

National Gypsum Company
General Counsel
2001 Rexford Road
Charlotte, NC 28211
704-365-7425
Legal@NationalGypsum.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND 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 Section 10.2.B. 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, the Application and this Agreement may only be amended according to the following:
 - i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall

- specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
 - ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules 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 the Comptroller by the end of the 90-day period, the request is denied; and,
 - iii. If the Comptroller has not denied the request, the 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 Application and this 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
- D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.
- E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

- A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the

provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

- B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.
- C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

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. 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 a state district court in Robertson County, Texas.

Section 10.6. 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 10.7. 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 so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. 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 10.9. INTERPRETATION.

- A. 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.
- B. 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.
- C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:
 - i. The Act;
 - ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
 - iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. PUBLICATION OF DOCUMENTS.

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

- A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- B. The District shall provide on its website a link to the location of those documents posted on the 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 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE.

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

Section 10.14. CONFLICTS OF INTEREST.

- A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special

discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

- B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.
- C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. All payments, including liquidated damage and tax payments, have been made;
- B. All reports have been submitted;
- C. All records have been maintained in accordance with Section 8.6.A; and,
- D. All disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

- A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.
- B. Delivery is deemed complete as follows:
 - i. When delivered if delivered personally or sent by express courier service;
 - ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
 - iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or

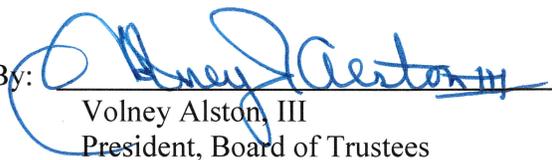
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of October, 2016.

NGC INDUSTRIES, LLC

CALVERT INDEPENDENT SCHOOL DISTRICT

By: 

By: 
Volney Alston, III
President, Board of Trustees

ATTEST:

By: 
-Jane Manterola Louise A. Grigsby
-Secretary, Board of Trustees
V-Pres.

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The reinvestment zone was created and is in effect at the time of the approval of this Application. The *City of Calvert NGC Reinvestment Zone* was created on August 20, 2015, by action of the City of Calvert Council. As a result, all of the following real property is within the boundaries of the *City of Calvert NGC Reinvestment Zone*. A map of the reinvestment zone is attached as the last page of this **EXHIBIT 1** following the legal description of the zone.

Exhibit AREINVESTMENT ZONE LEGAL DESCRIPTIONBASE TRACT – 261.35 ACRES

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-12, and the G. W. Browning Survey, A-63, Robertson County, Texas, being 261.35 acres, more or less, and being a part of a called 274.95 acre tract, First Tract, as described in a deed dated May 14, 1974, from Lena Faye Allday to William Carl Allday, Sr. and recorded in Volume 291, Page 583, Deed Records, Robertson County, Texas, to which reference is hereby made. Said 274.95 acre tract being comprised of an acclaimed 72 acre tract conveyed to John McLendon in a deed dated December 6, 1883, and recorded in Volume 11, Page 421; an acclaimed 67 acre tract conveyed to John McLendon in a dated April 1876, and recorded in Volume Z, Page 423; an acclaimed 40 acre tract conveyed to John McLendon in a deed dated April 12, 1876, and recorded in Volume Z, Page 407; a part of a called 116 acre tract, First Tract, conveyed to W. C. Allday, et ux in a deed dated January 24, 1949, and recorded in Volume 162, Page 339; a called ¼ acre tract conveyed to William Carl Allday by a deed dated May 14, 1974, and recorded in Volume 291, Page 581; a called ¼ acre tract conveyed to Mrs. Eloise H. Allday by a deed dated March 9, 1948, and recorded in Volume 149, Page 500, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the western corner of the referenced 274.95 acre tract near an existing fence corner post in the northeastern right of way of State Highway 6 (variable width right of way). Same being the occupied western corner of the aforesaid 72 acre tract and a southern corner of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537;

THENCE NORTH 57°21'35" EAST 1046.72 feet, generally along an existing wire fence and with the common line of said 72 acre tract and said 195.00 acre tract, to a ½" iron rod found at the common occupied "ell" corner of said 72 acre tract and said 195.00 acre tract;

THENCE SOUTH 31°39'34" EAST 1123.88 feet, continuing generally along an existing wire fence and with the common occupied line of said 72 acre tract and said 195.00 acre tract, to a point at the base of an existing fence corner. Same being the western corner of the aforesaid 67 acre tract and an "ell" corner of said 195.00 acre tract;

THENCE NORTH 57°44'33" EAST 1826.46 feet, generally along an existing wire fence and with the common line of said 67 acre tract and said 195.00 acre tract, to a ½" capped iron rod set for the northern corner of said 67 acre tract, the western corner of a 3.087 acre tract described on January 13, 2015, and the western corner of a tract conveyed to Randall D. Rychlik, Tract 2, by deed of record in Volume 1135, Page 473. Said point being in or near the common line of the J. Fisher Survey, A-12, and the J. Fisher Survey, A-13. From said point the intersection of the northwestern line of said 67 acre tract, the southeastern line of said 195.00 acre tract, and the northwestern line of said Rychlik tract with the southwestern line of the Houston & Central Texas Railway right of way, 100 feet from the centerline of same (right of way of record in Volume R, Page 174) bears N51°06'41"E 296.41 feet and an iron rod found for the eastern corner of said 195.00 acre tract (found fifty feet from the railroad centerline) bears N51°06'41" E 349.61 feet. Said intersection also being the northern corner of the aforementioned 3.087 acre tract;

THENCE SOUTH 32°37'53" EAST 907.49 feet, along or near said common survey line, with the northeastern line of said 67 acre tract, the southwestern line of said Rychlik tract, and along the southwestern line of said 3.087 acre tract, to a capped ½" iron rod set for corner in the southwestern right of way of said railroad (100 feet from the centerline). From said point a capped ½" iron rod set in the northeastern right of way of said railroad for the northern corner of a 0.128 acre tract described January 13, 2015, bears S39°15'45"E 642.93 feet and from said point a capped ½" iron rod set for the northeastern corner of said 67 acre tract bears S39°15'45"E 185.13 feet;

THENCE in a southerly direction along the southwestern right of way of said railroad, 100 feet from and parallel to the centerline, and with the northeastern lines of said 67 acre tract, the referenced 40 acre tract, the referenced 116 acre tract, and the first referenced ¼ acre tract, as follows:

SOUTH 14°30'27" EAST 4733.52 feet to a capped ½" iron rod set for the beginning of a curve to the left,

SOUTH 14°52'21" EAST 95.63 feet to a capped ½" iron rod set for an angle point,

SOUTH 15°06'43" EAST 105.88 feet to a capped ½" iron rod set for an angle point,

SOUTH 16°27'38" EAST 100.00 feet to a capped ½" iron rod set for an angle point, and

SOUTH 17°39'48" EAST 66.36 feet to a capped ½" iron rod set for the eastern corner of said ¼ acre tract. Same being near the occupied eastern corner of a tract conveyed to Larry Smith by deed of record in Volume 890, Page 321 (described in Volume 426, Page 564). From said point an unreferenced iron rod, found capped RPLS 2547, bears N81°26'41"E 16.46 feet;

THENCE SOUTH 62°30'29" WEST 177.84 feet, with the southern line of said ¼ acre tract, a southern line of said 116 acre tract, and generally along an existing wire fence (old wire fence) to a ½" capped iron rod set for a bend;

THENCE SOUTH 56°05'29" WEST 55.88 feet, continuing with the southern line of said 116 acre tract, picking up the southern line of the second referenced ¼ acre tract, and generally along said old wire fence, to a point in an existing creek for corner. Same being the northeastern right of way of State Highway 6 (variable width right of way). From said point a capped ½" iron rod set for reference bears N45°28'34"W 75.0 feet;

THENCE in a northwesterly direction, crossing the remainder of the referenced tracts, and with the northeastern right of way of State Highway 6, as follows:

NORTH 38°50'42" WEST 449.96 feet to a TxDOT Type II right of way monument (brass monument),

NORTH 61°50'08" WEST 70.92 feet to an aluminum TxDOT monument,

NORTH 42°51'14" WEST 657.24 feet to a TxDOT Type I right of way monument (concrete),

NORTH 50°27'25" WEST 220.07 feet to a capped ½" iron rod set for bend,

NORTH 45°31'53" WEST 583.92 feet to a capped ½" iron rod set for bend,

NORTH 46°15'10" WEST 351.76 feet to a capped ½" iron rod set for bend,

Map 3, provided by the Southern Pacific Railroad, identifies a right of way width which is less than 100 feet from the centerline and varies in width). Same being the northwestern corner of a called 26 ¼ acre tract, Tract 3, conveyed to Randall D. Rychlik by the aforementioned deed;

THENCE NORTH 14°30'27" WEST 194.83 feet, along said railroad right of way, 100 feet perpendicular and parallel, to a capped ½" iron rod set for this northern corner in the intersection of said right of way with the eastern line of the referenced tract and the southwestern line of the aforementioned 40 acre tract. Same being in or near the common division line between the aforesaid Fisher Surveys. From said point a capped ½" iron rod set in the intersection of said line(s) with the southwestern railroad right of way, for the southern corner of a 3.087 acre tract described this same date, bears N32°37'53"W 642.93 feet;

THENCE SOUTH 32°37'53" EAST 185.13 feet, along the common line of the referenced tract and said 40 acre tract, along or near said common division line, to the Point of Beginning and containing 0.128 acre, more or less, as shown on the accompanying survey plat of even date herewith.

Bearing

Note:

Bearings are based on N.A.D. 83 Grid values.

PLUS 3.087 ACRES DESCRIBED AS FOLLOWS:

All that certain lot, tract, or parcel of land situated in the J. Fisher Survey, A-13, Robertson County, Texas, being 3.087 acres, more or less, and being a part of a called 40 acre tract, Tract 2, as described in a deed dated May 18, 2011, from Linda Ables Deal to Randall Duane Rychlik, and recorded in Volume 1135, Page 473, Deed Records, Robertson County, Texas, to which references are hereby made to for any and all purposes. Said tract described as follows, to wit:

BEGINNING at a ½" iron rod, capped Goodwin-Lasiter, set for the northwest corner of the referenced tract, the northeast corner of a called 67.45 acre tract conveyed to John McClendon by deed of record in Volume Z, Page 423, (further being a part of the First Tract in Volume 291, Page 583), and in the southeastern line of a called 195.00 acre tract conveyed to Arthur G. Higgins, et ux by deed of record in Volume 755, Page 537. Same being in or near the common division line between the J. Fisher Survey, A-12, and the J. Fisher, A-13;

THENCE NORTH 57°44'33" EAST 296.41 feet, generally along an existing wire fence and with the common line of the referenced tract and said 195.00 acre tract, to a capped ½" iron rod set for this northern corner. Same being 100 feet perpendicular to the centerline of the existing rail which is claimed by prescription according to Houston & Texas Central Railroad Map, V.S. #2, Map #33 (provided by the Southern Pacific Railroad). From said point a ½" iron rod found for the eastern corner of the aforesaid 195.00 acre tract bears N57°44'33"E 53.20 feet;

THENCE SOUTH 14°30'27" EAST 952.83 feet, across the referenced tract and 100 feet southwesterly of and parallel to the centerline of said railroad (Volume R, Page 174, establishes the railroad right of way as a 200 foot wide strip), to a capped ½" iron rod set for this southern corner in the intersection of the southwestern railroad right of way with the southwestern line of the referenced tract and the northeastern line of the aforesaid 67.45 acre tract. From said point a capped ½" iron rod set for the beginning of a curve to the left, in said right of way, bears S14°30'27"E 4733.52 feet and another capped ½" iron rod, set in the intersection of the northeastern railroad right of way with the common line of the referenced tract and said 67.45 acre tract bears S32°37'53"E 642.93 feet (same being the northern corner of a 0.128 acre tract described this same date);

THENCE NORTH 32°37'53" WEST 907.49 feet, with the common line of the referenced tract and the aforementioned 67.45 acre tract, along or near said common division line, to the Point of Beginning and containing 3.087 acres, more or less, as shown on the accompanying survey plat of even date herewith.

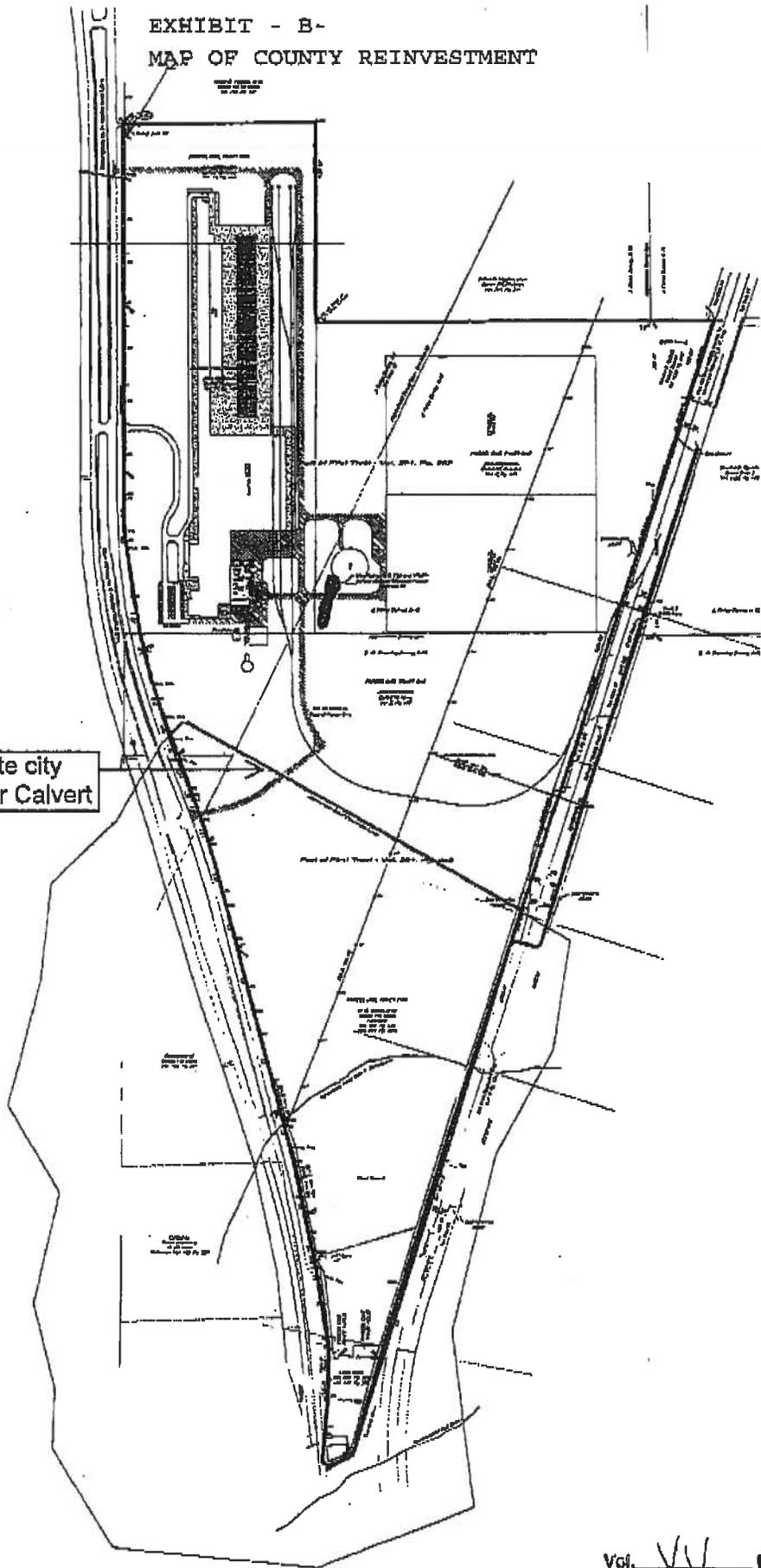
Bearing

Note:
Bearings are based on N.A.D. 83 Grid values.

SAVE AND EXCEPT approximately 75 acres of land within the boundaries of the City of Calvert.

EXHIBIT - B-
MAP OF COUNTY REINVESTMENT

approximate city
limit line for Calvert



AMENDED

The reinvestment zone boundary outlined in red is also the project boundary.

Proposed improvements shown with black lines. All proposed improvements will be wholly within the created reinvestment zones.

approximate city limit line for Calvert

County Reinvestment Zone shaded in red

City Reinvestment Zone shaded in blue

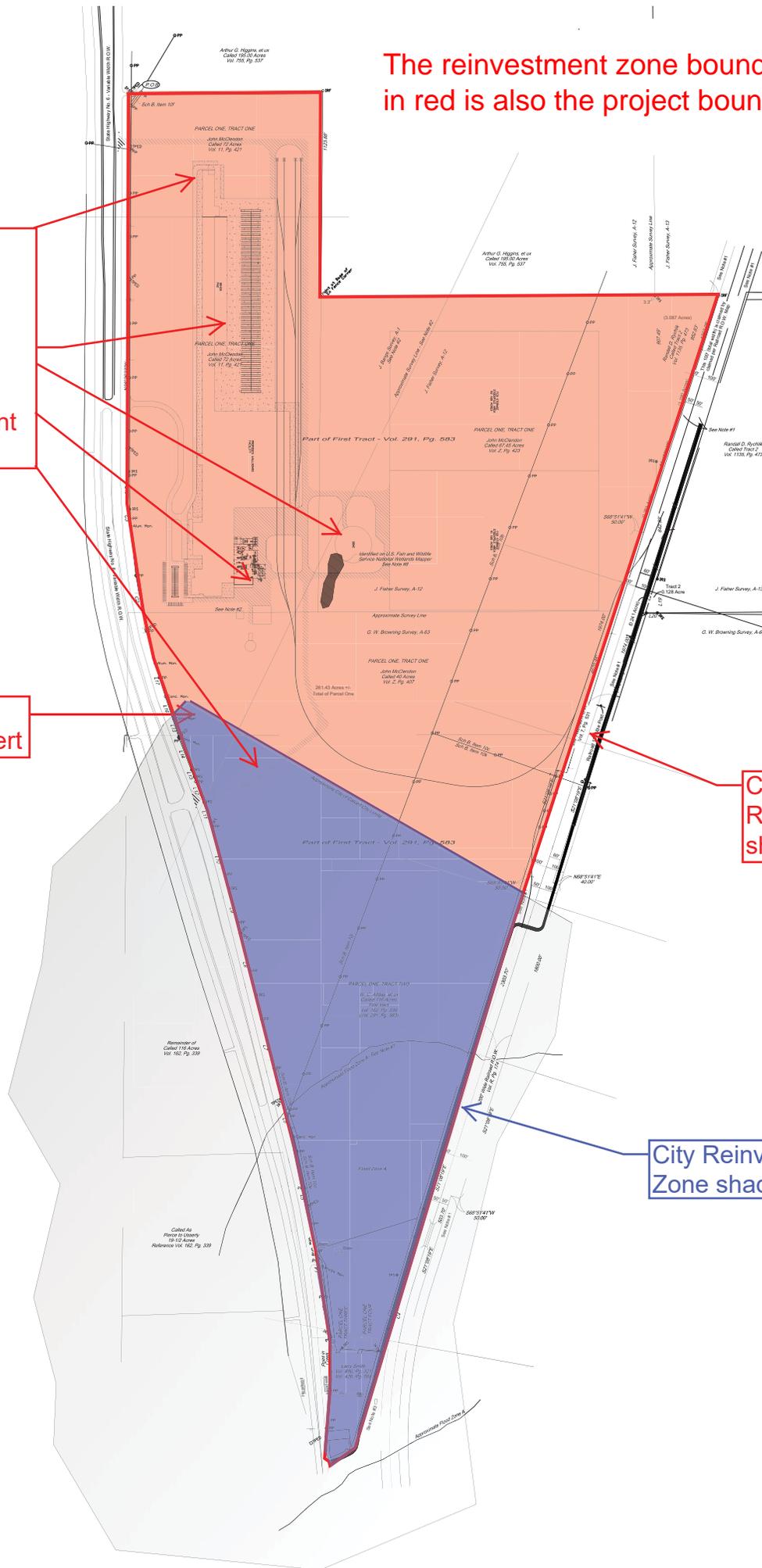


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in Tab 9 of the Application (attached) and by the map attached to **Exhibit 1**. The project boundary is also the Reinvestment Zone boundary as noted on the map included in Exhibit 1 to this Agreement.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

All Qualified Investment owned or leased by the Applicant, as more fully described in Tab 7 of the Application, located within the boundaries of both the Calvert Independent School District and the reinvestment zone first placed in service after October 18, 2016 will be included in and subject to this Agreement. Specifically, all Qualified Investment of the Applicant located in the sections of land identified in **EXHIBIT 2** and within the boundaries indicated on the map attached at **EXHIBIT 1**.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Calvert ISD necessary for the commercial operations of the manufacturing facility described in Tab 4 of the Application. Furthermore, all Qualified Property will be located within the boundaries indicated on the map attached on **EXHIBIT 1**.

The proposed project will include, but is not limited to, the following:

- Site preparation including grading, soil stabilization and storm water management
- Laydown area improvements for receipt, storage, and handling of byproduct gypsum

- Manufacturing facilities
 - Process and mill equipment to convey, grind, and calcine byproduct gypsum
 - Wallboard Production equipment to process calcined gypsum with other ingredients including mixing tanks, wallboard production line conveyors, cutters, kiln, and taping and bundling equipment.
 - Quality control lab for testing
- Warehouse areas
 - Receiving and storage area for raw materials
 - Loading and shipping area for finished goods
- Office area
- Railroad spurs
- Roadways and paved areas for plant entry and exit, employee parking, and inbound/outbound truck and trailer staging
- Electric power infrastructure including supply lines and substation
- Natural gas pipeline and associated gas delivery infrastructure
- Water wells and water piping infrastructure to support manufacturing operations
- Pollution control equipment to facilitate a clean, safe manufacturing environment

Findings and Order of the Calvert Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by NGC Industries, LLC (Tax ID 32057100854) (Application # 1075)

ATTACHMENT H
Letter from the Texas Commissioner of
Education Regarding Impact on
Enrollment



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael Williams
Commissioner

August 7, 2015

James Green, President
Board of Trustees
Calvert Independent School District
PO Box 7
Calvert, TX 77837-0007

Dear Mr. Green:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed NGC Industries LLC project on the number and size of school facilities in Calvert Independent School District (CISD). Based on a conversation with the CISD superintendent, Maxie Morgan, the TEA has determined that the NGC Industries LLC project should not have a significant impact on the number or size of school facilities in CISD.

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,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/rk
Cc: Maxie Morgan