

TAB 5

Documentation that the Limitation on Appraised Value is a Determining Factor in the 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.

The Applicant is a wholly-owned subsidiary of Exxon Mobil Corporation, one of the largest integrated international oil and gas companies in the world with operations in more than 200 countries. As such, the Applicant competes with other members of the Exxon Mobil Corporation group for approval of a portion of the group’s capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Exxon Mobil Corporation group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world.

The Applicant owns and operates the Beaumont Refinery Complex where the Project would be sited on unimproved land if the Beaumont Refinery Complex location were chosen as the site for the Project.

ExxonMobil takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The proposed new facility could be constructed at any of our North American-based refining locations in our continued efforts to produce high-quality, ultra-low sulfur fuels to meet the world's growing demand for such quality products. The alternative North American refining sites are located in Baton Rouge (LA), Joliet (IL), Billings, (MT), Sarnia, Ontario (Canada), and Edmonton, Alberta (Canada).

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is an important factor in the Applicant’s site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Exxon Mobil Corporation group. For the tax year 2015, Beaumont ISD’s maintenance and operations (M&O) tax rate represents over 50% of the total property tax burden imposed on taxable property located at the Beaumont location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant’s decision to invest capital and construct the Project in the State of Texas.

The decision to make an investment in a particular jurisdiction depends on the economics of the investment in that jurisdiction. ExxonMobil’s decision to proceed with the investment in the proposed project will be based on a number of commercial, regulatory and financial considerations, including the ability to obtain relief regarding property taxes. Capital investments are allocated to projects and locations based on expected economic return,

and projected property tax liabilities associated with the proposed project are a substantial ongoing cost of operation. The projected property tax liabilities for the proposed project without a Chapter 313 appraised value limitation lower the economic rate of return and detract from the financial attractiveness of the project making it less competitive with other capital intensive projects that deliver higher rates of return on invested capital. Accordingly, securing a Chapter 313 appraised value limitation is critical to establishing a rate of return competitive with other investment opportunities and, therefore, is an important factor affecting ExxonMobil's final investment decision to construct and operate the proposed project in Texas.

A comparison of Beaumont ISD M&O ad valorem taxes with and without the Chapter 313 appraised value limitation through the 25th anniversary of the beginning of the limitation period is shown below:

Year	Beaumont ISD M&O Taxes Without 313	Beaumont ISD M&O Taxes With 313
2017	\$759,486	\$759,486
2018	\$1,341,522	\$1,341,522
2019	\$2,414,739	\$312,000
2020	\$2,366,444	\$312,000
2021	\$2,319,115	\$312,000
2022	\$2,272,733	\$312,000
2023	\$2,227,278	\$312,000
2024	\$2,182,733	\$312,000
2025	\$2,139,078	\$312,000
2026	\$2,096,297	\$312,000
2027	\$2,054,371	\$312,000
2028	\$2,013,283	\$312,000
2029	\$1,973,018	\$1,973,018
2030	\$1,933,557	\$1,933,557
2031	\$1,894,886	\$1,894,886
2032	\$1,856,988	\$1,856,988
2033	\$1,819,849	\$1,819,849
2034	\$1,783,452	\$1,783,452
2035	\$1,747,783	\$1,747,783
2036	\$1,712,827	\$1,712,827
2037	\$1,678,570	\$1,678,570
2038	\$1,644,999	\$1,644,999
2039	\$1,612,099	\$1,612,099
2040	\$1,579,857	\$1,579,857
2041	\$1,548,260	\$1,548,260
2042	\$1,517,295	\$1,517,295
2043	\$1,486,949	\$1,486,949
TOTAL	\$49,977,468	\$31,011,397
DIFFERENCE		\$(18,966,071)

As shown above, the Chapter 313 appraised value limitation is projected to result in \$18.97 million of tax savings. These savings have a material impact on the rate of return and discounted cash flow projections for the project and are equivalent to 4.2% of the projected total investment in the proposed project, and consequently are a significant and determining factor in ExxonMobil's decision to invest in this project in Texas.

Application for Appraised Value Limitation on Qualified Property

SECTION 15: 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.

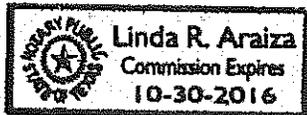
print here ▶ Kevin Ottaviano Legal Representative
Print Name (Authorized School District Representative) Title
 sign here ▶ [Signature] 6/6/16
Signature (Authorized School District Representative) Date

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 ▶ Darren Owen Property Tax Manager
Print Name (Authorized Company Representative (Applicant)) Title
 sign here ▶ [Signature] 6/2/2016
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the
2nd day of June, 2016
Linda R. Araiza
Notary Public in and for the State of Texas
 My Commission expires: 10-30-2016

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.