FINDINGS OF THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY ETC TEXAS PIPELINE, LTD (#1240)

September 20, 2018

FINDINGS

OF THE

PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT

ON THE APPLICATION SUBMITTED BY

ETC TEXAS PIPELINE, LTD (#1240)

SEPTEMBER 20, 2018

FINDINGS OF THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY ETC TEXAS PIPELINE, LTD (#1240)

STATE OF TEXAS §

COUNTY OF REEVES §

On the 20th day of September 2018, a public meeting of the Board of Trustees of the Pecos-Barstow-Toyah Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of ETC Texas Pipeline, LTD ("Applicant") for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On February 2, 2018, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts ("Comptroller") received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 10505324664), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Reeves County Appraisal Districts for review pursuant to 34 Tex. Admin. Code § 9.1054. On April 20, 2018, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on July 10, 2018 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project 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; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

The Board of Trustees has previously directed that a specific financial analysis be conducted concerning the impact of the proposed value limitation on the finances of District. A copy of the report prepared by Moak, Casey & Associates, Inc., is attached to these findings as **Attachment D**.

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F.**

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

> **The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.**

In support of Finding 1, the Application indicates that:

> ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas.

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

> **The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).**

Board Finding Number 3.

> **Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).**

Board Finding Number 4.

> **The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.**

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

> **Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.**

In its Application, Applicant has committed to creating ten (10) new qualifying jobs. The average salary level of qualifying jobs will be at least $59,486.90 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

(A) requires at least 1,600 hours of work a year;

(B) is not transferred from one area in this state to another area in this state;

(C) is not created to replace a previous employee;

(D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For all non-qualifying jobs, the Applicant should create the Applicant will be required to pay at least the county average wage of $46,098 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

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.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add $95 million to the tax base that would be available for debt service purposes at the peak investment level for the 2019-20 school year.

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 suggest little underlying enrollment growth based on the impact of the project.**

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 9.

> **The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.**

Board Finding Number 10.

> **The Board of Trustees hired consultants to review and verify the information in the Application. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.**

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government. including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 11.

> **The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is $876 million. The District is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. The District is classified as a "rural" district due to its demographic characteristics. Given that the value of industrial property is more than $200 million, it is classified as a Category I district which can offer a minimum value limitation of $30 million.

Board Finding Number 12.

> **The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.**

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 13.

> **The Applicant (Taxpayer No. 10505324664) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 10505324664), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 14.

> **The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.**

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, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.**

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss in the first and subsequent years that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 16.

> **The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.**

Board Finding Number 17.

> **The Board finds that there are no conflicts of interest at the time of considering the agreement.**

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at https://pol.tasb.org/home/index/1019, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 18.

> **The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.**

Board Finding Number 19.

> **Considering the purpose and effect of the law and the terms of the Agreement, that 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 herby authorized to be executed and delivered by and on behalf of the 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 District.

Dated the 20th day of September 2018.

PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

By: Sam Contreras
Sam Contreras, President, Board of Trustees

ATTEST:

By: Bertha Natividad
Bertha Natividad, Secretary, Board of Trustees

Attachment A

Application

Blake G. Powell
Sara Hardner Leon
Darrick W. Eugene
Mackenzie Lewis
Casandra Johnson
William C. Bednar, *Of Counsel*

POWELL & LEON LLP

Jay Youngblood
Tyler, Texas

John J. Janssen, Ph.D.
Corpus Christi, Texas

Rick W. Powell
Pittsburg/Lewisville, Texas

February 23, 2017

Via Hand Delivery
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Re: Application for a Chapter 313 Value Limitation Agreement between the Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD

First Year of Qualifying Time Period: 2019
First Year of Limitation: 2019

Dear Local Government Assistance and Economic Analysis Division:

The Pecos-Barstow-Toyah Independent School District Board of Trustees approved the enclosed Application for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes at a duly called meeting held on February 15, 2018. The Application was determined to be complete on February 23, 2018. The proposed project is a new gas processing plant.

Please note that the Applicant is seeking a waiver of the job creation requirement as set forth in Section 313.051(b) of the Texas Tax Code.

A copy is being provided to the Reeves County Appraisal District by copy of this correspondence. The Board of Trustees believes this project will be beneficial to the District and looks forward to your review and certification of this Application.

Thank you so much for your kind attention to this matter.

Respectfully submitted,

Sara Hardner Leon

SHL:sl

Enclosures

1001 ESE Loop 323, Ste. 450
Tyler, Texas 75701
t: 903-526-6618
f: 903-526-5766

115 Wild Basin Rd., Ste. 106
Austin, Texas 78746
t: 512-494-1177
f: 512-494-1188
800-494-1971
www.powell-leon.com

802 N. Carancahua, Ste. 665
Corpus Christi, Texas 78401
t: 361-452-2804
f: 361-452-2743

cc: Mr. John Huddleston
Chief Appraiser
Reeves County Appraisal District
Post Office Box 1229
Pecos, Texas 79772

Via electronic mail: jhaley@pbtisd.esc18.net
Mr. Jim Haley, Superintendent of Schools
Pecos-Barstow-Toyah Independent School District

Via Electronic Mail: Mike@keatax.com
Mr. Mike Fry, Director
K.E. Andrews

February 15th, 2018

Pecos, Barstow, Toyah ISD
Mr. Jim Haley
1302 South Park Street
Pecos, TX 79772

RE: Application for Section 313 – Value Limitation Agreement

ETC Texas Pipeline, LTD is considering plans to build a 200mmscf/d gas processing plant inside Pecos, Barstow, Toyah ISD which will allow us the ability to process raw natural gas into useable products. The estimated investment for this project will be approximately $105mm, with estimated completion in the 4th quarter of 2018.

The positive economic impact stretches beyond the investment by providing many jobs during the construction phase, and at least 3 full time local jobs once construction is complete.

ETC Texas Pipeline, LTD is committed to the growth and welfare of the community. We believe our investment in Reeves County affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property tax limitation. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code).

Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email mfry@keatax.com.

Sincerely,

Mike Fry

Mike Fry

TAB 01

Application

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

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 comptroller.texas.gov/economy/local/ch313/. 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

February 15, 2018
Date Application Received by District

Jim
First Name

Haley
Last Name

Superintendent
Title

Pecos-Barstow_Toyah ISD
School District Name

1302 South Park Street
Street Address

1302 South Park Street
Mailing Address

Pecos
City

TX
State

79772
ZIP

432-447-7201
Phone Number

432-447-3076
Fax Number

Mobile Number (optional)

jhaley@pbtisd.esc18.net
Email Address

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

SECTION 1: School District Information *(continued)*

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

First Name: Sara
Last Name: Leon
Title: Attorney
Firm Name: Powell & Leon, LLP
Phone Number: 512-494-1177
Fax Number: 512-494-1188
Mobile Number *(optional)*:
Email Address: sleon@powell-leon.com

4. On what date did the district determine this application complete? ..... February 23, 2018

5. Has the district determined that the electronic copy and hard copy are identical? ..... [X] Yes [ ] No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name: Megan
Last Name: McKavanagh
Title: Assistant Controller
Organization: Energy Transfer Partners, L.P.
Street Address: 800 E Sonterra Blvd., Suite 400
Mailing Address: 800 E Sonterra Blvd., Suite 400
City: San Antonio
State: TX
ZIP: 78258-3941
Phone Number: 210-572-0457
Fax Number: 210-403-6664
Mobile Number *(optional)*:
Business Email Address: megan.mckavanagh@energytransfer.com

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

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

First Name:
Last Name:
Title:
Organization:
Street Address:
Mailing Address:
City:
State:
ZIP:
Phone Number:
Fax Number:
Mobile Number *(optional)*:
Business Email Address:

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

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant *(If Applicable)*

First Name: Mike

Last Name: Fry

Title: Director (Authorized Agent)

Firm Name: K E Andrews 1900 Dalrock Road; Rowlett, TX 75088

Phone Number: 469-298-1594

Fax Number: 469-298-1619

Business Email Address: mfry@keatax.com

SECTION 3: Fees and Payments

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

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

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

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

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☑ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☑ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? ETC Texas Pipeline, LTD
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 10505324664
3. List the NAICS code 325110
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

   Ganado ISD225, Kenedy ISD234, Glasscock ISD1032, Rankin ISD1080, Crockett ISD1044, P-B-T ISD1160

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant *(corporation, limited liability corporation, etc)* Texas Limited Partnership
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☑ Yes ☐ No

   2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☑ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☑ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. *(If necessary, attach explanation in **Tab 3**)*

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

2. Check the project characteristics that apply to the proposed project:

☑ Land has no existing improvements

☐ Land has existing improvements *(complete Section 13)*

☐ Expansion of existing operation on the land *(complete Section 13)*

☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur?	☑ Yes	☐ No
2. Has the applicant entered into any agreements, 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.

SECTION 9: Projected Timeline

1. Application approval by school board ..... February 2018
2. Commencement of construction ..... June 2018
3. Beginning of qualifying time period ..... January 2019
4. First year of limitation ..... January 2019
5. Begin hiring new employees ..... September 2018
6. Commencement of commercial operations ..... January 2019
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date *(date your application is finally determined to be complete)*? ..... ☑ Yes ☐ No

   Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... January 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located: Reeves County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property: Reeves County CAD
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:	Reeves County,. 499521 - 100% *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	Reeves County Hosp., .2400 - 100% *(Name, tax rate and percent of project)*	Water District:	Reeves County WCID #2 .1193459 - 100% *(Name, tax rate and percent of project)*
Other *(describe)*:	N/A *(Name, tax rate and percent of project)*	Other *(describe)*:	N/A *(Name, tax rate and percent of project)*

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

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

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

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at **comptroller.texas.gov/economy/local/ch313/**.

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

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ..... ☑ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of 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)? . . . . . ☐ Yes ☑ No
   - 2a. If yes, attach complete documentation including:
     - a. legal description of the land (**Tab 9**);
     - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
     - c. owner (**Tab 9**);
     - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
     - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . . ☐ Yes ☑ No
   - 3a. If yes, attach the applicable supporting documentation:
     - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
     - b. legal description of reinvestment zone (**Tab 16**);
     - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
     - d. guidelines and criteria for creating the zone (**Tab 16**); and
     - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
   - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? . . . . . _____

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): . . . . . $ 0.00
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)*: . . . . . $ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

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

   ☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☑ Fourth Quarter of 2017 (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? 3

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

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

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

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

   a. Average weekly wage for all jobs (all industries) in the county is 935.55

   b. 110% of the average weekly wage for manufacturing jobs in the county is 1,378.30

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,143.98

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

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,486.90

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,486.90

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

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ..... ☐ Yes ☑ No

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

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

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

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. *(not required)*
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here ▶ Jim Hale
Print Name (Authorized School District Representative)

Title: Superintendent

sign here ▶
Signature (Authorized School District Representative)

Date: 2/15/18

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 ▶ Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

Title: Sr. Mgr Property Tax

sign here ▶ Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

Date: 2/5/18

BEVERLY M. HERNANDEZ
MY COMMISSION EXPIRES
September 3, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

5 day of February, 2018

Beverly M. Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2018

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

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

TAB 02

Proof of Payment of Application Fee

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)

3W52B4 2.000
TX2014 05-165
Ver. 5.0 (Rev.9-11/3)

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
10505324730	2014	ETC MARKETING, LTD.

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. ENERGY TRANSFER EQUITY, LP	13001088205	☐
2. ENERGY TRANSFER PARTNERS, LLC	32009602965	☐
3. ENERGY TRANSFER PARTNERS GP, LP	32035928947	☐
4. ENERGY TRANSFER PARTNERS, LP	17314939061	☐
5. ETE GP ACQUIRER LLC	272663248	☐
6. ETE SERVICES COMPANY LLC	273230732	☒
7. ETE SIGMA HOLDCO, LLC	461111404	☒
8. REGENCY GP LLC	32018740400	☐
9. REGENCY EMPLOYEES MGMT. HOLDINGS LLC	263818780	☒
10. REGENCY EMPLOYEES MANAGEMENT LLC	32038474832	☐
11. ETP HOLDCO CORPORATION	383880445	☒
12. ENERGY TRANSFER EMPLOYEE MGMT COMPANY	32048668597	☐
13. HERITAGE HOLDINGS INC	17313421426	☒
14. ETE HOLDCO CORPORATION	461476872	☒
15. SUNOCO PARTNERS LLC	12330968384	☐
16. HERITAGE ETC GP, LLC	262124572	☒
17. CITRUS ETP FINANCE, LLC	000000000	☒
18. ETC INTRASTATE PROCUREMENT CO., LLC	32040816962	☐
19. ETC LION PIPELINE LLC	000000000	☒
20. ENERGY TRANSFER DUTCH HOLDINGS, LLC	000000000	☒
21. LA GP, LLC	32008328398	☐

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.

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1. LA GRANGE ACQUISITION, LP	12700301844	☐
2. FIVE DAWACO, LLC	17526696723	☐
3. ETE COMMON HOLDINGS MEMBER, LLC	462638935	☒
4. ETE COMMON HOLDINGS, LLC	462641009	☒
5. TETC, LLC	30119878707	☐
6. TEXAS ENERGY TRANSFER COMPANY, LTD	17527147759	☐
7. LG PL, LLC	32008328323	☐
8. LGM, LLC	32008328273	☐
9. ENERGY TRANSFER FUEL, LP	12010879950	☐
10. ENERGY TRANSFER FUEL GP, LLC	12010879372	☐
11. ET COMPANY I, LTD	32036355710	☐
12. CHALKLEY GATHERING COMPANY, LLC	32036317132	☐
13. WHISKEY BAY GATHERING COMPANY, LLC	17527494011	☐
14. WHISKEY BAY GAS COMPANY, LTD	32036293242	☐
15. ETC TEXAS PIPELINE, LTD	10505324664	☐
16. ETC KATY PIPELINE, LTD	12005806695	☐
17. ETC NEW MEXICO PIPELINE, LP	208345958	☒
18. TEXAS ENERGY TRANSFER POWER, LLC	32039219558	☐
19. ENERGY TRANSFER RETAIL POWER, LLC	32037649350	☐
20. ETC HYDROCARBONS, LLC	32043825002	☐
21. ETC GATHERING, LLC	32042275977	☐

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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ETC NGL TRANSPORT, LLC	32043050544	☐
2. ETC NGL MARKETING, LLC	32045171223	☐
3. RICH EAGLEFORD MAINLINE, LLC	32045737890	☐
4. ETC NORTHEAST PIPELINE, LLC	262863396	☒
5. ETC WATER SOLUTIONS, LLC	271023172	☒
6. ETC ENDURE ENERGY LLC	32039110427	☐
7. ETC PROLIANCE ENERGY, LLC	463009946	☒
8. ETC OASIS GP, LLC	32008328356	☐
9. OASIS PIPE LINE, LP	32035638421	☐
10. OASIS PIPE LINE COMPANY	741697911	☒
11. OASIS PIPE LINE FINANCE COMPANY	17602901427	☐
12. OASIS PARTNER COMPANY	742805537	☒
13. OASIS PIPE LINE MANAGEMENT COMPANY	17605227754	☐
14. OASIS PIPE LINE COMPANY TEXAS, LP	17605226418	☐
15. HPL HOLDINGS GP, LLC	202218475	☒
16. HPL HOUSTON PIPE LINE COMPANY, LLC	17109357339	☐
17. HPL GP, LLC	32003574913	☐
18. HPL STORAGE GP, LLC	32016552815	☐
19. HPL ASSET HOLDINGS, LP	17317253676	☐
20. HPL LEASECO, LP	32035468332	☐
21. HOUSTON PIPE LINE COMPANY, LP	15223344779	☐

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10505324730	2014	ETC MARKETING, LTD.

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. ENERGY TRANSFER INTL. HOLDINGS, LLC	12624625161	☐
2. ENERGY TRANSFER PERU, LLC	12624628009	☐
3. ENERGY TRANSFER MEXICANA, LLC	12087711433	☐
4. ETC COMPRESSION, LLC	32040668116	☐
5. SEC ENERGY PRODUCTS & SERVICES, LP	13836859648	☐
6. SEC-EP REALTY, LTD	13201661884	☐
7. SEC GENERAL HOLDINGS, LLC	13836859630	☐
8. ENERGY TRANSFER GROUP, LLC	17526185495	☐
9. ETC ENERGY TRANSFER LLC	32042539679	☐
10. ENERGY TRANSFER TECHNOLOGIES, LTD	32035797276	☐
11. SEC ENERGY REALTY GP, LLC	32016638887	☐
12. ENERGY TRANSFER INTERSTATE HOLDINGS	12084575013	☐
13. ETC MIDCONTINENT EXPR. PIPELINE, LLC	12084815997	☐
14. TRANSWESTERN PIPELINE COMPANY, LLC	17412947958	☐
15. ETC FAYETTEVILLE EXPR. PIPELINE, LLC	12628633435	☐
16. ETC FAYETTEVILLE OPERATING CO., LLC	12644128402	☐
17. ETC TIGER PIPELINE, LLC	32038207166	☐
18. ETC INTERSTATE PROCUREMENT CO., LLC	32040285424	☐
19. CROSSCOUNTRY ENERGY LLC	200410913	☒
20. CROSSCOUNTRY ALASKA, LLC	000000000	☒
21. CROSSCOUNTRY CITRUS, LLC	200273331	☒

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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ETC M A ACQUISITION LLC	300794569	☒
2. LONE STAR NGL LLC	32043877136	☐
3. LONE STAR NGL ASSET HOLDINGS LLC	32048292661	☐
4. LONE STAR NGL ASSET HOLDINGS II LLC	32044534082	☐
5. LONE STAR NGL ASSET GP LLC	32040707575	☐
6. LONE STAR NGL DEVELOPMENT LP	12025792255	☐
7. LONE STAR NGL PIPELINE LP	12004642067	☐
8. LONE STAR NGL PRODUCT SERVICES LLC	32040502554	☐
9. LONE STAR NGL HATTIESBURG LLC	200784022	☒
10. LONE STAR NGL MONT BELVIEU GP LLC	32010287475	☐
11. LONE STAR NGL MONT BELVIEU LP	15508151311	☐
12. LONE STAR NGL HASTINGS LLC	32028042987	☐
13. LONE STAR NGL REFINERY SERVICES LLC	32027489684	☐
14. LONE STAR NGL SEA ROBIN LLC	12001184220	☒
15. LONE STAR NGL FRACTIONATORS LLC	32044534058	☐
16. LONE STAR NGL MARKETING LLC	19008502809	☐
17. ETP NEWCO 1, LLC	452705110	☒
18. ETP NEWCO 2, LLC	452705184	☒
19. ETP NEWCO 3, LLC	452705253	☒
20. ETP NEWCO 4, LLC	452705323	☒
21. ETP NEWCO 5, LLC	452705382	☒

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LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ENERGY TRANSFER CRUDE OIL CO., LLC	460990429	☒
2. ENERGY TRANSFER LNG EXPORT, LLC	461486697	☒
3. EASTERN GULF CRUDE ACCESS, LLC	32050835142	☐
4. ATLANTIC PETROLEUM (OUT) LLC	233102659	☒
5. ATLANTIC PETROLEUM CORPORATION	232360187	☒
6. ATLANTIC PETROLEUM DELAWARE CORP.	260006720	☒
7. ATLANTIC PIPELINE (OUT) L.P.	32035944472	☐
8. ATLANTIC REFINING & MARKETING CORP.	232360183	☒
9. SUNOCO, LLC	32052897033	☐
10. EXCEL PIPELINE LLC	364664158	☒
11. JALISCO CORPORATION	521996257	☒
12. LESLEY CORPORATION	232269260	☒
13. LIBRE INSURANCE COMPANY, LTD.	980390343	☒
14. MASCOT, INC. (MA)	510414753	☒
15. MID-CONTINENT PIPE LINE (OUT) LLC	12331026612	☐
16. PUERTO RICO SUN OIL COMPANY LLC	986051882	☒
17. SUN ALTERNATE ENERGY CORPORATION	232376903	☒
18. SUN ATLANTIC REF. & MARKETING BV INC.	232817087	☒
19. SUN ATLANTIC REFINING & MARKETING CO.	232523828	☒
20. SUN CANADA, INC.	232321801	☒
21. SUN COMPANY, INC.	231891622	☒

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3W5284 2.000
TX2014 05-165
Ver. 5.0 (Rev.9-11/3)

Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
10505324730	2014	ETC MARKETING, LTD.

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. SUN COMPANY, INC.	510381984	☒
2. SUN MEXICO ONE, INC.	232764968	☒
3. SUN MEXICO TWO, INC.	232764967	☒
4. SUN OIL COMPANY	12318682379	☐
5. SUN OIL EXPORT COMPANY	231868238	☒
6. SUN OIL INTERNATIONAL, INC.	231614311	☒
7. SUN PETROCHEMICALS, INC.	12322759577	☐
8. SUN PIPE LINE COMPANY	12331026539	☐
9. SUN PIPE LINE COMPANY OF DELAWARE LLC	12053835893	☒
10. SUN PIPE LINE DELAWARE (OUT) LLC	32026944572	☐
11. SUN REFINING AND MARKETING COMPANY	232673653	☒
12. SUN SERVICES CORPORATION	231983954	☒
13. SUN TRANSPORT, LLC	330997959	☒
14. SUN-DEL PIPELINE LLC	421707487	☒
15. SUN-DEL SERVICES, INC.	232075538	☒
16. SUNMARKS, LLC	232608837	☒
17. SUNOCO LOGISTICS PARTNERS GP LLC	233102658	☒
18. SUNOCO LOGISTICS PARTNERS L.P.	233096839	☒
19. SUNOCO LOGISTICS PARTNERS OPER GP LLC	12331026604	☐
20. SUNOCO LOGISTICS PARTNERS OPER. LP	233102657	☒
21. SUNOCO OVERSEAS, INC.	231614275	☒

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1. SUNOCO PARTNERS BUTANE BLENDING LLC	32040440029	☐
2. SUNOCO PRTNRS LEASE ACQ. & MARKETING	12331026547	☐
3. SUNOCO PRTNRS MARKETING & TERMINALS	12331026554	☐
4. SUNOCO PRTNRS REAL ESTATE ACQ. LLC	454863906	☒
5. SUNOCO PIPELINE ACQUISITION LLC	205036443	☒
6. SUNOCO PIPELINE L.P.	12331026562	☐
7. SUNOCO POWER GENERATION LLC	593776575	☒
8. SUNOCO POWER MARKETING, LLC	12328740514	☒
9. SUNOCO RECEIVABLES CORPORATION, INC.	233078207	☒
10. SUNOCO, INC.	231743282	☒
11. SUNOCO, INC. (R&M)	12317432834	☒
12. SUPERFUND MANAGEMENT OPERATIONS LLC	464218026	☒
13. THE NEW CLAYMONT INVESTMENT COMPANY	364721891	☒
14. SOUTHERN UNION COMPANY	17505715924	☐
15. SUGAIR AVIATION COMPANY	30118251286	☒
16. P.E.C.-S.O.C. MASSACHUSETTS ACQ.	10504975375	☒
17. SOUTHERN UNION GAS COMPANY	30002759097	☐
18. SOUTHERN UNION PANHANDLE, LLC	17427719418	☒
19. SU PIPELINE MANAGEMENT, LP	32038446053	☒
20. ENHANCED SERVICE SYSTEMS, INC.	15104010036	☒
21. ENERGY TRANSFER DATA CENTER, LLC	32045827378	☐

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Tcode 13298

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1. PEI POWER CORPORATION	12329335785	☒
2. CCE ACQUISITION LLC	32038446061	☒
3. PANHANDLE EASTERN PIPE LINE CO., LP	14403824700	☐
4. PAN GAS STORAGE, LLC	14311734488	☐
5. PANHANDLE ENERGY LNG SERVICES, LLC	12048999408	☐
6. PANHANDLE STORAGE, LLC	17603185608	☒
7. PANHANDLE HOLDINGS, LLC	32004413939	☐
8. TRUNKLINE GAS COMPANY, LLC	17411038841	☐
9. TRUNKLINE DEEPWATER PIPELINE, LLC	16305715936	☒
10. TRUNKLINE OFFSHORE PIPELINE, LLC	16310345893	☒
11. SEA ROBIN PIPELINE COMPANY, LLC	17206544011	☒
12. TRUNKLINE LNG COMPANY, LLC	17417689613	☐
13. TRUNKLINE FIELD SERVICES, LLC	17605961907	☒
14. CCE HOLDINGS, LLC	12012750506	☒
15. NEW ENGLAND GAS APPLIANCE COMPANY	10460444598	☒
16. RGP WESTEX G&P I LTD	17524680836	☐
17. LEAPARTNERS, LP	17523243248	☐
18. WEST TEXAS GATHERING COMPANY	17509760942	☐
19. RGP WESTEX GATHERING INC.	17524001447	☐
20. MI VIDA GENPAR, LLC	17528264686	☐
21. RGP WESTEX G&P II LTD	32036219262	☐

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Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
10505324730	2014	ETC MARKETING, LTD.

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. RGU WEST LLC	12000684733	☐
2. SU GAS SERVICES OPERATING CO., INC.	17429588449	☐
3. RGP MARKETING LLC	32033247514	☐
4. RGP HOLDCO II LLC	13202056050	☒
5. RGP HOLDCO I LLC	17515185316	☒
6. TRUNKLINE LNG EXPORT, LLC	32050904450	☐
7. LAKE CHARLES LNG EXPORTS, LLC	462057292	☒
8. SU HOLDING COMPANY, INC	17429395225	☒
9. PG ENERGY, INC	240717235	☒
10. PEPL HOLDINGS, LLC	453343570	☒
11. SUGS HOLDINGS, LLC	000000000	☒
12. SUCO LLC	000000000	☒
13. SUCO LP	000000000	☒
14. CHEMICAL MANUFACTURING OPERATIONS	464140939	☒
15. EVERGREEN ASSURANCE, LLC	464117496	☒
16. EVERGREEN CAPITAL HOLDINGS, LLC	320422059	☒
17. EVERGREEN RESOURCES GROUP, LLC	464258429	☒
18. EVERGREEN RESOURCES MGMT OPER. LLC	464248748	☒
19. EXPLORATION & PRODUCTION OPER. LLC	464143752	☒
20. LEGACY REFINING OPERATIONS LLC	464154132	☒
21. MACS RETAIL LLC	541766927	☒

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Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number: 10505324730
Report year: 2014
Reporting entity taxpayer name: ETC MARKETING, LTD.

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. MARCUS HOOK REFINERY OPERATIONS	464166587	☒
2. MINING OPERATIONS	464173410	☒
3. PHILADELPHIA REFINERY OPERATIONS LLC	464184955	☒
4. PIPELINE OPERATIONS LLC	464194944	☒
5. REAL PROPERTY OPERATIONS LLC	464203578	☒
6. RETAIL/SERVICE STATION OPERATIONS LLC	464207229	☒
7. TERMINAL OPERATIONS LLC	464229079	☒
8. TPL MANAGEMENT OPERATIONS LLC	464240127	☒
9. TRUNKLINE LNG HOLDINGS LLC	17606992869	☐
10. HSC ACQUIRER LLC	32052720839	☐
11. WESTEX ENERGY LLC	32050370629	☐
12. SOUTHSIDE OIL, LLC	541904070	☒
13. MID ATLANTIC CONVENIENCE STORES, LLC	272681601	☒
14.		☐
15.		☐
16.		☐
17.		☐
18.		☐
19.		☐
20.		☐
21.		☐

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TAB 03

Documentation of Combined Group Membership

TAB 04

Detailed Description of Project

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 8 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect it expenditures to build plants in other states outside of Texas.

Kansas
Louisiana
New Mexico
Oklahoma

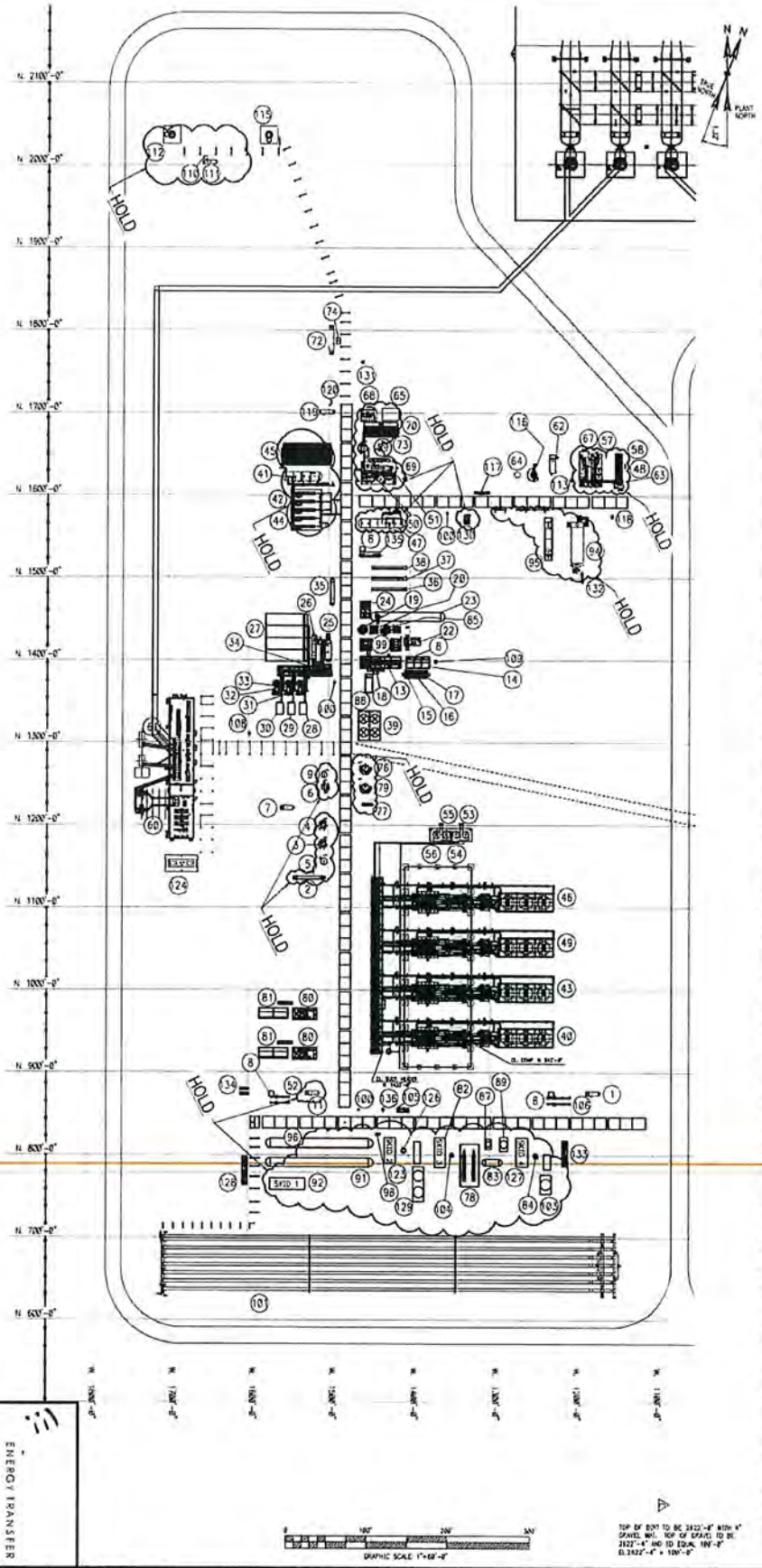
Proposed Project Description

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for ETC to start construction is June of 2018 and start hiring the new employees in September of 2018. This should allow for completion and commencement of commercial operations to start in January of 2018.

Cryogenic Natural Gas Processing Plant

The Arrowhead Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Arrowhead Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H2O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.



	TAG NUMBER	DESCRIPTION
1	F-1161-2	INLET FILTER COALESCER SEPERATOR
2	E-1330-2	INLET GAS/GAS EXCHANGER
3	T-1103-2	INLET GAS AMINE CONTACTOR
4	T-1104-2	INLET GAS AMINE CONTACTOR
5	V-1106-2	AMINE AFTER SCRUBBER
6	T-1400-2	GLYCOL CONTACTOR
7	F-2422-2	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	–	GC BUILDING (4 TOTAL)
9	V-1401-2	GLYCOL AFTERSCRUBBER
11	F-2210-2	RESIDUE GAS FILTER/COALESCER
13	–	UPPER LEVEL INLET SKID #6
14	–	DEHY SWITCHING VALVE SKID #2
15	V-442-2	MOL SIEVE DEHYDRATOR
16	V-443-2	MOL SIEVE DEHYDRATOR
17	V-444-2	MOL SIEVE DEHYDRATOR
18	–	INLET FILTER SKID #1
19	V-402-2	COLD SEPARATOR
20	E-201-2	WARM GAS/GAS EXCHANGER
22	EC-101-2	EXPANDER/COMPRESSOR
23	V-404-2	PRODUCT SURGE TANK
24	–	PRODUCT PUMP SKID #5
25	E-203-2	CHILLER
26	V-463-2	REFRIGERANT ACCUMULATOR
27	A-361-2	REFRIGERANT CONDENSER
28	A-161-2	LUBE OIL COOLER
29	A-162-2	LUBE OIL COOLER
30	A-163-2	LUBE OIL COOLER
31	C-161-2	REFRIGERANT COMPRESSOR
32	C-162-2	REFRIGERANT COMPRESSOR
33	C-163-2	REFRIGERANT COMPRESSOR
34	–	REFRIGERATION SKID #7
35	V-403-2	COLD DRAIN TANK
36	P-1505A-2	NGL PIPELINE PUMP
37	P-1505B-2	NGL PIPELINE PUMP
38	P-1505C-2	NGL PIPELINE PUMP
39	A-301-2	EXPANDER COMPRESSOR AFTERCOOLER
40	CP-201-2	RESIDUE GAS COMPRESSOR
41	V-1119-2	AMINE SURGE TANK
42	P-1105A/B/C-2	AMINE SOLUTION PUMPS (GAS)
43	CP-202-2	RESIDUE GAS COMPRESSOR
44	P-1504A/B-2	AMINE SOLUTION PUMPS (NGL)
45	AC-1111A/B-2	AMINE SOLUTION COOLERS
46	CP-204-2	RESIDUE GAS COMPRESSOR
47	V-1109-2	AMINE FLASH TANK
48	AC-1415-2	BTEX CONDENSER
49	CP-203-2	RESIDUE GAS COMPRESSOR
50	–	AMINE FILTER SKID #1
51	–	AMINE LEAN/RICH EXCHANGER SKID #2
52	FE-2210A/B-2	RESIDUE GAS METER
53	TK-3003-2	LUBE OIL TANK
54	TV-3002-2	WASTE LUBE OIL TANK
55	TK-3000-2	COOLANT STORAGE TANK
56	TV-3001-2	WASTE COOLANT STORAGE TANK
57	–	GLYCOL REGEN SKID #4B
58	AC-1411-2	GLYCOL COOLER
59	T-1114-2	AMINE REGEN STILL
60	–	LOW VOLTAGE MCC
61	–	MEDIUM VOLTAGE MCC
62	H-741-2	REGEN GAS HEATER
63	–	BTEX BLOWER PLATFORM #4C
64	V-1910-2	CO2 VENT SCRUBBER
65	–	SULFA GUARD
67	–	GLYCOL REGEN SKID #4A
68	–	REFLUX ACCUMULATOR/PUMP SKID #3
69	TK-1115-2	AMINE SUMP TANK
70	AC-1115-2	REFLUX CONDENSER
72	V-1810-2	FLARE KNOCKOUT DRUM
73	P-1850-2	ANTI-FOAM INJECTION PUMP
74	P-1820A/B-2	FLARE KNOCKOUT PUMP
75	T-1500-2	NGL AMINE CONTACTOR
77	F-1503-2	TREATED NGL COALESCER
78	–	PIPELINE PUMPS
79	T-1501-2	NGL AMINE CONTACTOR
80	C-3200A/B-2	STABILIZER OVERHEAD COMPRESSORS
81	AC-3200A/B-2	OVERHEAD COMPRESSOR AFTERCOOLERS
82	–	Y-GRADE SKID #3
83	–	STABLIZED NGL SURGE TANK
84	–	SAYBOLT STABLIZER TOWER
85	T-501-2	DEMETHANIZER
87	–	Y-GRADE BOTTOMS COOLER
88	A-341-2	REGEN GAS COOLER
89	–	STABLIZED NGL COOLER
91	V-1601-2	LP. FLASH DRUM
92	–	CONDENSATE FEED SKID #1
94	H-1706-2	STABILIZER HWO HEATER
95	–	STABILIZER HWO PUMP SKID #5
96	V-2530-2	CONDENSATE REFUN TANK
98	P-2550-2	RE-RUN PUMP
99	–	PROCESS SKID #3 & #4
99	V-4015A/B/C-2	INSTRUMENT-AIR SURGE TANK
101	V-100-2	SLUG CATCHER
103	–	SAYBOLT OVHD CONDENSER
104	–	Y-GRADE STABILIZER TOWER
105	FE-1601-2	LP FLASH DRUM LIQUIDS METER SKID
106	FE-1161A/B-2	INLET METER
107	TK-730-2	REFRIGERATION SUMP TANK
108	TK-750-2	CRYO SUMP TANK
110	P-1942-2	ACID GAS FLARE K.O. PUMP
111	V-1941-2	ACID GAS FLARE K.O. DRUM
112	FL-1940-2	ACID GAS FLARE
113	TK-2424-2	GLYCOL SUMP TANK
115	FL-1800-2	FLARE
116	TO-1900-2	THERMAL OXIDIZER
117	–	THERMAL OXIDIZER CONTROL RACK
118	TK-2870-2	OPEN DRAIN SUMP TANK
119	V-2810-2	CLOSED DRAIN DRUM
120	P-2820-2	CLOSED DRAIN OIL PUMP
121	–	RVP STABLIZER SKID #2
123	C-4000-2	INSTRUMENT AIR COMPRESSOR
125	–	RVP STABLIZER TOWER
127	–	SAYBOLT STABLIZER SKID #4
128	FE-1000-2	SLUG CATCHER LIQUID METER SKID
129	–	RVP OVERHEAD CONDENSER
130	V-1600-2	WET FUEL GAS SCRUBBER SKID #6
131	TK-2850-2	OPEN DRAIN SUMP
132	–	SKID #7 HWO FG TRAIN
133	FE-1502-2	Y-GRADE METER SKID
134	FE-2211A-2	BUY BACK METER SKID
135	FE-1501-2	NGL PRODUCT METER
136	TK-2830-2	OPEN DRAIN SUMP TANK

REV	DESCRIPTION	BY	DATE	DWN'D	APP'D
G	ISSUED FOR INFORMATION (REV. SLUGCATCHER, VRU, ACID GAS FLARE)	BWS	1/10/18	CM	FWH
F	ISSUED FOR INFORMATION (REVISED STABLIZER AREA)	BWS	12/13/17	CM	FWH
E	ISSUED FOR INFORMATION (REVISED SPACE NOTE)	BWS	11/27/17	CM	FWH
D	ISSUED FOR INFORMATION (ADDED HOLD NOTE)	BWS	11/8/17	CM	FWH
C	ISSUED FOR INFORMATION	BWS	11/7/17	CM	FWH
B	ISSUED FOR REVIEW	BWS	11/2/17	CM	FWH

ENERGY TRANSFER
ARROWHEAD II CRYO PLANT

COHANSEY TEXAS

PROCESS AREA
PLOT PLAN

MATRIX PDM ENGINEERING

CONFIDENTIALITY STATEMENT

THE DESIGNS AND THE IDEAS AND/OR INFORMATION CONTAINED HEREIN ARE THE EXCLUSIVE AND PROPRIETARY PROPERTY OF MATRIX PDM ENGINEERING, INC. AND THEY SHALL NOT BE DISCLOSED OR USED FOR ANY PURPOSE NOT EXPRESSLY PERMITTED BY WRITTEN CONSENT OF MATRIX PDM ENGINEERING, INC. NOR SHALL THEY BE COPIED IN WHOLE OR IN PART, PRINTED OR KEPT IN MEMORY FROM THE DESIGNS, AND THE INFORMATION THEREIN MAY NOT BE DISCLOSED TO ANY OTHER PERSON OR ENTITY WITHOUT PRIOR WRITTEN PERMISSION.

DRAWING NO. 55070001-000-1003 REV G

ENERGY TRANSFER

SCALE 1"=60'-0" | PREP'D NWH 11/2/17 | CHK'D CM 11/2/17 | APP'D 11/2/17

SOURCE NO. 55070001

TAB 05

Limitation as Determining Factor

Tab 5 Limitation as Determining Factor w/ability to locate or relocate:

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As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead II Plant economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, multiple other potential projects are presently competing for the same capital expenditures by our company, including possible plants in Louisiana that would be eligible for a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program (and for state sales tax incentives). This and other competing projects are also under review, which could be located in Southern New Mexico due to offers of Industrial Revenue Bond (abatement) and Job Training incentive programs.

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

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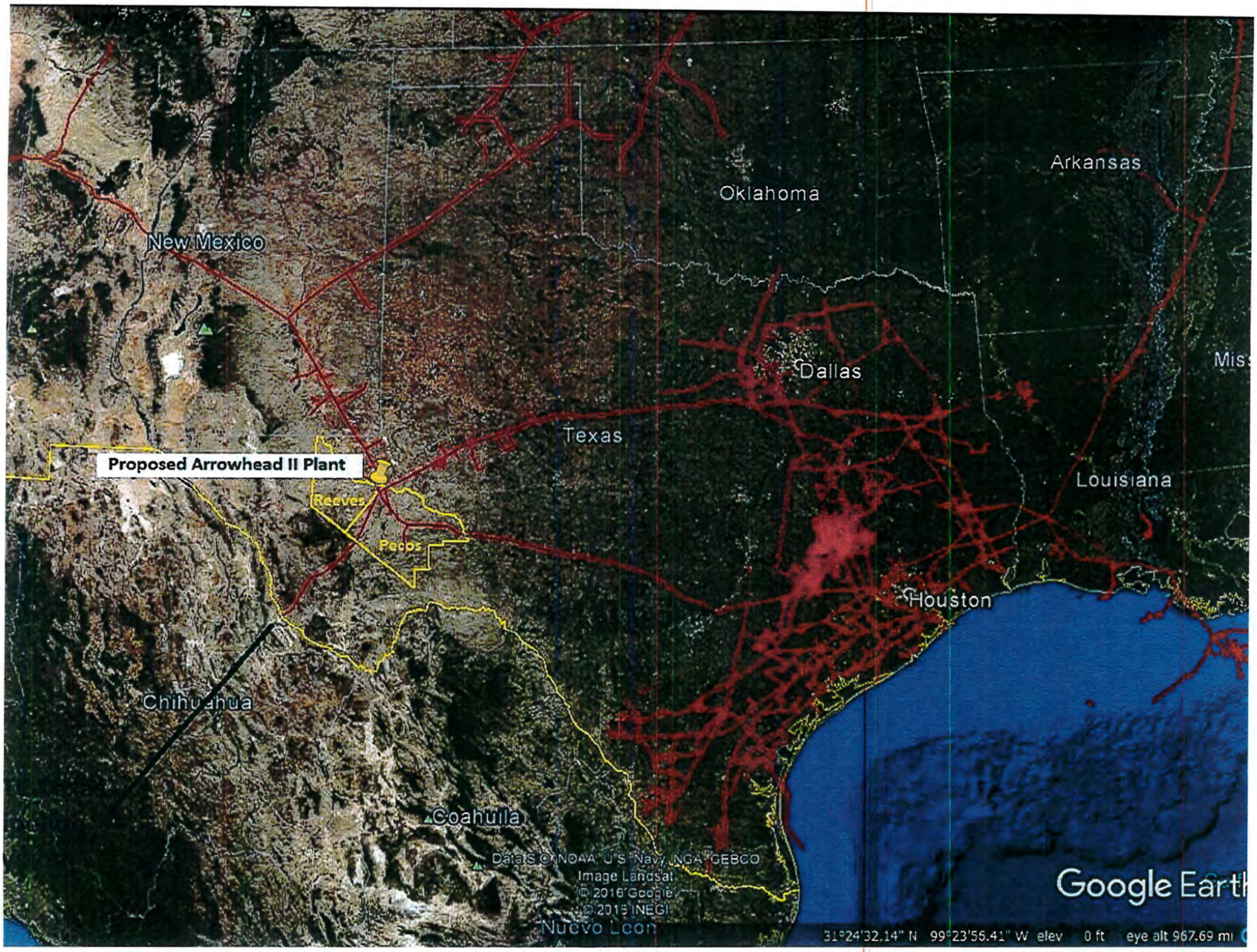
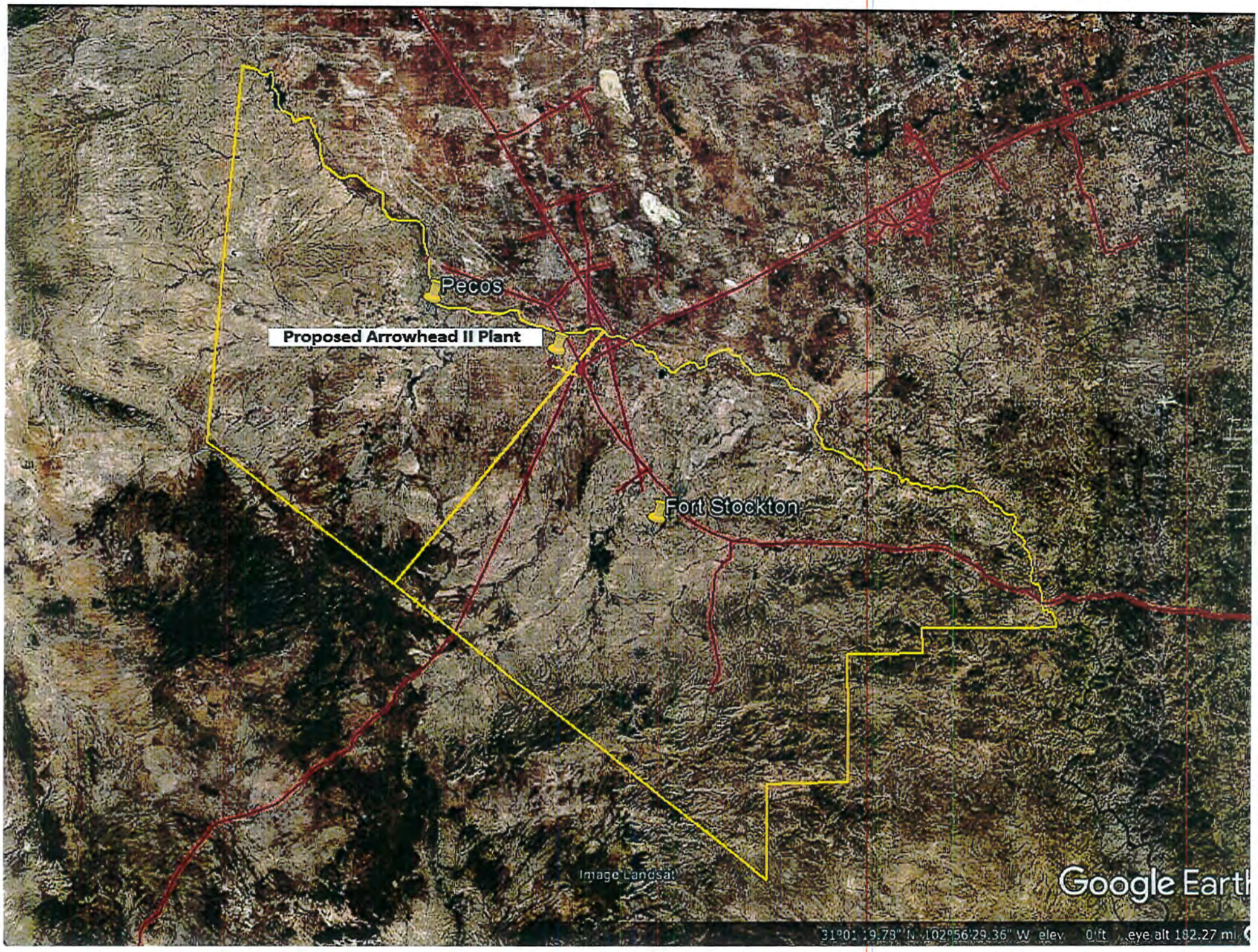
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.


Proposed Arrowhead II Plant
Reeves
Pecos
New Mexico
Oklahoma
Arkansas
Dallas
Texas
Louisiana
Houston
Chihuahua
Coahuila
Nuevo Leon
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat
© 2016 Google
© 2016 INEGI
Google Earth
31°24'32.14" N 99°23'56.41" W elev 0 ft eye alt 967.69 mi


Pecos
Proposed Arrowhead II Plant
Fort Stockton
Image Landsat
Google Earth
31°01'19.78" N 102°56'29.36" W elev 0 ft eye alt 182.27 mi

TAB 06

Located 100% in Reeves County & Pecos-Barstow Toyah ISD

TAB 07

Description of Qualified Investment

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 8 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect it expenditures to build plants in other states outside of Texas.

Kansas
Louisiana
New Mexico
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Proposed Project Description

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for ETC to start construction is June of 2018 and start hiring the new employees in September of 2018. This should allow for completion and commencement of commercial operations to start in January of 2018.

Cryogenic Natural Gas Processing Plant

The Arrowhead Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Arrowhead Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H2O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.

	TAG NUMBER	DESCRIPTION
1	F-1161-2	INLET FILTER COALESCER SEPERATOR
2	E-1330-2	INLET GAS/GAS EXCHANGER
3	T-1103-2	INLET GAS AMINE CONTACTOR
4	T-1104-2	INLET GAS AMINE CONTACTOR
5	V-1106-2	AMINE AFTER SCRUBBER
6	T-1400-2	GLYCOL CONTACTOR
7	F-2422-2	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	-	GC BUILDING (4 TOTAL)
9	V-1401-2	GLYCOL AFTERSCRUBBER
11	F-2210-2	RESIDUE GAS FILTER/COALESCER
13	-	UPPER LEVEL INLET SKID #6
14	-	DEHY SWITCHING VALVE SKID #2
15	V-642-2	MOL SIEVE DEHYDRATOR
16	V-443-2	MOL SIEVE DEHYDRATOR
17	V-444-2	MOL SIEVE DEHYDRATOR
18	-	INLET FILTER SKID #1
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20	E-201-2	WARM GAS/GAS EXCHANGER
22	EC-101-2	EXPANDER/COMPRESSOR
23	V-404-2	PRODUCT SURGE TANK
24	-	PRODUCT PUMP SKID #5
25	E-203-2	CHILLER
26	V-463-2	REFRIGERANT ACCUMULATOR
27	A-361-2	REFRIGERANT CONDENSER
28	A-161-2	LUBE OIL COOLER
29	A-162-2	LUBE OIL COOLER
30	A-163-2	LUBE OIL COOLER
31	C-161-2	REFRIGERANT COMPRESSOR
32	C-162-2	REFRIGERANT COMPRESSOR
33	C-163-2	REFRIGERANT COMPRESSOR
34	-	REFRIGERATION SKID #7
35	V-403-2	COLD DRAIN TANK
36	P-1505A-2	NGL PIPELINE PUMP
37	P-1505B-2	NGL PIPELINE PUMP
38	P-1505C-2	NGL PIPELINE PUMP
39	A-301-2	EXPANDER COMPRESSOR AFTERCOOLER
40	CR-201-2	RESIDUE GAS COMPRESSOR
41	V-1119-2	AMINE SURGE TANK
42	P-1105A/B/C-2	AMINE SOLUTION PUMPS (GAS)
43	CR-202-2	RESIDUE GAS COMPRESSOR
44	P-1524A/B-2	AMINE SOLUTION PUMPS (NGL)
45	AC-1111A/B-2	AMINE SOLUTION COOLERS
46	CR-204-2	RESIDUE GAS COMPRESSOR
47	V-1109-2	AMINE FLASH TANK
48	AC-1415-2	BTEX CONDENSER
49	CR-203-2	RESIDUE GAS COMPRESSOR
50	-	AMINE FILTER SKID #1
51	-	AMINE LEAN/RICH EXCHANGER SKID #2
52	FE-2210A/B-2	RESIDUE GAS METER
53	TK-3003-2	LUBE OIL TANK
54	TK-3002-2	WASTE LUBE OIL TANK
55	TK-3000-2	COOLANT STORAGE TANK
56	TK-3001-2	WASTE COOLANT STORAGE TANK
57	-	GLYCOL REGEN SKID #4B
58	AC-1411-2	GLYCOL COOLER
59	T-1114-2	AMINE REGEN STILL
60	-	LOW VOLTAGE MCC
61	-	MEDIUM VOLTAGE MCC
62	H-741-2	REGEN GAS HEATER
63	-	BTEX BLOWER PLATFORM #4C
64	V-1910-2	CO2 VENT SCRUBBER
65	-	SULFA GUARD
66	-	GLYCOL REGEN SKID #4A
67	-	REFLUX ACCUMULATOR/PUMP SKID #3
68	TK-1115-2	AMINE SUMP TANK
70	AC-1115-2	REFLUX CONDENSER
72	V-1810-2	FLARE KNOCKOUT DRUM
73	P-1850-2	ANTI-FOAM INJECTION PUMP
74	P-1820A/B-2	FLARE KNOCKOUT PUMP
76	T-1500-2	NGL AMINE CONTACTOR
77	F-1503-2	TREATED NGL COALESCER
78	-	PIPELINE PUMPS
79	T-1501-2	NGL AMINE CONTACTOR
80	C-3200A/B-2	STABILIZER OVERHEAD COMPRESSORS
81	AC-3200A/B-2	OVERHEAD COMPRESSOR AFTERCOOLERS
82	-	Y-GRADE SKID #3
83	-	STABLIZED NGL SURGE TANK
84	-	SAYBOLT STABLIZER TOWER
85	T-501-2	DEMETHANIZER
87	-	Y-GRADE BOTTOMS COOLER
88	A-341-2	REGEN GAS COOLER
89	-	STABLIZED NGL COOLER
91	V-1601-2	L.P. FLASH DRUM
92	-	CONDENSATE FEED SKID #1
94	H-1706-2	STABILIZER HMO HEATER
95	-	STABILIZER HMO PUMP SKID #5
96	V-2530-2	CONDENSATE REPUN TANK
98	P-2550-2	RE-RUN PUMP
99	-	PROCESS SKID #3 & #4
103	V-4015A/B/C-2	INSTRUMENT AIR SURGE TANK
104	V-100-2	SLUG CATCHER
105	-	SAYBOLT OVHD CONDENSER
106	-	Y-GRADE STABILIZER TOWER
107	FE-1601-2	LP FLASH DRUM LIQUIDS METER SKID
108	FE-1161A/B-2	INLET METER
109	TK-730-2	REFRIGERATION SUMP TANK
110	TK-750-2	CRYO SUMP TANK
111	P-1942-2	ACID GAS FLARE K.O. PUMP
112	V-1941-2	ACID GAS FLARE K.O. DRUM
113	FL-1940-2	ACID GAS FLARE
114	TK-2424-2	GLYCOL SUMP TANK
115	FL-1800-2	FLARE
116	TO-1900-2	THERMAL OXIDIZER
117	-	THERMAL OXIDIZER CONTROL RACK
118	TK-2870-2	OPEN DRAIN SUMP TANK
119	V-2810-2	CLOSED DRAIN DRUM
120	P-2820-2	CLOSED DRAIN OIL PUMP
121	-	RVP STABLIZER SKID #2
122	C-4000-2	INSTRUMENT AIR COMPRESSOR
123	-	RVP STABLIZER TOWER
124	-	SAYBOLT STABLIZER SKID #4
125	FE-1000-2	SLUG CATCHER LIQUID METER SKID
126	-	RVP OVERHEAD CONDENSER
127	V-1600-2	WET FUEL GAS SCRUBBER SKID #6
128	TK-2858-2	OPEN DRAIN SUMP
132	-	SKID #7 HMO FG TRAIN
133	FE-1502-2	Y-GRADE METER SKID
134	FE-2211A-2	BUY BACK METER SKID
135	FE-1501-2	NGL PRODUCT METER
136	TK-2830-2	OPEN DRAIN SUMP TANK

GRAPHIC SCALE 1"=50'-0"

TOP OF CONT TO BE 2622'-0" WITH 4" GRAVEL MAT. TOP OF GRAVEL TO BE 2622'-4" AND TO EQUAL 100'-0" EL.2622'-4" = 100'-0"

REV	DESCRIPTION	BY	DATE	CHK'D	APP'D
G	ISSUED FOR INFORMATION (REV. SLUGCATCHER, VRU, ACID GAS FLARE)	BWS	1/11/18	CM	FAH
F	ISSUED FOR INFORMATION (REVISED STABLIZER AREA)	BWS	12/11/17	CM	FAH
E	ISSUED FOR INFORMATION (REVISED GRADE NOTE)	BWS	11/21/17	CM	FAH
D	ISSUED FOR INFORMATION (ADDED HOLD NOTE)	BWS	11/8/17	CM	FAH
C	ISSUED FOR INFORMATION	BWS	11/7/17	CM	FAH
B	ISSUED FOR REVIEW	BWS	11/2/17	CM	FAH

ENERGY TRANSFER
ARROWHEAD II CRYO PLANT
COMANCHE TEXAS

PROCESS AREA
PLOT PLAN

MATRIX PDM ENGINEERING

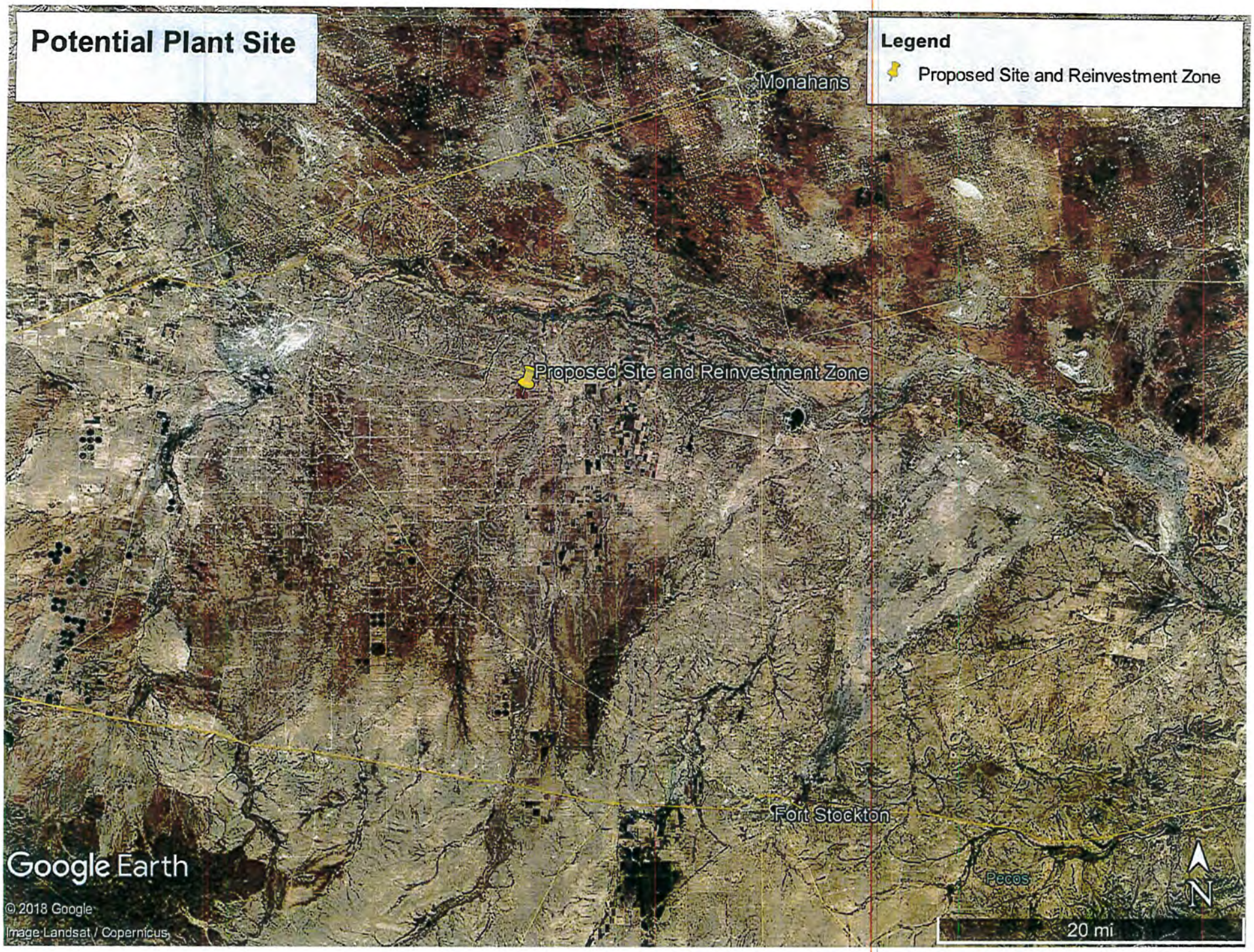
CONFIDENTIALITY STATEMENT

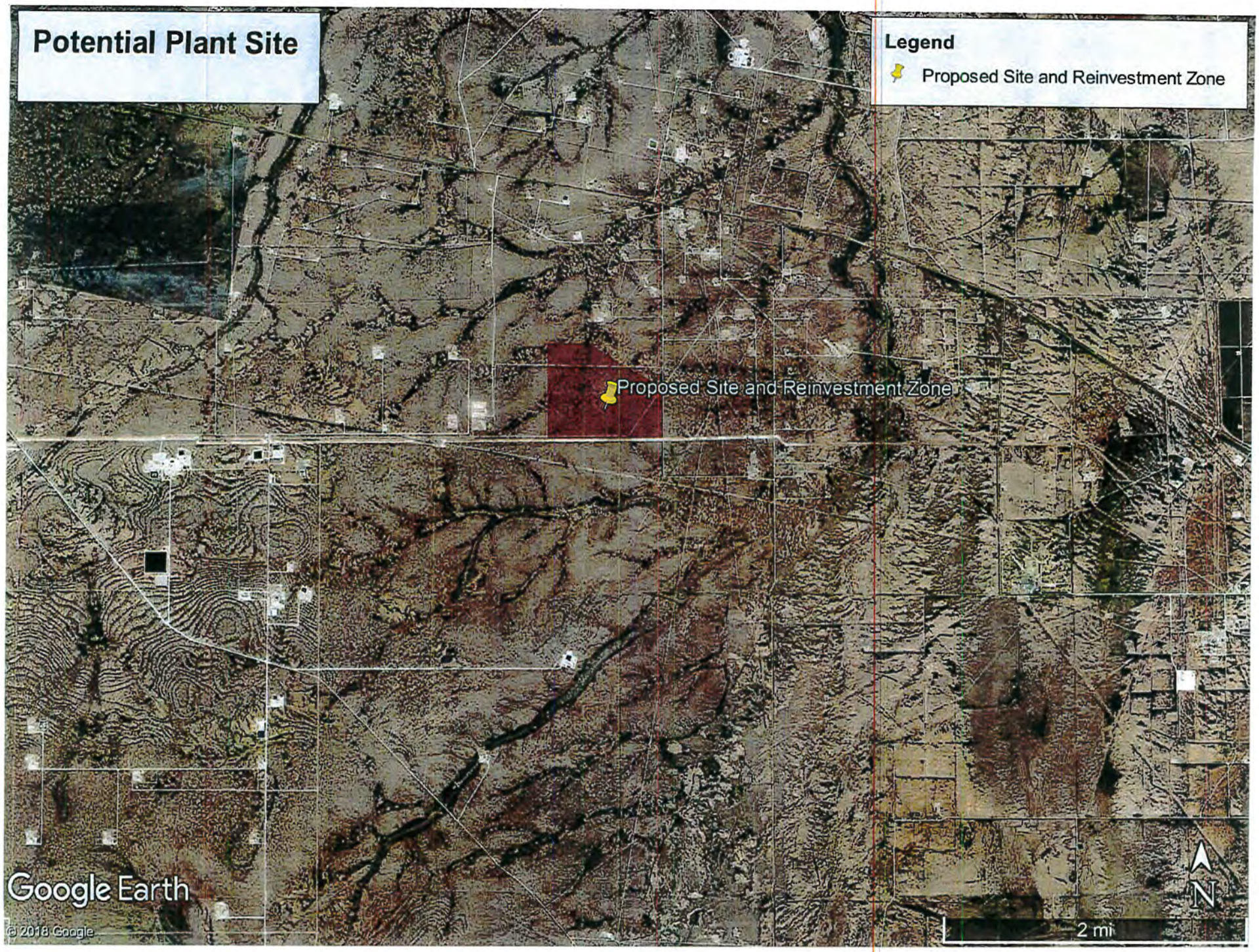
PROJ. NO. 55070001-000-1003 REV G

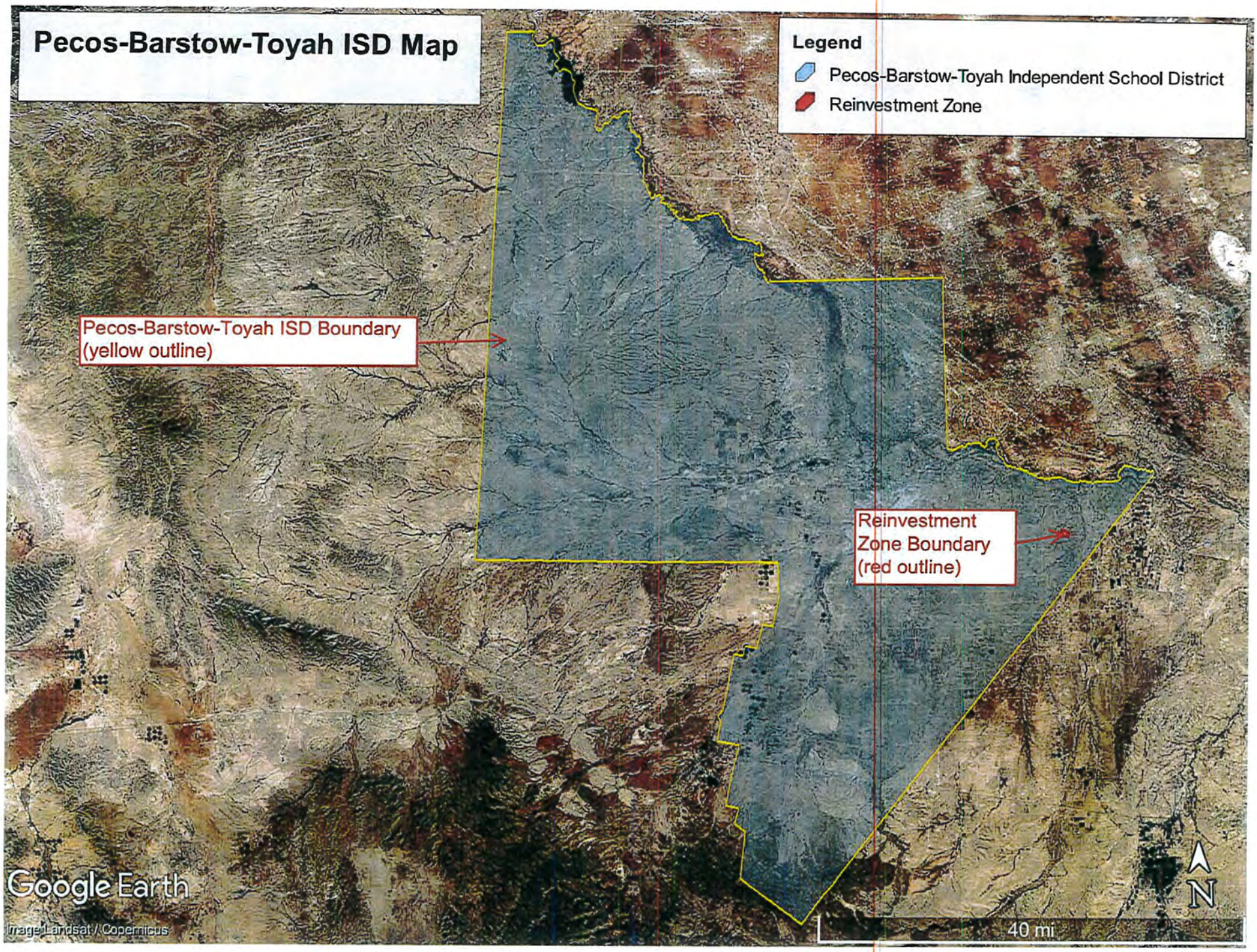
SCALE 1"=50'-0" DATE 11/2/17

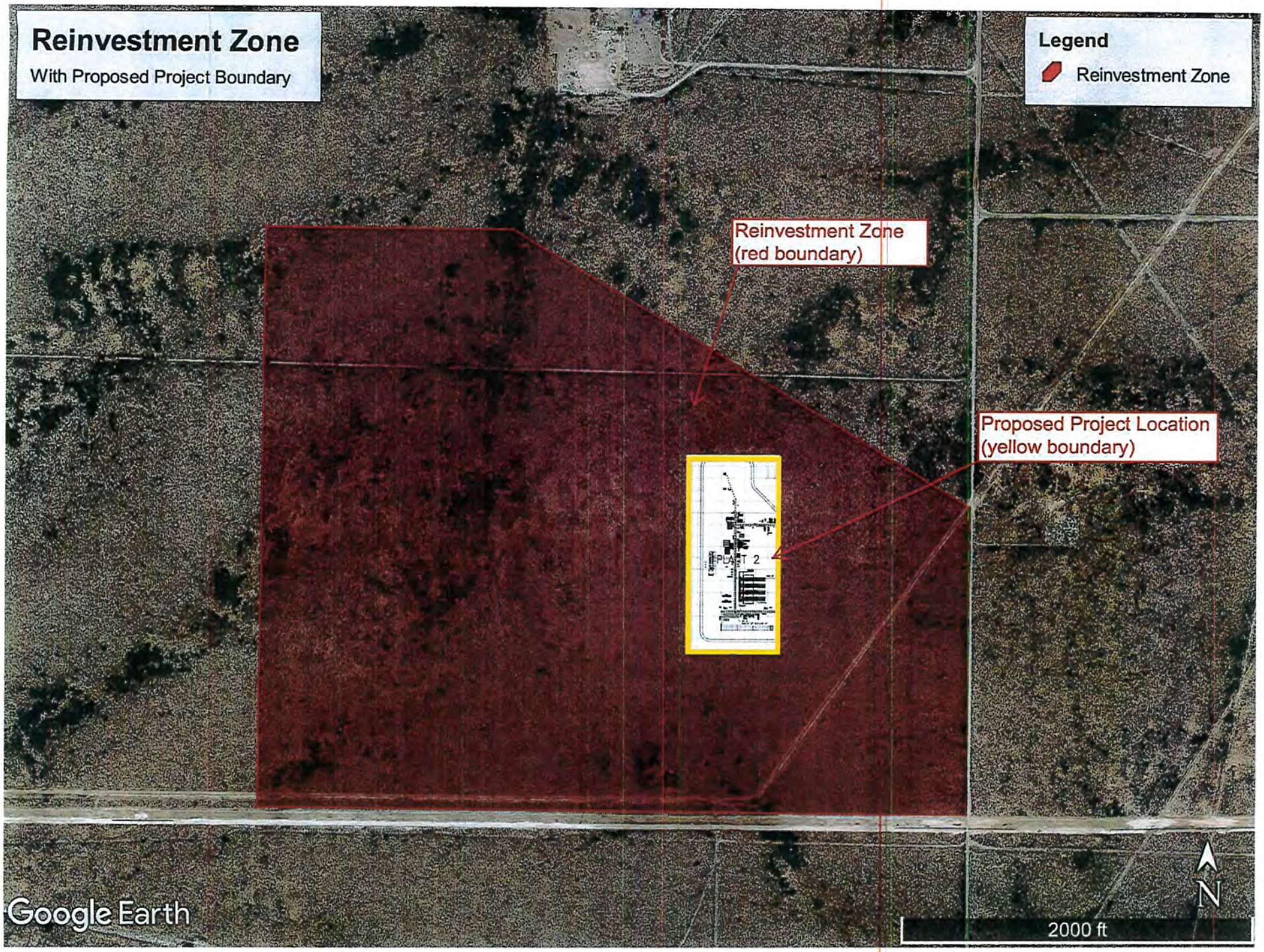
DRAWN FAH DATE 11/2/17 CHKD CM DATE 11/2/17 APP'D FAH DATE 11/2/17

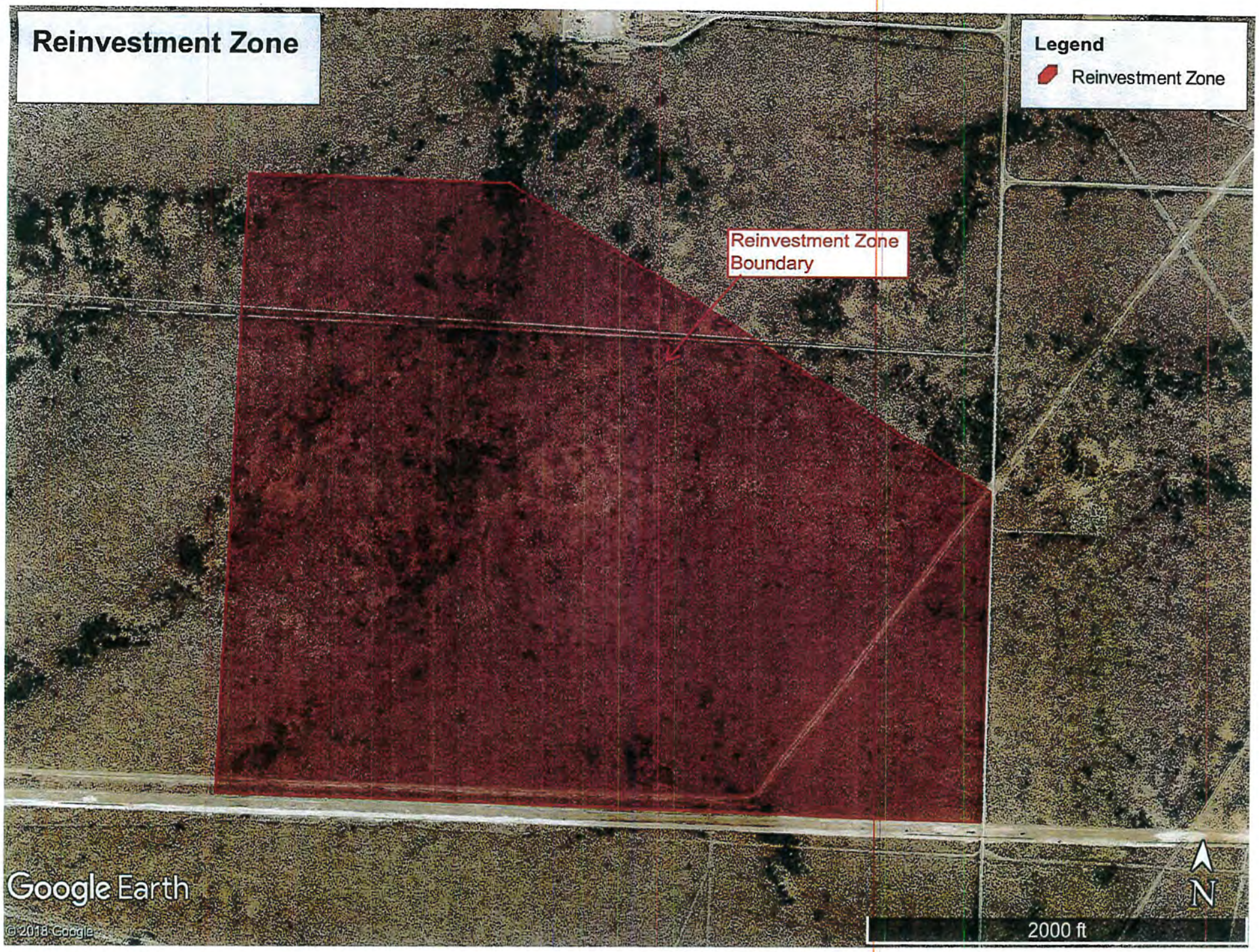
ENERGY TRANSFER

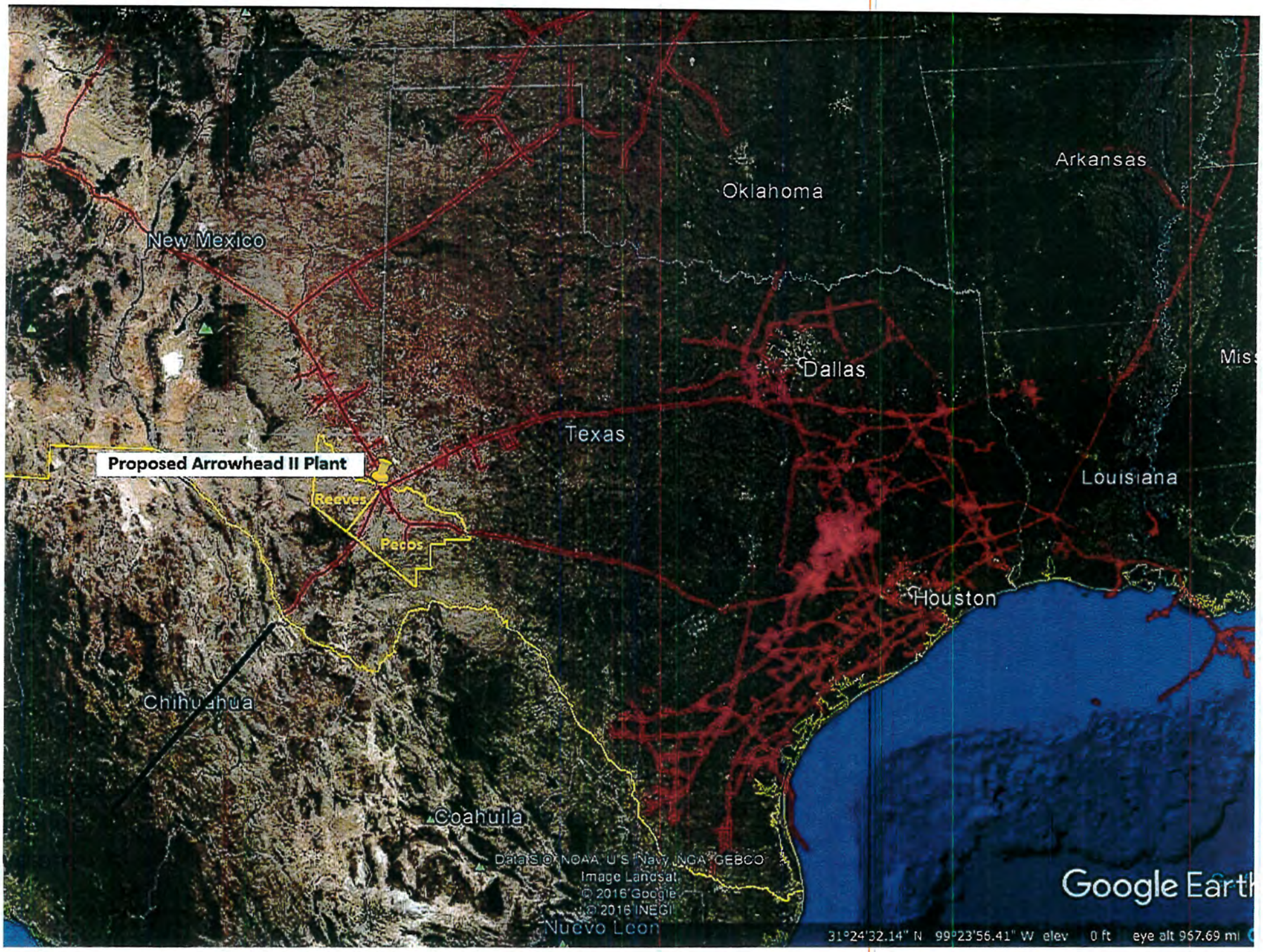

Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Monahans
Proposed Site and Reinvestment Zone
Fort Stockton
Pecos
Google Earth
©2018 Google
Image Landsat / Copernicus
20 mi
N

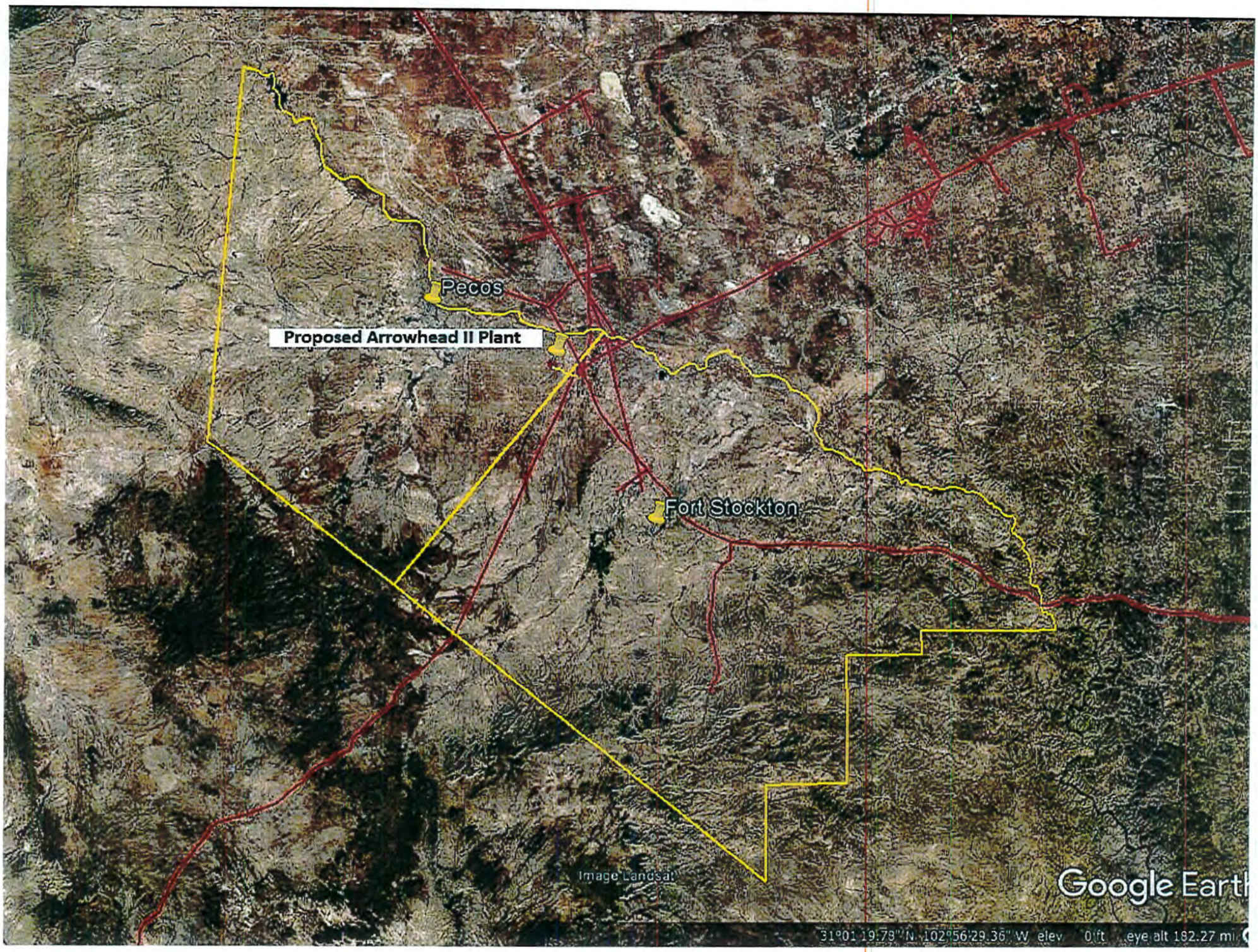

Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Proposed Site and Reinvestment Zone
Google Earth
© 2018 Google
2 mi
N


Pecos-Barstow-Toyah ISD Map
Legend
Pecos-Barstow-Toyah Independent School District
Reinvestment Zone
Pecos-Barstow-Toyah ISD Boundary
(yellow outline)
Reinvestment
Zone Boundary
(red outline)
Google Earth
Image Landsat / Copernicus
40 mi
N


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft


Reinvestment Zone
Legend
Reinvestment Zone
Reinvestment Zone Boundary
Google Earth
© 2018 Google
N
2000 ft


Arkansas
Oklahoma
New Mexico
Dallas
Texas
Proposed Arrowhead II Plant
Reeves
Pecos
Louisiana
Houston
Chihuahua
Coahuila
Nuevo Leon
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat
© 2016 Google
© 2016 INEGI
Google Earth
31°24'32.14" N 99°23'56.41" W elev 0 ft eye alt 967.69 mi


Pecos
Proposed Arrowhead II Plant
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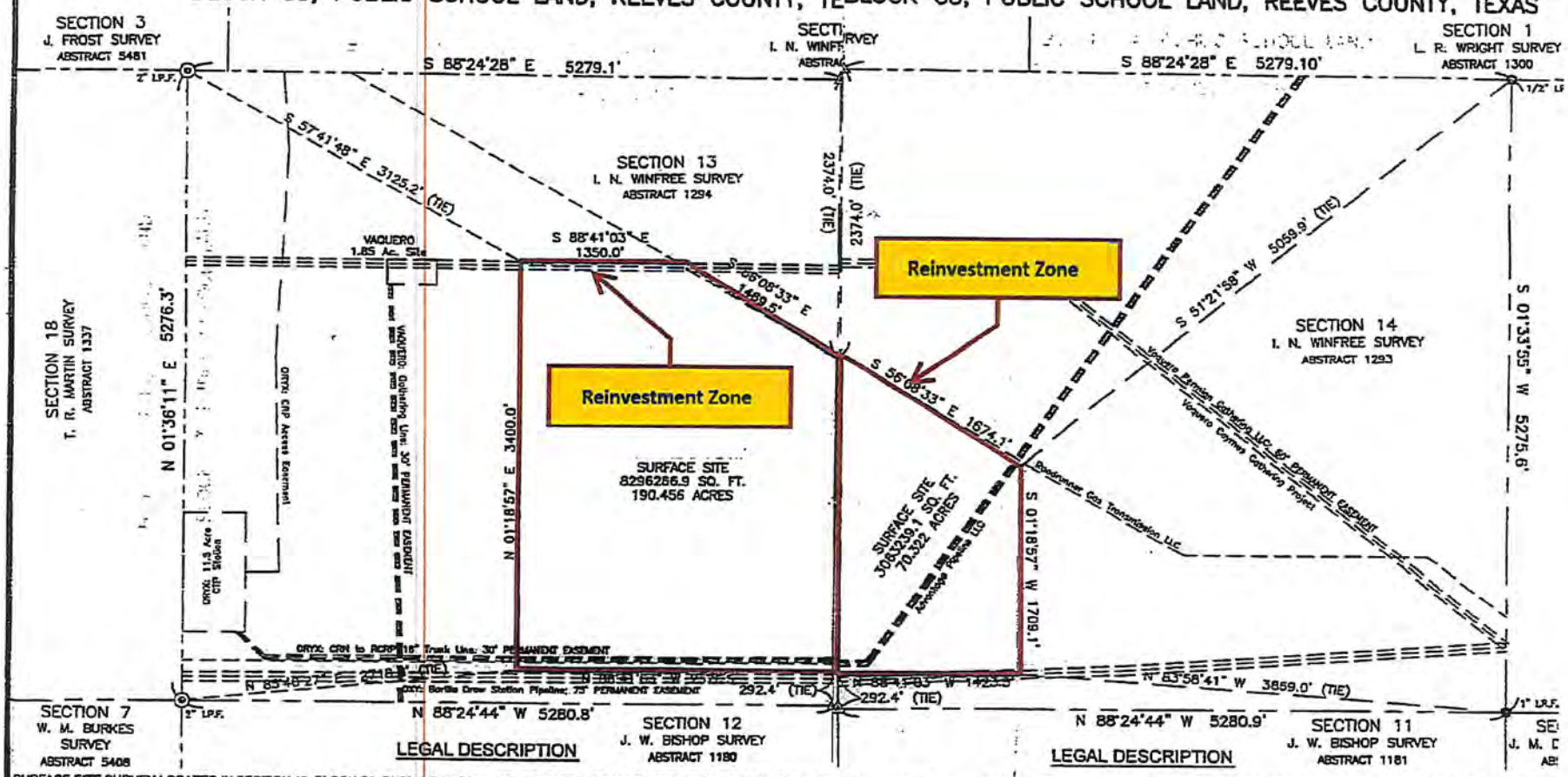
Google Earth
31°01'19.78" N 102°56'29.36" W elev 0 ft eye alt 182.27 mi

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA

FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.6 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13; THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 F CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF SI 88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 56° 08' 33" EAST, A D THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG T 13, A DISTANCE OF 2374.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2609.6 FEET TO THE POINT OF BEGINNING, A SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND OT HEREON WERE LOCATED BY VISUAL INSPECTIO

LEGAL DESCRIPTION

CATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

WEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG

E OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

NEAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SUR

35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF S

EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 59" W

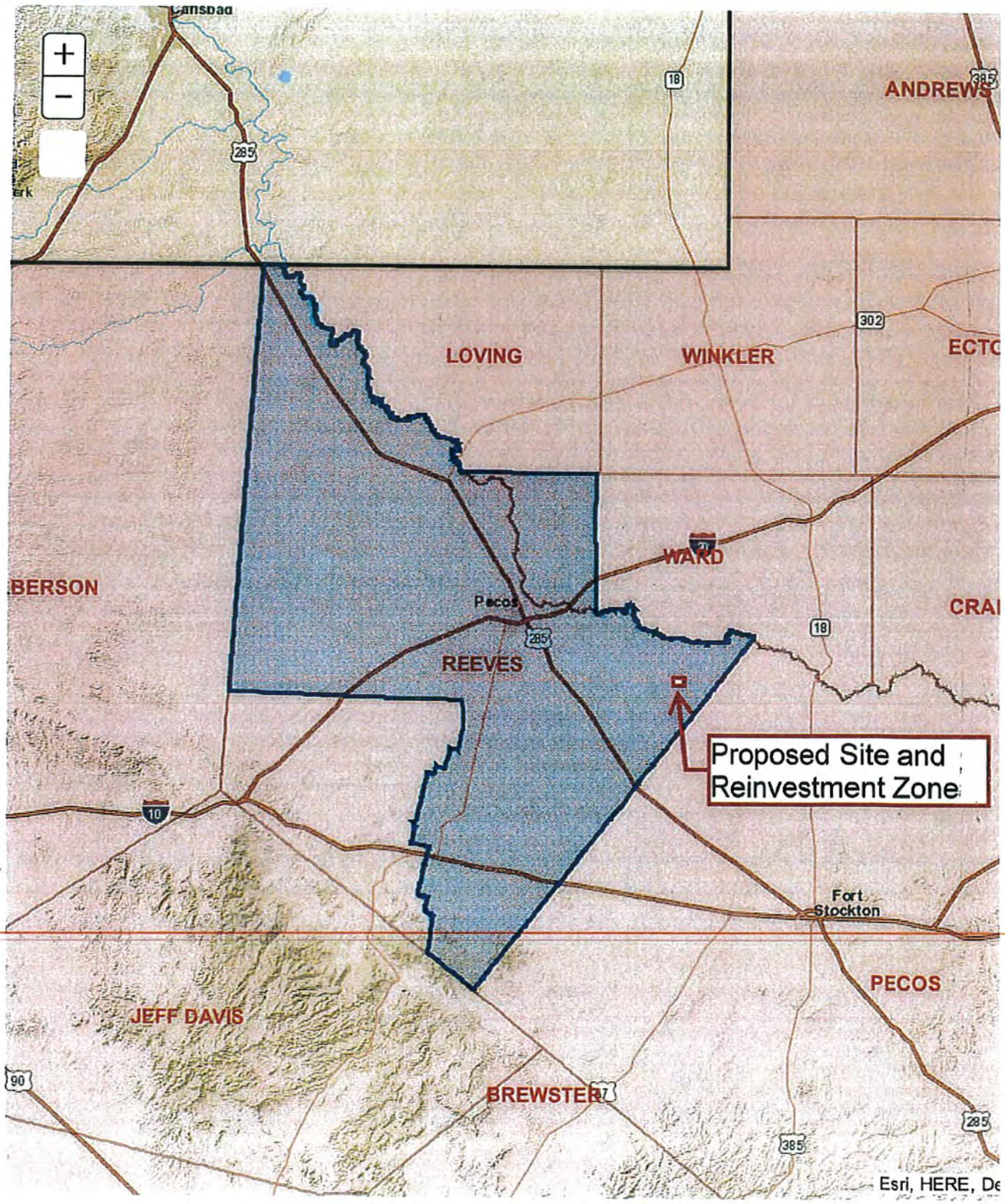
FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SC

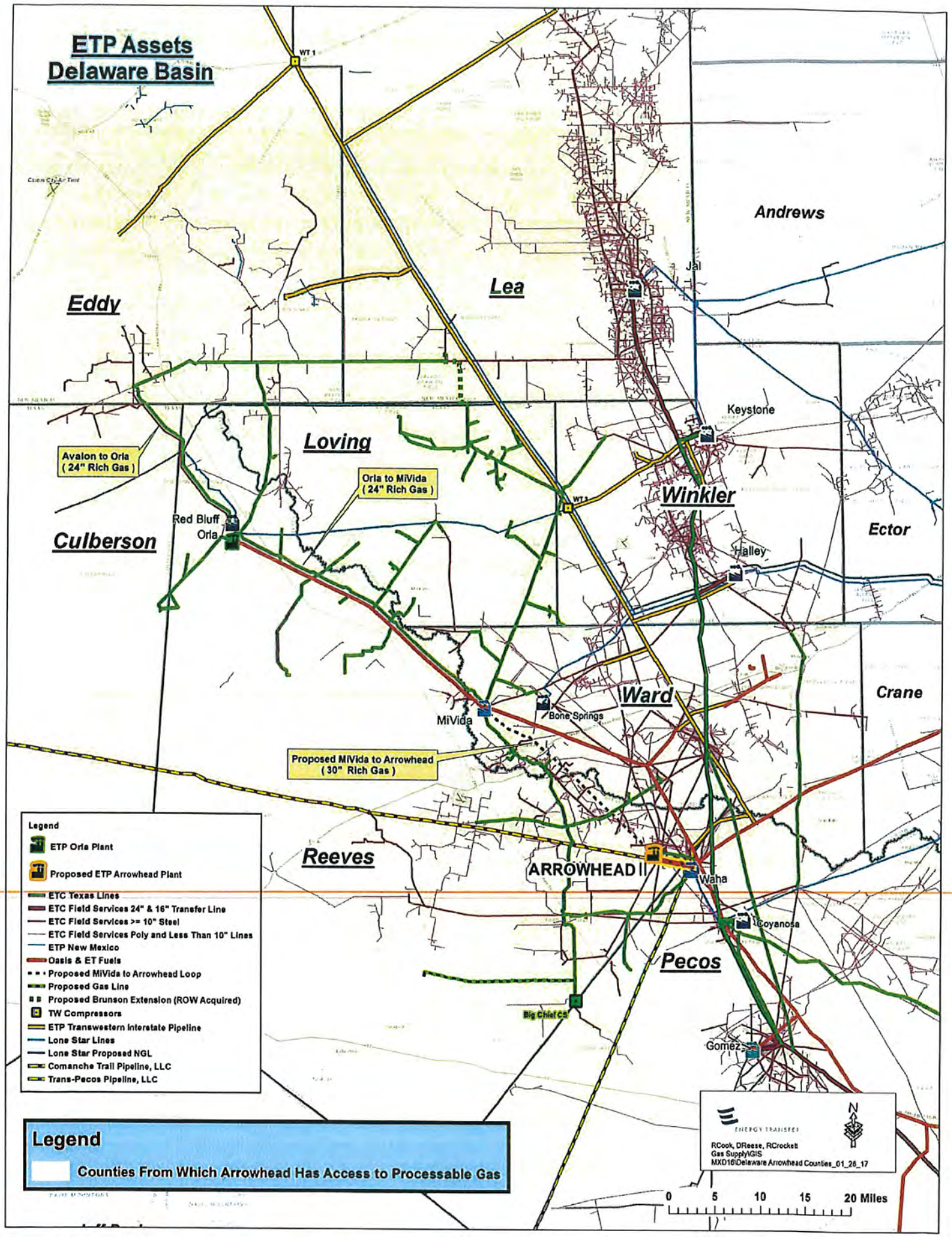
SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3859.0 FEET FROM THE SOUTHEAST CORNER OF SECTIO

WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY,

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

Texas School District Loca




ETP Assets
Delaware Basin
Andrews
Lea
Eddy
Loving
Culberson
Winkler
Ector
Ward
Crane
Reeves
Pecos
Jal
Keystone
Halley
Red Bluff
Orla
MiVida
Bone Springs
ARROWHEAD II
Waha
Coyanosa
Gomez
Big Chief CS
WT 1
Avalon to Orla
(24" Rich Gas)
Orla to MiVida
(24" Rich Gas)
Proposed MiVida to Arrowhead
(30" Rich Gas)
Legend
ETP Orla Plant
Proposed ETP Arrowhead Plant
ETC Texas Lines
ETC Field Services 24" & 16" Transfer Line
ETC Field Services >= 10" Steel
ETC Field Services Poly and Less Than 10" Lines
ETP New Mexico
Oasis & ET Fuels
Proposed MiVida to Arrowhead Loop
Proposed Gas Line
Proposed Brunson Extension (ROW Acquired)
TW Compressors
ETP Transwestern Interstate Pipeline
Lone Star Lines
Lone Star Proposed NGL
Comanche Trail Pipeline, LLC
Trans-Pecos Pipeline, LLC
Legend
Counties From Which Arrowhead Has Access to Processable Gas
ENERGY TRANSFER
RCook, DReese, RCrockett
Gas Supply\GIS
MXD16\Delaware Arrowhead Counties_01_26_17
N
0 5 10 15 20 Miles

TAB 08

Description of Qualified Property

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

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New Mexico
Oklahoma

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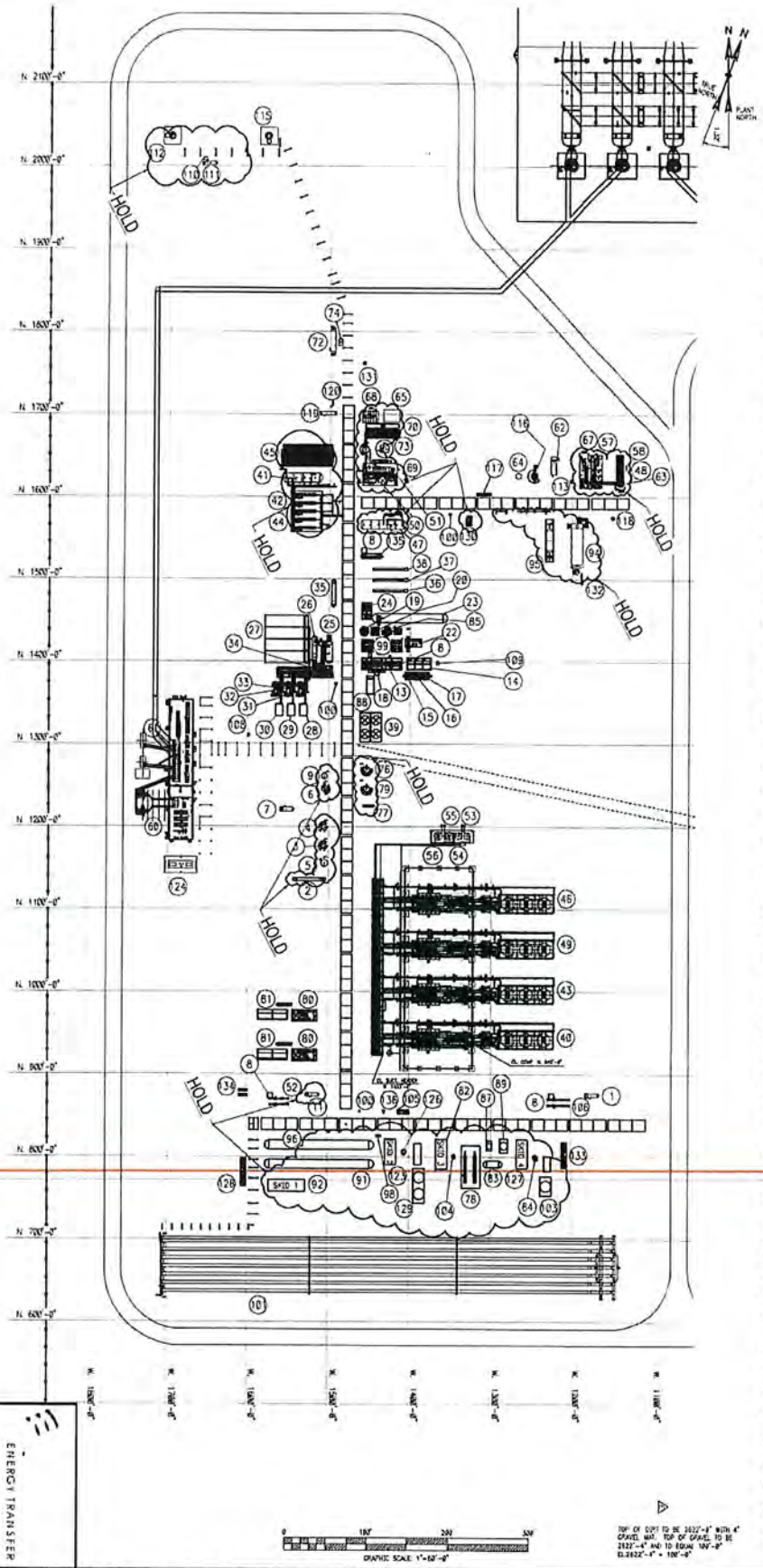

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2	E-1330-2	INLET GAS/GAS EXCHANGER
3	T-1103-2	INLET GAS AMINE CONTACTOR
4	T-1104-2	INLET GAS AMINE CONTACTOR
5	V-1106-2	AMINE AFTER SCRUBBER
6	T-1402-2	GLYCOL CONTACTOR
7	F-2472-2	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	-	GC BUILDING (4 TOTAL)
9	V-1401-2	GLYCOL AFTERSCRUBBER
11	F-2210-2	RESIDUE GAS FILTER/COALESCER
13	-	UPPER LEVEL INLET SKID #6
14	-	DEHY SWITCHING VALVE SKID #2
15	V-442-2	MOL SIEVE DEHYDRATOR
16	V-443-2	MOL SIEVE DEHYDRATOR
17	V-444-2	MOL SIEVE DEHYDRATOR
18	-	INLET FILTER SKID #1
19	V-402-2	COLD SEPARATOR
20	E-201-2	WARM GAS/GAS EXCHANGER
22	EC-101-2	EXPANDER/COMPRESSOR
23	V-404-2	PRODUCT SURGE TANK
24	-	PRODUCT PUMP SKID #5
25	E-203-2	CHILLER
26	V-463-2	REFRIGERANT ACCUMULATOR
27	A-361-2	REFRIGERANT CONDENSER
28	A-161-2	LUBE OIL COOLER
29	A-162-2	LUBE OIL COOLER
30	A-163-2	LUBE OIL COOLER
31	C-161-2	REFRIGERANT COMPRESSOR
32	C-162-2	REFRIGERANT COMPRESSOR
33	C-163-2	REFRIGERANT COMPRESSOR
34	-	REFRIGERATION SKID #7
35	V-403-2	COLD DRAIN TANK
36	P-1505A-2	NGL PIPELINE PUMP
37	P-1505B-2	NGL PIPELINE PUMP
38	P-1505C-2	NGL PIPELINE PUMP
39	A-301-2	EXPANDER COMPRESSOR AFTERCOOLER
40	CP-201-2	RESIDUE GAS COMPRESSOR
41	V-1119-2	AMINE SURGE TANK
42	P-1105A/B/C-2	AMINE SOLUTION PUMPS (GAS)
43	CP-202-2	RESIDUE GAS COMPRESSOR
44	P-1504A/B-2	AMINE SOLUTION PUMPS (NGL)
45	AC-1111A/B-2	AMINE SOLUTION COOLERS
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47	V-1105-2	AMINE FLASH TANK
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49	CP-203-2	RESIDUE GAS COMPRESSOR
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51	-	AMINE LEAN/RICH EXCHANGER SKID #2
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53	TK-3003-2	LUBE OIL TANK
54	TK-3002-2	WASTE LUBE OIL TANK
55	TK-3000-2	COOLANT STORAGE TANK
56	TK-3001-2	WASTE COOLANT STORAGE TANK
57	-	GLYCOL REGEN SKID #4B
58	AC-1411-2	GLYCOL COOLER
59	T-1114-2	AMINE REGEN STILL
60	-	LOW VOLTAGE MCC
61	-	MEDIUM VOLTAGE MCC
62	H-741-2	REGEN GAS HEATER
63	-	BTEX BLOWER PLATFORM #4C
64	V-1910-2	CO2 VENT SCRUBBER
65	-	SULFA GUARD
67	-	GLYCOL REGEN SKID #4A
68	-	REFLUX ACCUMULATOR/PUMP SKID #3
69	TK-1115-2	AMINE SUMP TANK
70	AC-1115-2	REFLUX CONDENSER
72	V-1810-2	FLARE KNOCKOUT DRUM
73	P-1850-2	ANTI-FOAM INJECTION PUMP
74	P-1820A/B-2	FLARE KNOCKOUT PUMP
76	T-1502-2	NGL AMINE CONTACTOR
77	F-1503-2	TREATED NGL COALESCER
78	-	PIPELINE PUMPS
79	T-1501-2	NGL AMINE CONTACTOR
80	C-3200A/B-2	STABILIZER OVERHEAD COMPRESSORS
81	AC-3200A/B-2	OVERHEAD COMPRESSOR AFTERCOOLERS
82	-	Y-GRADE SKID #3
83	-	STABILIZED NGL SURGE TANK
84	-	SAYBOLT STABLIZER TOWER
85	T-501-2	DEMETHANIZER
87	-	Y-GRADE BOTTOMS COOLER
88	A-341-2	REGEN GAS COOLER
89	-	STABLIZED NGL COOLER
91	V-1601-2	L.P. FLASH DRUM
92	-	CONDENSATE FEED SKID #1
94	H-1706-2	STABILIZER HMO HEATER
95	-	STABILIZER HMO PUMP SKID #5
96	V-2530-2	CONDENSATE REPUN TANK
98	P-2550-2	RE-RUN PUMP
99	-	PROCESS SKID #3 & #4
99	V-4015A/B/C-2	INSTRUMENT AIR SURGE TANK
101	V-100-2	SLUG CATCHER
103	-	SAYBOLT OVHD CONDENSER
104	-	Y-GRADE STABILIZER TOWER
105	FE-1601-2	LP FLASH DRUM LIQUIDS METER SKID
106	FE-1161A/B-2	INLET METER
108	TK-730-2	REFRIGERATION SUMP TANK
109	TK-750-2	CRYO SUMP TANK
110	P-1942-2	ACID GAS FLARE K.O. PUMP
111	V-1941-2	ACID GAS FLARE K.O. DRUM
112	FL-1940-2	ACID GAS FLARE
113	TK-2424-2	GLYCOL SUMP TANK
115	FL-1800-2	FLARE
116	TO-1900-2	THERMAL OXIDIZER
117	-	THERMAL OXIDIZER CONTROL RACK
118	TK-2870-2	OPEN DRAIN SUMP TANK
119	V-2810-2	CLOSED DRAIN DRUM
120	P-2820-2	CLOSED DRAIN OIL PUMP
121	-	RVP STABLIZER SKID #2
124	C-4000-2	INSTRUMENT AIR COMPRESSOR
125	-	RVP STABLIZER TOWER
127	-	SAYBOLT STABLIZER SKID #4
128	FE-1000-2	SLUG CATCHER LIQUID METER SKID
129	-	RVP OVERHEAD CONDENSER
130	V-1600-2	WET FUEL GAS SCRUBBER SKID #6
131	TK-2850-2	OPEN DRAIN SUMP
132	-	SKID #7 HMO FG TRAIN
133	FE-1502-2	Y-GRADE METER SKID
134	FE-2211A-2	BUY BACK METER SKID
135	FE-1501-2	NGL PRODUCT METER
136	TK-2830-2	OPEN DRAIN SUMP TANK

TOP OF CURB TO BE 2632'-8" WITH 4" GRAVEL MAT. TOP OF GRAVEL TO BE 2632'-4" AND TO EQUAL 100'-0" EL.2632'-8" = 100'-0"

REV	DESCRIPTION	BY	DATE	DWN'D	APP'D
G	ISSUED FOR INFORMATION (REV. SLUGCATCHER, VRU, ACID GAS FLARE)	BWS	1/12/18	CW	PAH
F	ISSUED FOR INFORMATION (REVISED STABLIZER AREA)	BWS	12/13/17	CW	PAH
E	ISSUED FOR INFORMATION (REVISED GRADE NOTE)	BWS	11/21/17	CW	PAH
D	ISSUED FOR INFORMATION (ADDED HOLD NOTE)	BWS	11/8/17	CW	PAH
C	ISSUED FOR INFORMATION	BWS	11/7/17	CW	PAH
B	ISSUED FOR REVIEW	BWS	11/2/17	CW	PAH

DRAWN BY: BWS 11/2/17
CHECKED: CW 11/2/17
APPROVED: PAH 11/2/17
SCALE: 1"=50'-0"
SIZE: 1
DRAWING NO: 55070001-0000-1003
REV: G

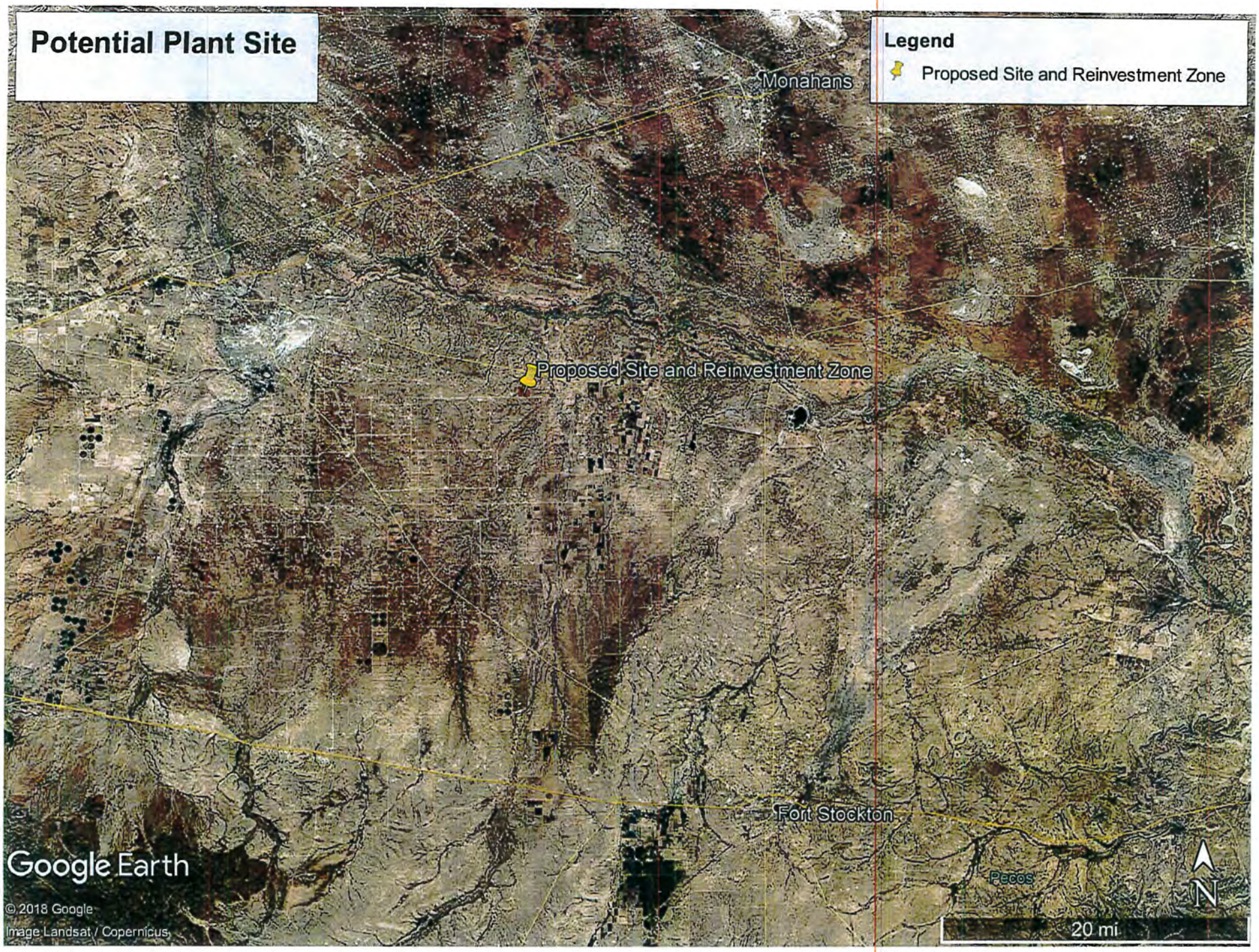
ENERGY TRANSFER

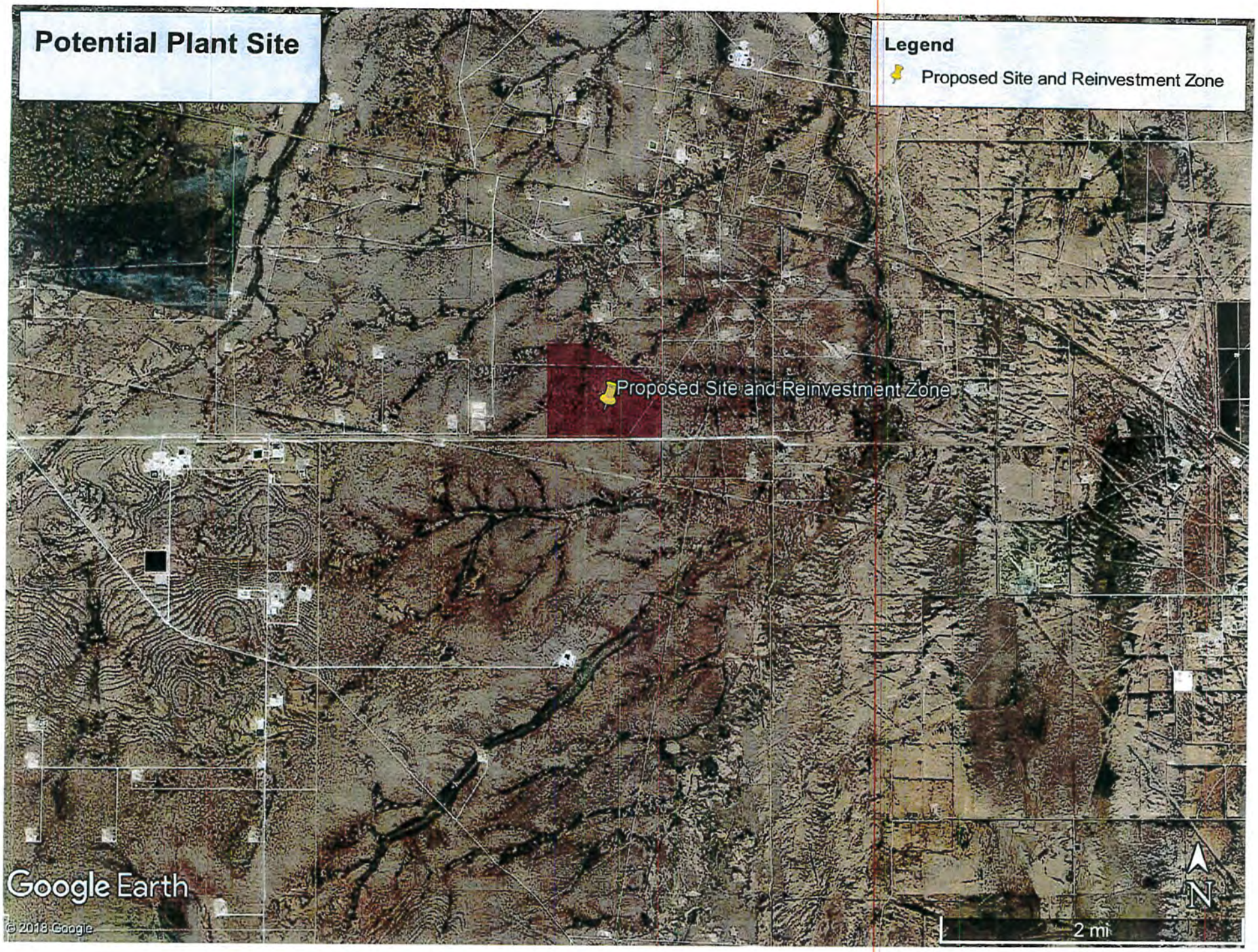
ENERGY TRANSFER
ARROWHEAD II CRYO PLANT
COHANSEY TEXAS

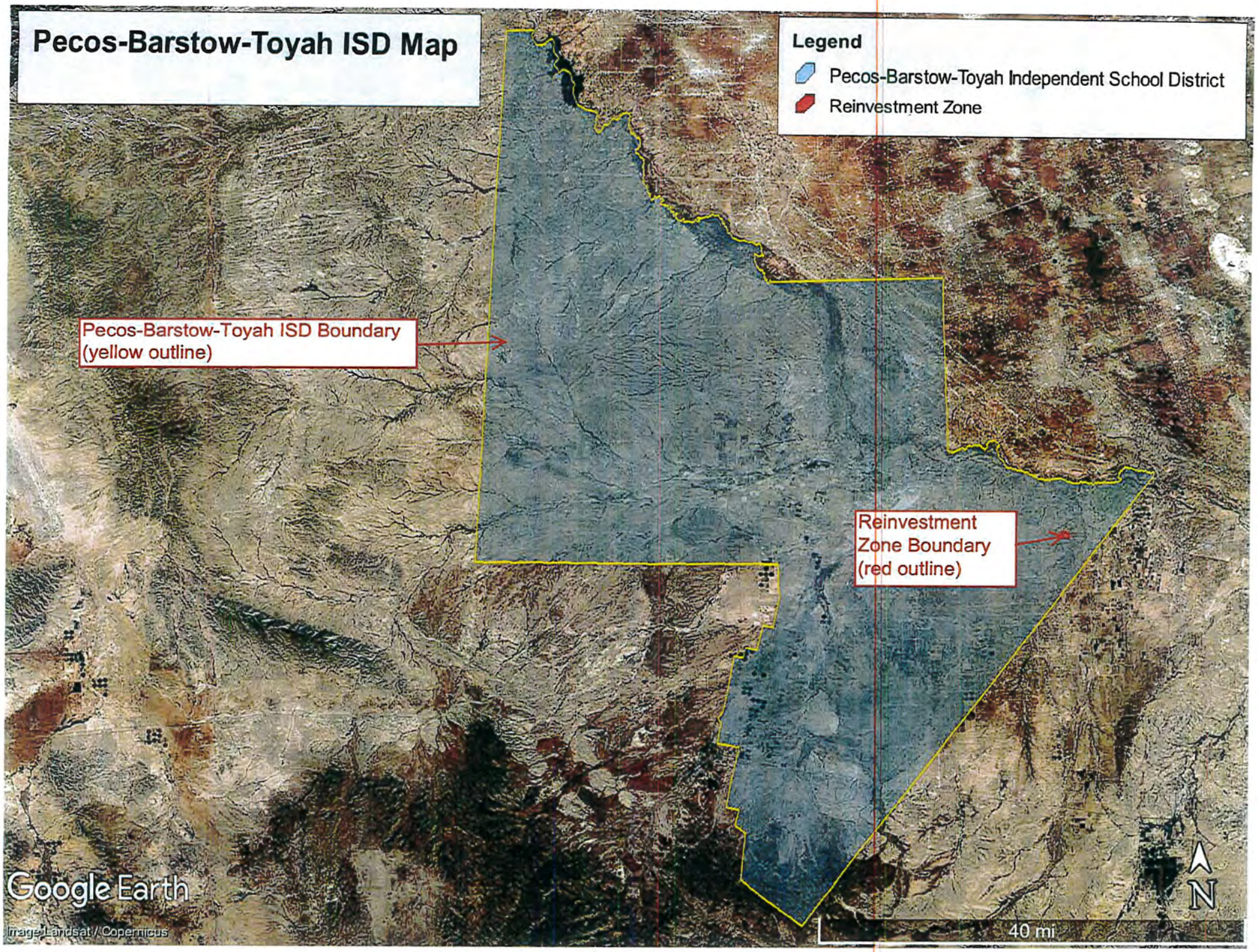
PROCESS AREA PLOT PLAN

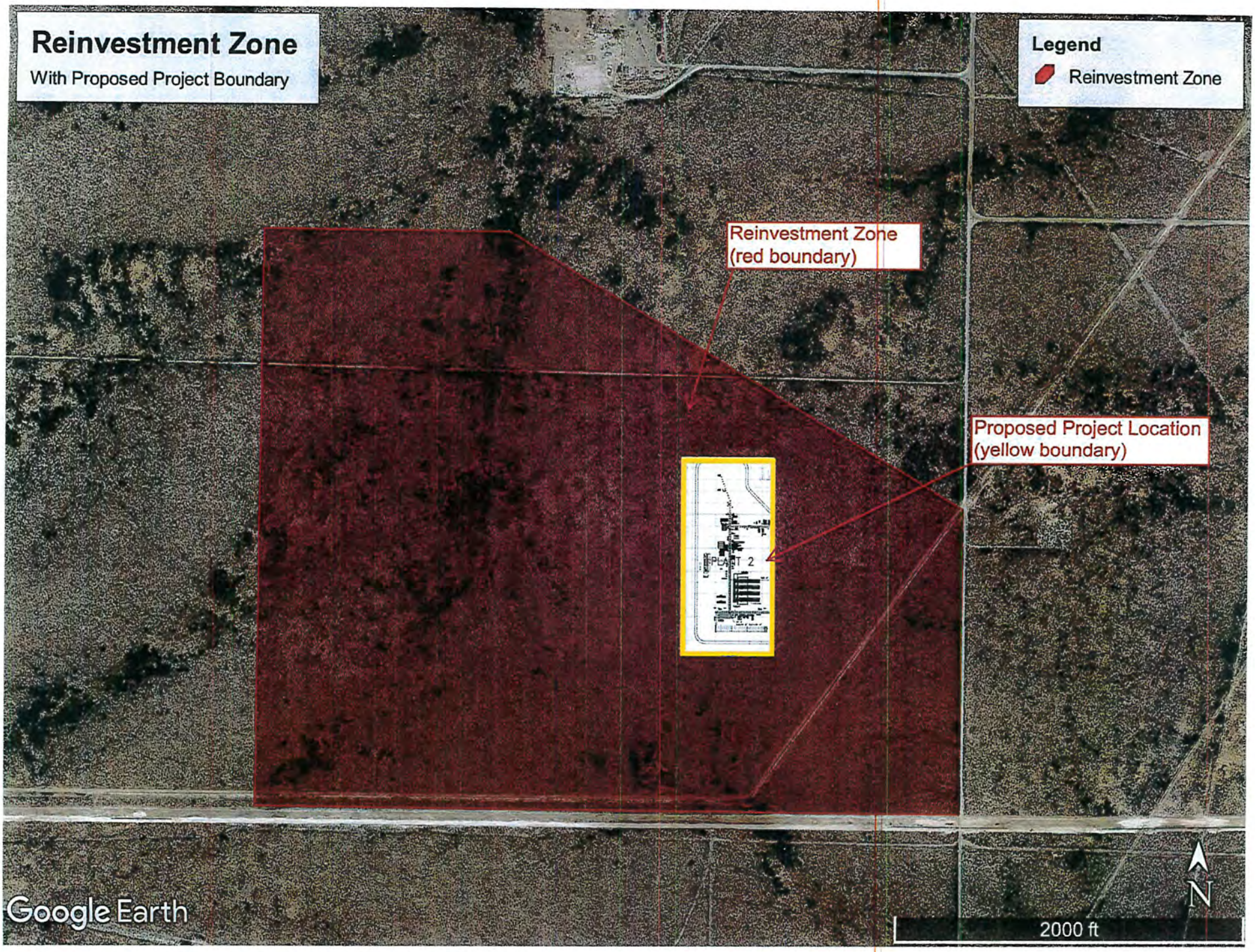
MATRIX PDM ENGINEERING

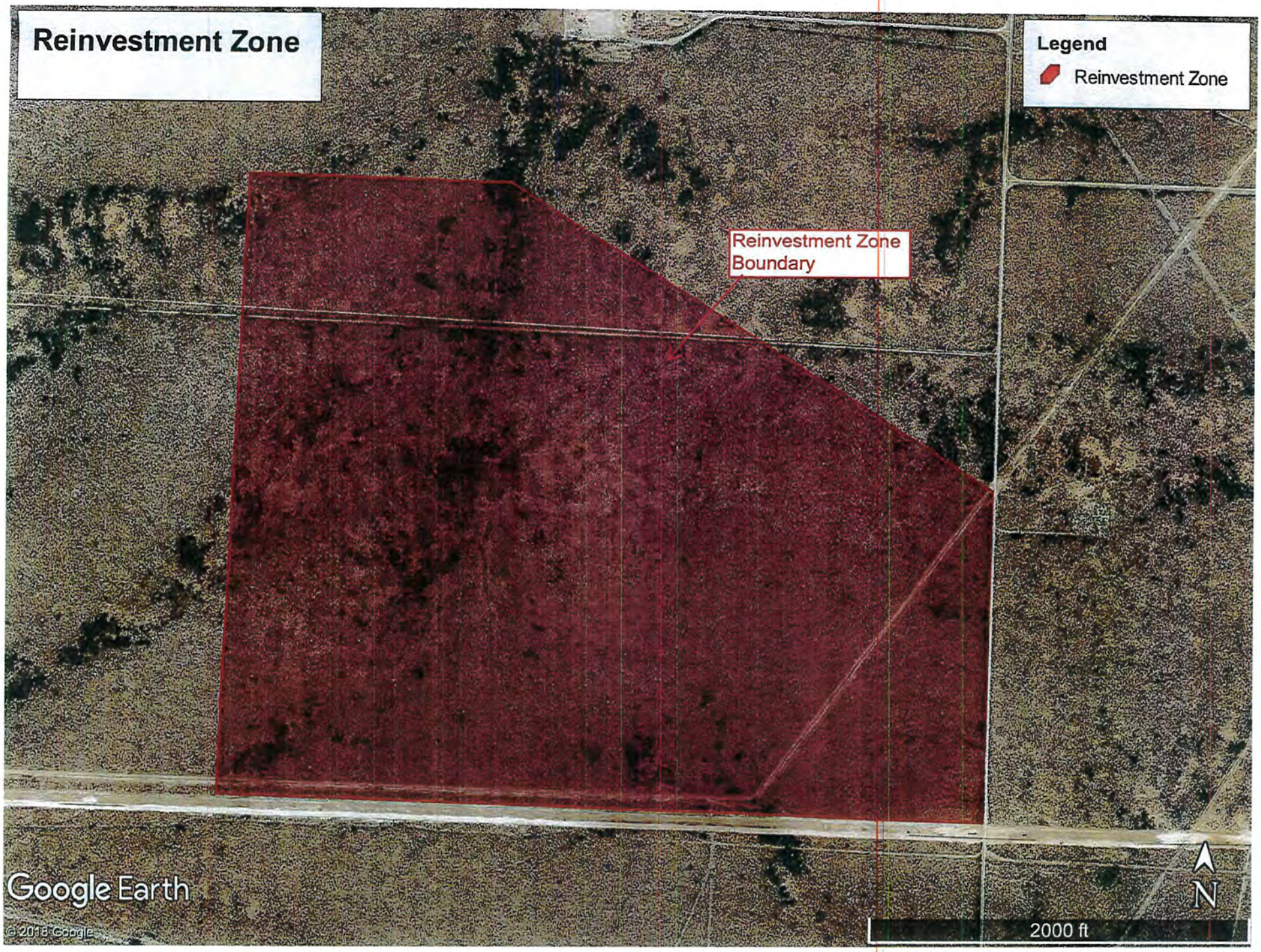
CONFIDENTIALITY STATEMENT

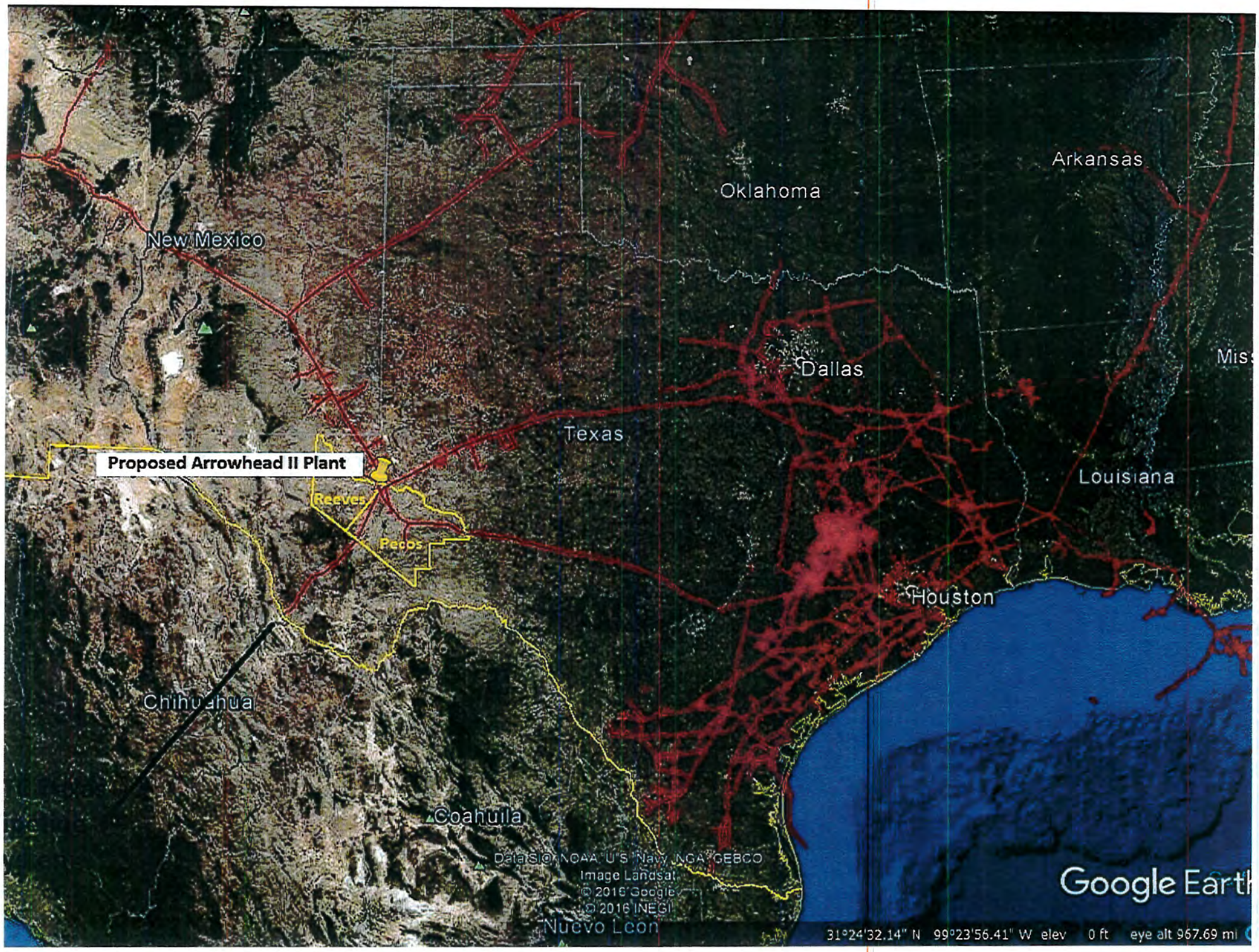

Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Monahans
Proposed Site and Reinvestment Zone
Fort Stockton
Pecos
Google Earth
©2018 Google
Image Landsat / Copernicus
20 mi
N


Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Proposed Site and Reinvestment Zone
Google Earth
© 2018 Google
2 mi
N


Pecos-Barstow-Toyah ISD Map
Legend
Pecos-Barstow-Toyah Independent School District
Reinvestment Zone
Pecos-Barstow-Toyah ISD Boundary
(yellow outline)
Reinvestment
Zone Boundary
(red outline)
Google Earth
Image Landsat / Copernicus
40 mi
N


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft


Reinvestment Zone
Legend
Reinvestment Zone
Reinvestment Zone Boundary
Google Earth
© 2018 Google
2000 ft
N


Arkansas
Oklahoma
New Mexico
Dallas
Texas
Proposed Arrowhead II Plant
Reeves
Pecos
Louisiana
Houston
Chihuahua
Coahuila
Nuevo Leon
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat
© 2016 Google
© 2016 INEGI
Google Earth
31°24'32.14" N 99°23'56.41" W elev 0 ft eye alt 967.69 mi

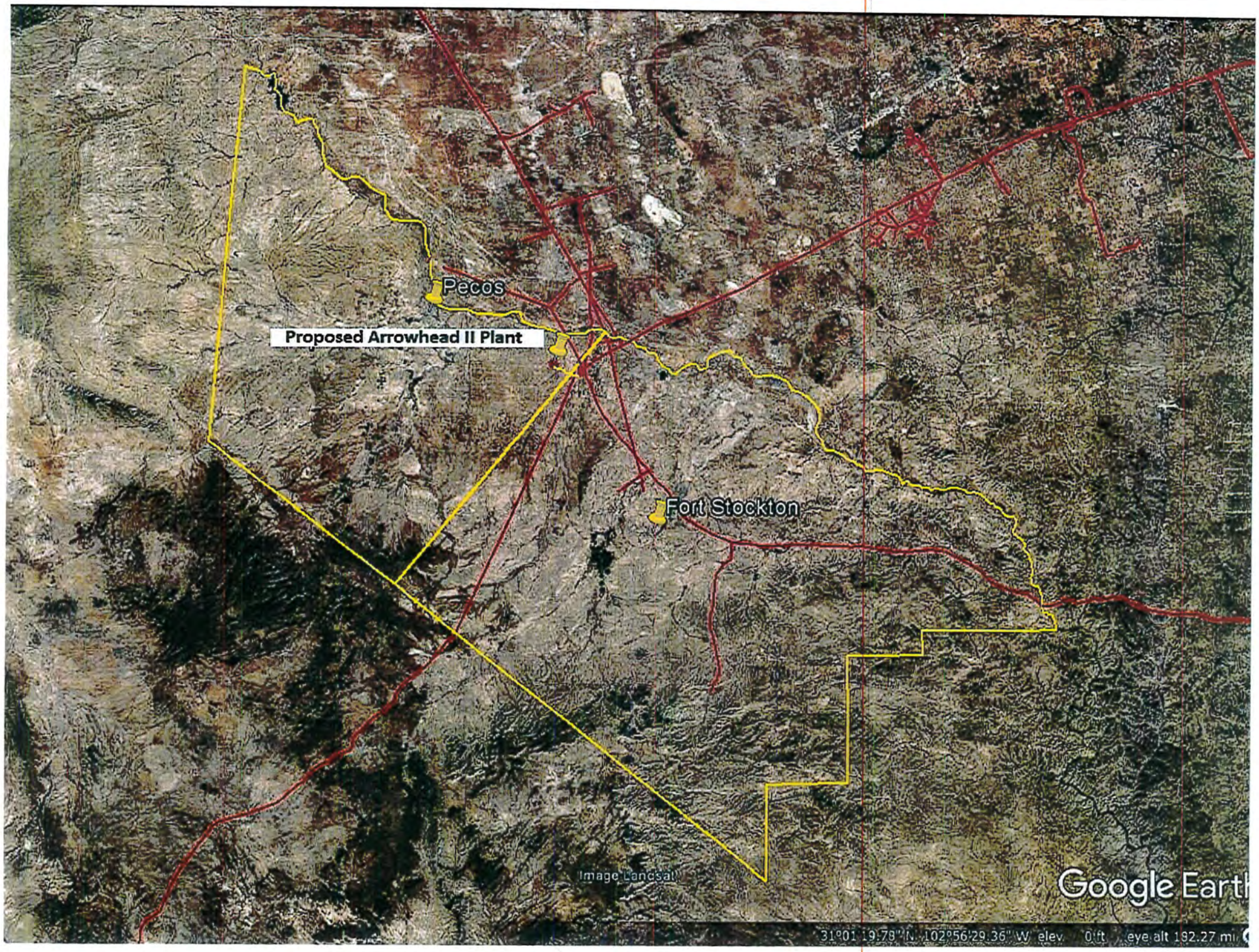
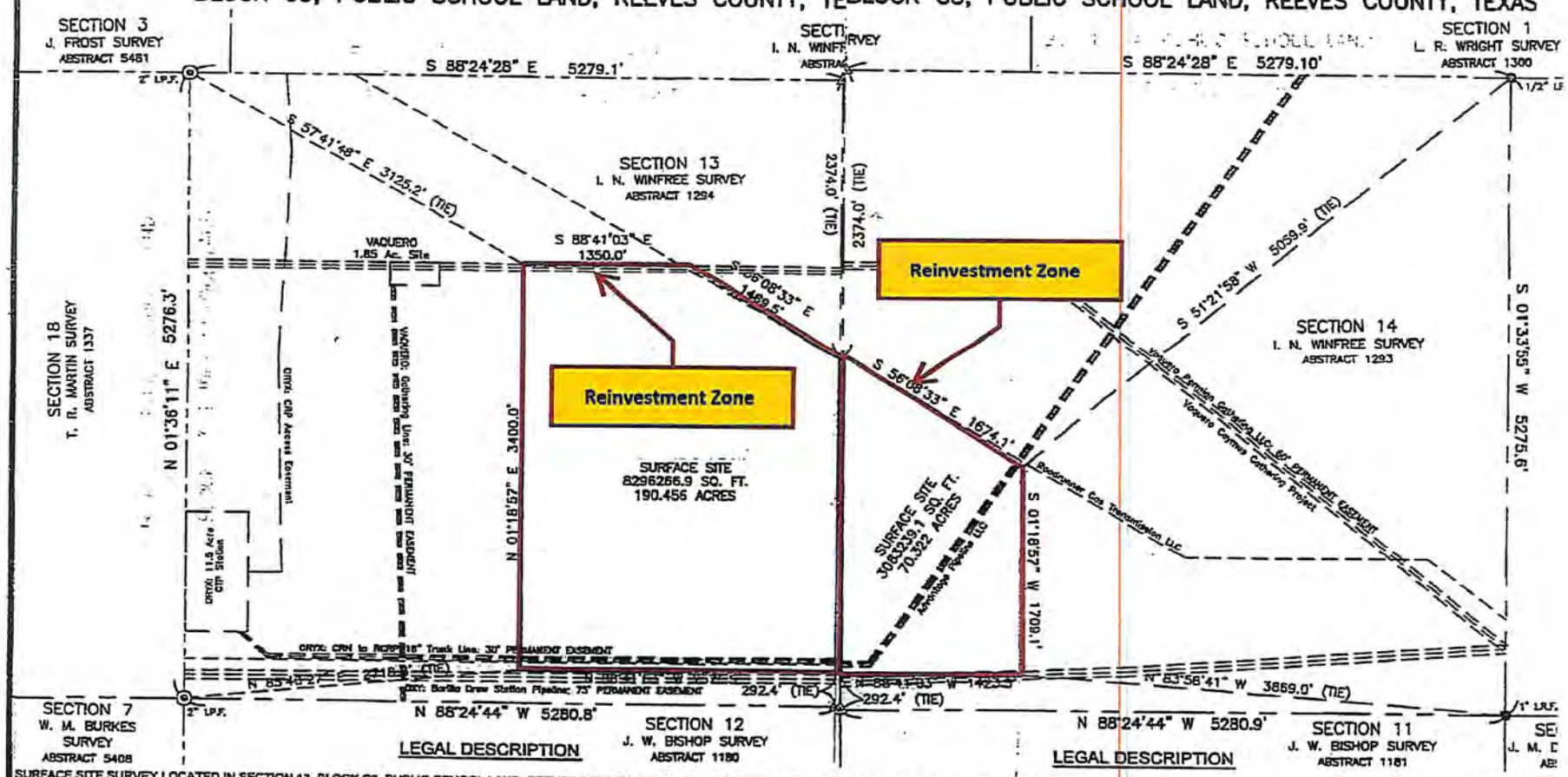

Pecos
Proposed Arrowhead II Plant
Fort Stockton
Image Landsat
Google Earth
31°01'19.78" N 102°56'29.36" W elev 0 ft eye alt 182.27 mi

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA
FOLLOWS.

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E
OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.5 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS N
DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13; THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 F
CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF SI
88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE; THENCE SOUTH 56° 08' 33" EAST, A D
THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG T
13, A DISTANCE OF 2374.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2609.6 FEET TO THE POINT OF BEGINNING, A
SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND O
HEREON WERE LOCATED BY VISUAL INSPECTIO

LEGAL DESCRIPTION

CATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

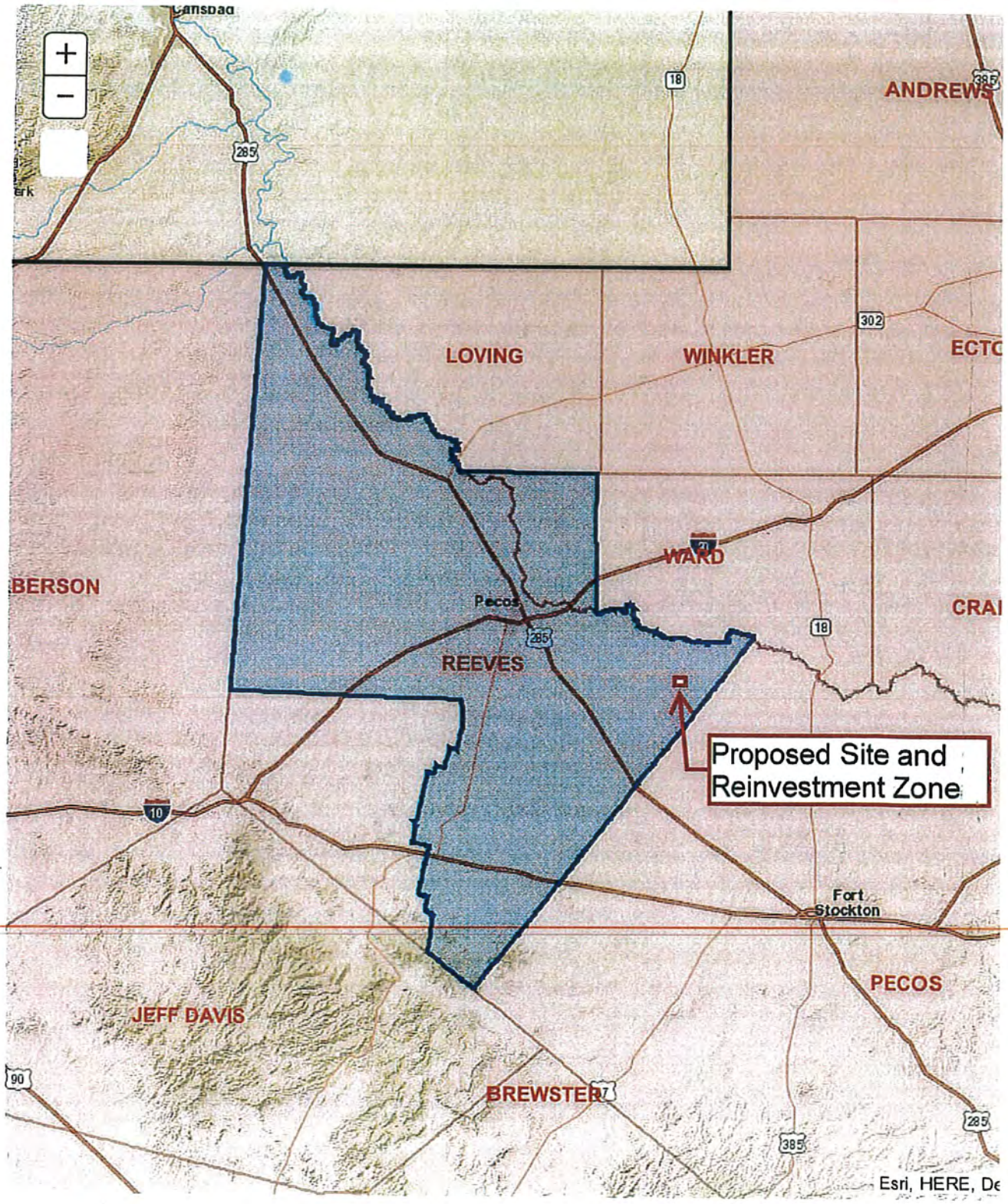
WEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG
E OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

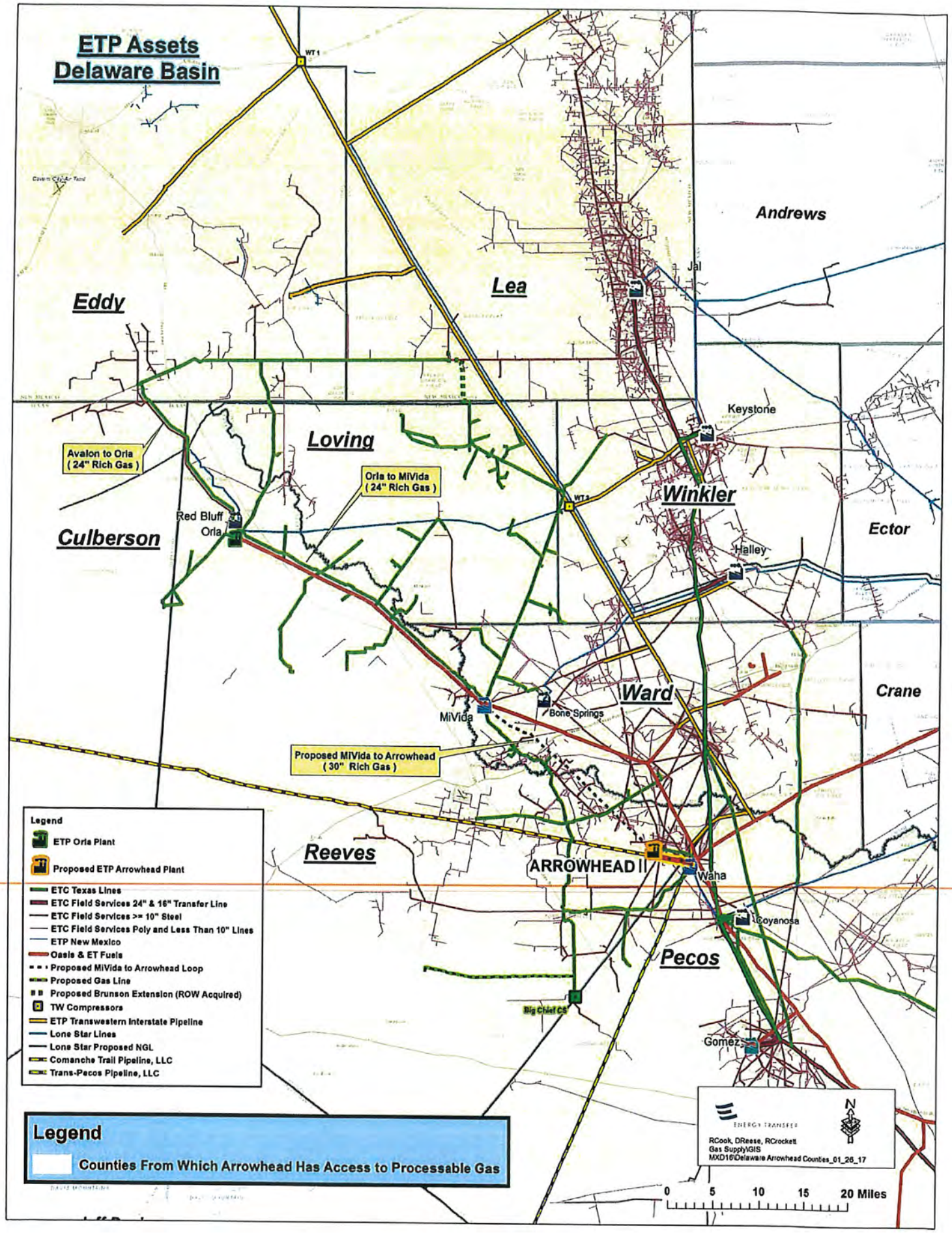
EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SUR
35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF S
EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" 1
FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SC
SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3869.0 FEET FROM THE SOUTHEAST CORNER OF SECTIO

WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR
HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

Texas School District Loca




ETP Assets
Delaware Basin
Eddy
Lea
Andrews
Loving
Culberson
Winkler
Ector
Ward
Crane
Reeves
Pecos
Jal
Keystone
Halley
Red Bluff
Orla
MiVida
Bone Springs
ARROWHEAD II
Waha
Coyanosa
Gomez
Big Chief CS
WT 1
WT 3
Avalon to Orla
(24" Rich Gas)
Orla to MiVida
(24" Rich Gas)
Proposed MiVida to Arrowhead
(30" Rich Gas)
Legend
ETP Orla Plant
Proposed ETP Arrowhead Plant
ETC Texas Lines
ETC Field Services 24" & 16" Transfer Line
ETC Field Services >= 10" Steel
ETC Field Services Poly and Less Than 10" Lines
ETP New Mexico
Oasis & ET Fuels
Proposed MiVida to Arrowhead Loop
Proposed Gas Line
Proposed Brunson Extension (ROW Acquired)
TW Compressors
ETP Transwestern Interstate Pipeline
Lone Star Lines
Lone Star Proposed NGL
Comanche Trail Pipeline, LLC
Trans-Pecos Pipeline, LLC
Legend
Counties From Which Arrowhead Has Access to Processable Gas
ENERGY TRANSFER
RCook, DReese, RCrockett
Gas Supply\GIS
MXD16\Delaware Arrowhead Counties_01_26_17
N
0 5 10 15 20 Miles

TAB 09

Description of Land

Reeves CAD Property Search

Property ID: R000011828 For Year 2018

Property Details

Account	
Property ID:	R000011828
Legal Description:	Acres 379.220, Blk C-3, Tract 13, AB 1294 BLK C-3 SEC 13PSL
Geographic ID:	01150-00140-00000-000000
Agent Code:	
Type:	Real
Location	
Address:	
Map ID:	
Neighborhood CD:	R11828
Owner	
Owner ID:	GMNI20170329092733080
Name:	WOLF BONE RANCH PARTNERS LLC
Mailing Address:	110 W LOUISIANA ST STE 500 MIDLAND, TX 79701-3414
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value:	N\A
Improvement Non-Homesite Value:	N\A
Land Homesite Value:	N\A
Land Non-Homesite Value:	N\A
Agricultural Market Valuation:	N\A
Market Value:	N\A
Ag Use Value:	N\A
Appraised Value:	N\A
Cap Loss:	N\A
Assessed Value:	N\A

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
00	REEVES CO APPR DIST	N\A	N\A	N\A	N\A	N\A
01	REEVES COUNTY	N\A	N\A	N\A	N\A	N\A
15	RCGWCD	N\A	N\A	N\A	N\A	N\A
30	P-B-T I.S.D	N\A	N\A	N\A	N\A	N\A
65	REEVES CO HOSP DIST	N\A	N\A	N\A	N\A	N\A

Total Tax Rate: N\A **Estimated Taxes With Exemptions:** N\A **Estimated Taxes Without Exemptions:** N\A

Property Improvement - Building

Property Land

Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
RG4		379.22	16,518,823.00	0.00	0.00	N\A	N\A

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	Cap Loss	Assessed
2018	N\A	N\A	N\A	N\A	N\A	N\A
2017	$0	$17,070	$1,140	$17,070	$0	$1,140
2016	$0	$28,800	$1,920	$28,800	$0	$1,920
2015	$0	$28,800	$1,920	$28,800	$0	$1,920
2014	$0	$28,800	$1,920	$28,800	$0	$1,920
2013	$0	$28,800	$1,920	$28,800	$0	$1,920
2012	$0	$28,800	$1,920	$28,800	$0	$1,920
2011	$0	$28,800	$1,840	$28,800	$0	$1,840

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/22/2010			LA ESCALERA LTD PARTNERSHIP	WOLF BONE RANCH PARTNERS LLC	861	583	SWD #4945
12/22/2010			LA ESCALERA LTD PARTNERSHIP	WOLF BONE RANCH PARTNERS LLC	861	583	SWD #4945
4/30/1998	1		LA ESCALERA LTD PARTNERSHIP	RAPE J M DR ESTATE	587	790	

Estimated Tax Due

NOTE: Indicated amount due may not reflect delinquent tax due beyond a 5 year history. Partial payments or contract payments may not be reflected. Quarterly payments according to Section 31.031 of the Texas Property Tax Code are not considered delinquent. For the most current tax due amount please contact the Appraisal District.

If Paid: 2/2/2018

$ Other Payment Options (https://certifiedpayments.net/Index.aspx?BureauCode=8165914)

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount/Penalty & Interest	Attorney Fees	Amount Due
2017	RCGWCD	$1,140	$0.09	$0.09	$0.00	$0.00	$0.00	$0.00
2017	P-B-T I.S.D	$1,140	$10.78	$10.78	$0.00	$0.00	$0.00	$0.00
2017	REEVES CO HOSP DIST	$1,140	$2.74	$2.74	$0.00	$0.00	$0.00	$0.00
	2017 Total:		$13.61	$13.61	$0.00	$0.00	$0.00	$0.00
2016	RCGWCD	$1,920	$0.16	$0.16	$0.00	$0.00	$0.00	$0.00
2016	P-B-T I.S.D	$1,920	$21.33	$21.33	$0.00	$0.00	$0.00	$0.00
2016	REEVES CO HOSP DIST	$1,920	$5.18	$5.18	$0.00	$0.00	$0.00	$0.00
	2016 Total:		$26.67	$26.67	$0.00	$0.00	$0.00	$0.00
2015	P-B-T I.S.D	$1,920	$21.02	$21.02	$0.00	$0.00	$0.00	$0.00
2015	REEVES CO HOSP DIST	$1,920	$4.12	$4.12	$0.00	$0.00	$0.00	$0.00
	2015 Total:		$25.14	$25.14	$0.00	$0.00	$0.00	$0.00
2014	P-B-T I.S.D	$1,920	$20.85	$20.85	$0.00	$0.00	$0.00	$0.00
2014	REEVES CO HOSP DIST	$1,920	$4.39	$4.39	$0.00	$0.00	$0.00	$0.00
	2014 Total:		$25.24	$25.24	$0.00	$0.00	$0.00	$0.00
2013	P-B-T I.S.D	$1,920	$21.85	$21.85	$0.00	$0.00	$0.00	$0.00
2013	REEVES CO HOSP DIST	$1,920	$6.73	$6.73	$0.00	$0.00	$0.00	$0.00
	2013 Total:		$28.58	$28.58	$0.00	$0.00	$0.00	$0.00
2012	P-B-T I.S.D	$1,920	$22.16	$22.16	$0.00	$0.00	$0.00	$0.00
2012	REEVES CO HOSP DIST	$1,920	$6.73	$6.73	$0.00	$0.00	$0.00	$0.00
	2012 Total:		$28.89	$28.89	$0.00	$0.00	$0.00	$0.00
2011	P-B-T I.S.D	$1,840	$22.67	$22.67	$0.00	$0.00	$0.00	$0.00
2011	REEVES CO HOSP DIST	$1,840	$9.16	$9.16	$0.00	$0.00	$0.00	$0.00
	2011 Total:		$31.83	$31.83	$0.00	$0.00	$0.00	$0.00

DISCLAIMER

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Reeves CAD Property Search

Property ID: R000011829 For Year 2018

Property Details

Account	
Property ID:	R000011829
Legal Description:	Acres 379.220, Blk C-3, Tract 14, AB 1293 BLK C-3 SEC 14PSL
Geographic ID:	01150-00150-00000-000000
Agent Code:	
Type:	Real
Location	
Address:	
Map ID:	
Neighborhood CD:	R11829
Owner	
Owner ID:	GMNI20170329092733080
Name:	WOLF BONE RANCH PARTNERS LLC
Mailing Address:	110 W LOUISIANA ST STE 500 MIDLAND, TX 79701-3414
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

Property Values

Improvement Homesite Value:	N/A
Improvement Non-Homesite Value:	N/A
Land Homesite Value:	N/A
Land Non-Homesite Value:	N/A
Agricultural Market Valuation:	N/A
Market Value:	N/A
Ag Use Value:	N/A
Appraised Value:	N/A
Cap Loss:	N/A
Assessed Value:	N/A

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
00	REEVES CO APPR DIST	N\A	N\A	N\A	N\A	N\A
01	REEVES COUNTY	N\A	N\A	N\A	N\A	N\A
15	RCGWCD	N\A	N\A	N\A	N\A	N\A
30	P-B-T I.S.D	N\A	N\A	N\A	N\A	N\A
65	REEVES CO HOSP DIST	N\A	N\A	N\A	N\A	N\A

Total Tax Rate: N\A **Estimated Taxes With Exemptions:** N\A **Estimated Taxes Without Exemptions:** N\A

Property Improvement - Building

Property Land

Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
RG4		379.22	16,518,823.00	0.00	0.00	N\A	N\A

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	Cap Loss	Assessed
2018	N\A	N\A	N\A	N\A	N\A	N\A
2017	$0	$17,070	$1,140	$17,070	$0	$1,140
2016	$0	$28,800	$1,920	$28,800	$0	$1,920
2015	$0	$28,800	$1,920	$28,800	$0	$1,920
2014	$0	$28,800	$1,920	$28,800	$0	$1,920
2013	$0	$28,800	$1,920	$28,800	$0	$1,920
2012	$0	$28,800	$1,920	$28,800	$0	$1,920
2011	$0	$28,800	$1,840	$28,800	$0	$1,840

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
12/22/2010			LA ESCALERA LTD PARTNERSHIP	WOLF BONE RANCH PARTNERS LLC	861	583	SWD #4945
12/22/2010			LA ESCALERA LTD PARTNERSHIP	WOLF BONE RANCH PARTNERS LLC	861	583	SWD #4945
4/30/1998	1		LA ESCALERA LTD PARTNERSHIP	RAPE J M DR ESTATE	587	790	

Estimated Tax Due

NOTE: Indicated amount due may not reflect delinquent tax due beyond a 5 year history. Partial payments or contract payments may not be reflected. Quarterly payments according to Section 31.031 of the Texas Property Tax Code are not considered delinquent. For the most current tax due amount please contact the Appraisal District.

If Paid: 2/2/2018

$ Other Payment Options (https://certifiedpayments.net/Index.aspx?BureauCode=8165914)

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount/Penalty & Interest	Attorney Fees	Amount Due
2017	RCGWCD	$1,140	$0.09	$0.09	$0.00	$0.00	$0.00	$0.00
2017	P-B-T I.S.D	$1,140	$10.78	$10.78	$0.00	$0.00	$0.00	$0.00
2017	REEVES CO HOSP DIST	$1,140	$2.74	$2.74	$0.00	$0.00	$0.00	$0.00
	2017 Total:		$13.61	$13.61	$0.00	$0.00	$0.00	$0.00
2016	RCGWCD	$1,920	$0.16	$0.16	$0.00	$0.00	$0.00	$0.00
2016	P-B-T I.S.D	$1,920	$21.33	$21.33	$0.00	$0.00	$0.00	$0.00
2016	REEVES CO HOSP DIST	$1,920	$5.18	$5.18	$0.00	$0.00	$0.00	$0.00
	2016 Total:		$26.67	$26.67	$0.00	$0.00	$0.00	$0.00
2015	P-B-T I.S.D	$1,920	$21.02	$21.02	$0.00	$0.00	$0.00	$0.00
2015	REEVES CO HOSP DIST	$1,920	$4.12	$4.12	$0.00	$0.00	$0.00	$0.00
	2015 Total:		$25.14	$25.14	$0.00	$0.00	$0.00	$0.00
2014	P-B-T I.S.D	$1,920	$20.85	$20.85	$0.00	$0.00	$0.00	$0.00
2014	REEVES CO HOSP DIST	$1,920	$4.39	$4.39	$0.00	$0.00	$0.00	$0.00
	2014 Total:		$25.24	$25.24	$0.00	$0.00	$0.00	$0.00
2013	P-B-T I.S.D	$1,920	$21.85	$21.85	$0.00	$0.00	$0.00	$0.00
2013	REEVES CO HOSP DIST	$1,920	$6.73	$6.73	$0.00	$0.00	$0.00	$0.00
	2013 Total:		$28.58	$28.58	$0.00	$0.00	$0.00	$0.00
2012	P-B-T I.S.D	$1,920	$22.16	$22.16	$0.00	$0.00	$0.00	$0.00
2012	REEVES CO HOSP DIST	$1,920	$6.73	$6.73	$0.00	$0.00	$0.00	$0.00
	2012 Total:		$28.89	$28.89	$0.00	$0.00	$0.00	$0.00
2011	P-B-T I.S.D	$1,840	$22.67	$22.67	$0.00	$0.00	$0.00	$0.00
2011	REEVES CO HOSP DIST	$1,840	$9.16	$9.16	$0.00	$0.00	$0.00	$0.00
	2011 Total:		$31.83	$31.83	$0.00	$0.00	$0.00	$0.00

DISCLAIMER

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

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

SPECIAL WARRANTY DEED

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

THAT, WOLF BONE RANCH PARTNERS LLC, (herein referred to as "Grantor"), whose address is 110 W. Louisiana, Suite 500, Midland, Texas 79701, for and in consideration of the sum of Ten and no/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to ETC TEXAS PIPELINE, LTD (herein referred to as "Grantee"), whose address is 1300 Main, Houston, Texas 77002, the following described property:

The surface estate only of 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit "A" attached hereto (the "Land") and made a part hereof by reference for all purposes, together with all of the rights, privileges and appurtenances related thereto (all of said property and interest being collectively referred to herein as the "Property");

Subject, however, to the exceptions to title (the "Permitted Exceptions") more particularly set forth in Exhibit "B" attached hereto and fully made a part hereof by reference for all purposes, and to the other qualifications described in this deed (the "Qualifications").

1. Qualifications. This conveyance is made and accepted subject to the following Qualifications:

a. Exceptions. Grantee assumes the obligations of Grantor under the Permitted Exceptions but only to the extent that they are still in effect and shown of record in Reeves County, Texas on the date hereof.

b. Easements. Visible and apparent, but unrecorded easements, if any.

c. Laws and Regulations. Application of all laws and regulations affecting the Property after the delivery of this deed, including environmental laws and municipal and governmental ordinances and regulations, relating to the Property.

d. Taxes. The liens for all governmental assessments, standby fees and ad valorem taxes for the year 2015; subsequent assessments for that and prior years due to the sale evidenced by this deed or by change in land usage by Grantee after the delivery of this deed; the payment of which is hereby assumed by Grantee.

e. Reserved Interests. For Grantor and Grantor's heirs, successors, and assigns, all rights, title and interest in all oil, gas and other minerals in, on and under the Property that are owned by Grantor and that may be produced from the Property, all of which are hereby reserved to Grantor. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

The term "oil, gas and other minerals," as used herein, shall mean oil, gas, casinghead gas, and all other liquid or gaseous hydrocarbons, and any constituent elements or byproducts thereof, and all geothermal sources, helium, uranium, and other fissionable minerals and materials, coal, lignite, iron, silver, gold, vanadium, molybdenum, and other materials and ores, whether or not such minerals are or may be mined or extracted by methods which result in material damage to or destruction of the surface estate and shall include all working and royalty interests and any associated royalties, all easements and rights owned or held by any lessee or mineral owner on, over, or across the Property for the purposes of producing or transporting any of said oil, gas and other minerals thereon and there from.

There is also reserved from this Special Warranty Deed all rights of ingress and egress, either express or implied, across any lands GRANTOR may own, whether contiguous to the Land or otherwise, unless expressly granted by separate easement document. GRANTOR agrees to grant a renewable term easement across its lands, including the Land, to GRANTEE on GRANTOR'S standard road easement form, and for the consideration as set out in the most recently published Rate and Damage Schedule of the University of Texas System, University Lands.

Grantor hereby expressly reserves all retained rights of the Grantor concerning those certain agreements further described on Exhibit "C" attached hereto, including but not limited to the right to renew and extend the estates created thereby and receive payment for any such renewal and extension..

f. As Is, Where, Is. Grantee accepts the Property in its **"AS IS", "WHERE IS"** condition with all faults. Grantee agrees that Grantor shall not be liable for any latent or patent defects in the Property. Grantee acknowledges that neither Grantor nor any of the employees, agents or attorneys of Grantor ("Grantor Exculpated Parties") has made any verbal or written representations or warranties whatsoever to Grantee, whether express, implied, statutory, or by operation of law, and in particular, that no such representations and warranties have been made with respect to the physical or environmental condition or operation of the Property, environmental, and other laws, regulations and rules applicable to the Property, or the compliance of the Property therewith, other matter or thing affecting or relating to the Property or the transactions contemplated hereby. GRANTEE HEREBY WAIVES, RELINQUISHES, AND RELEASES GRANTOR AND GRANTOR'S EXCULPATED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION [INCLUDING, WITHOUT LIMITATION, CAUSES OF ACTION IN TORT, LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS)] OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT GRANTEE MIGHT HAVE ASSERTED OR ALLEGED AGAINST GRANTOR AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT DEFECTS OR PHYSICAL CONDITIONS

(INCLUDING, WITHOUT LIMITATION, ADVERSE ENVIRONMENTAL CONDITIONS), VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY.

g. This Special Warranty Deed is expressly made subject to that certain Caliche Use Agreement dated October 21, 2015 between Grantor and Grantee. Said Caliche Use Agreement confers additional burdens on the Lands and Property. Copies of such Agreement are held at the offices of both Grantor and Grantee.

TO HAVE AND TO HOLD the above-described Property, subject to the Permitted Exceptions and Qualifications, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns FOREVER, and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto the said Grantee, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise.

IN WITNESS WHEREOF, the parties herein named have hereunto set their hands and seal to be effective this 16th day of October, 2015.

----------Signature and Acknowledgement Page to Follow----------

GRANTOR:
Wolf Bone Ranch Partners LLC

By: _____
Name: Benjamin A. Strickling, III
Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was executed before me on the 21st day of October, 2015, by Benjamin A. Strickling, III, the President of Wolf Bone Ranch Partners LLC.

Jordan Davis
Notary Public,
State of Texas
Expires: 06/10/2019

_____
Notary for the State of Texas

My commission Expires: _____

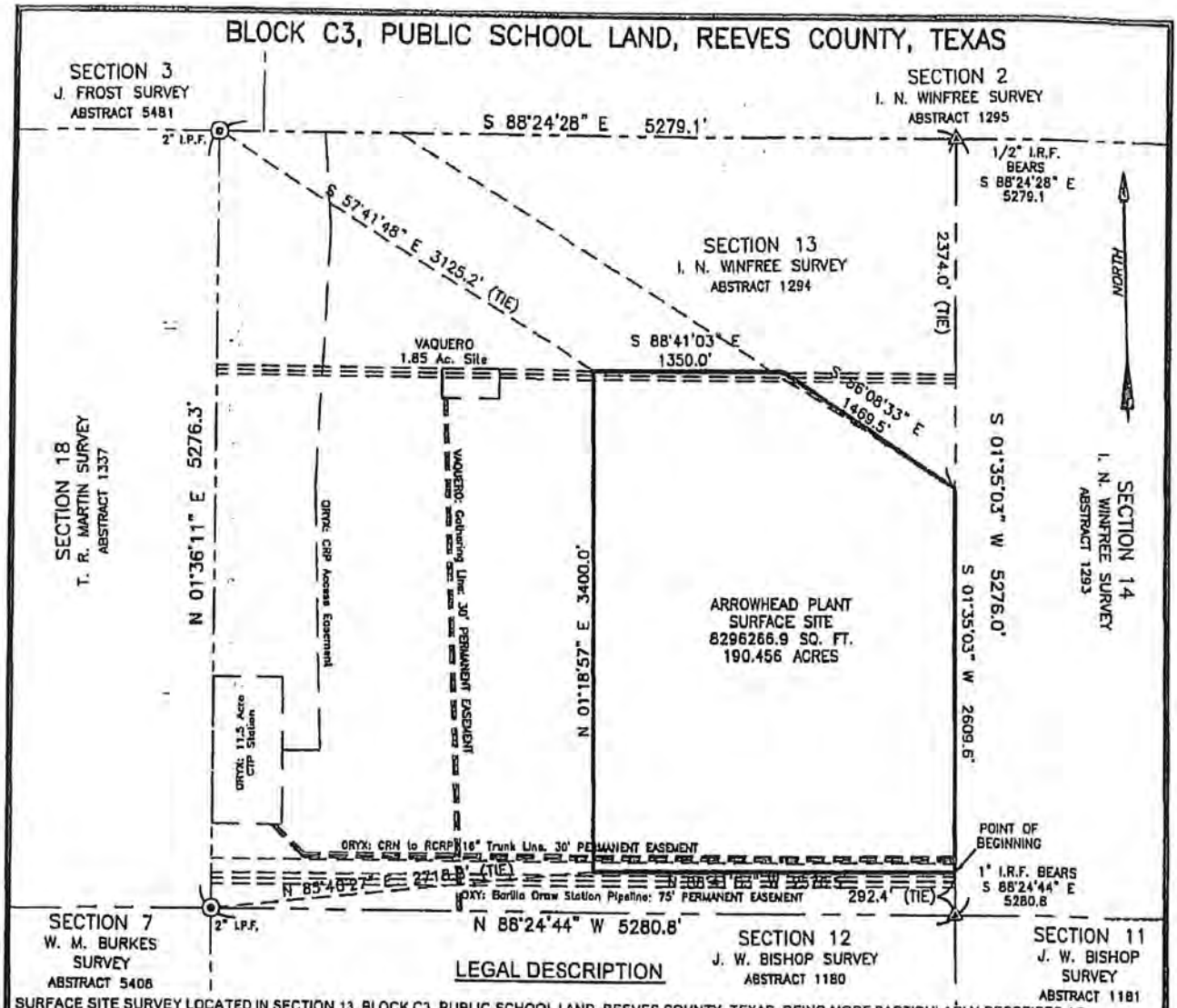
Signature and acknowledgment page to that certain Special Warranty Deed, dated effective October 16, 2015, between Wolf Bone Ranch Partners LLC and ETC Pipeline, LTD.

EXHIBIT "A"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

This is a two page exhibit consisting of a survey plat and metes and bounds description of the 260.778 acre tract.

EXHIBIT "A"



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 292 4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13,

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.6 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS NORTH 85° 40' 27" EAST, A DISTANCE OF 2718 8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13, THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 FEET, TO NORTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125 2 FEET, FROM THE NORTHWEST CORNER OF SECTION 13, THENCE SOUTH 88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 56° 08' 33" EAST, A DISTANCE OF 1469.5 FEET, TO THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2374 0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13,

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2609.6 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES SHOWN HEREON WERE LOCATED BY VISUAL INSPECTION ONLY. NO MECHANICAL NOR ELECTRONIC METHODS WERE USED. OTHER UNDERGROUND OR SURFACE OBSTRUCTIONS MAY EXIST.

Bearings and Coordinates conform to the Texas State Plane Coordinate System, Central Zone (4203), NAD83, Derived from OPUS Solution. Distances and Stationing are horizontal (GRID) values in U.S. Survey Feet. To obtain surface values multiply distances by a factor of 1.00022613

SURVEYED ON THE GROUND, 13 AUGUST 2015

ROBERT W. JOHNSTON, TEXAS RPLS No 5579
DRJ SURVEYING LLC P O BOX 591 THORNDALE TX 76577

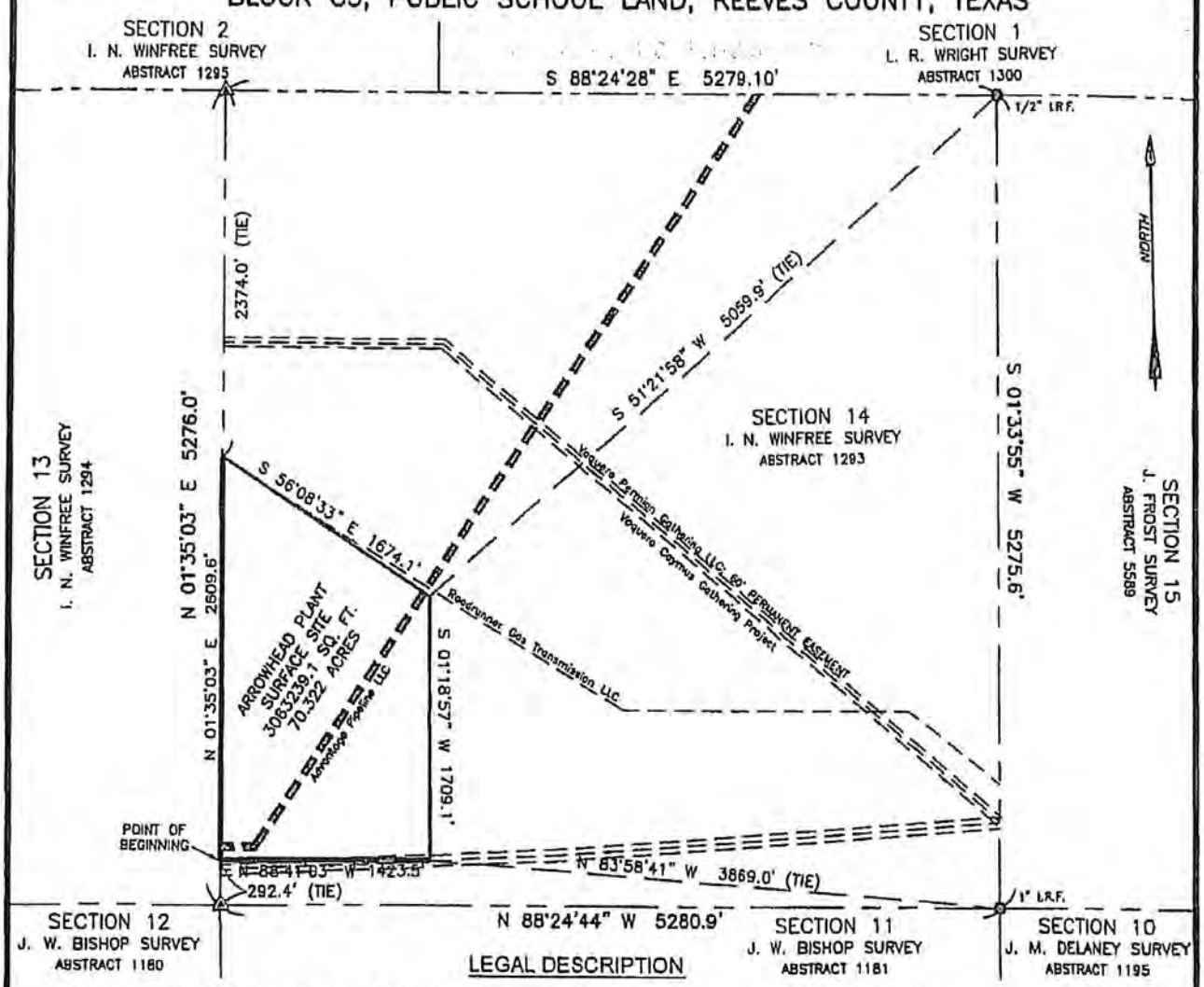
STATE OF TEXAS REGISTERED ROBERT W. JOHNSTON 5579 PROFESSIONAL LAND SURVEYOR

BTJ SERVICES
BTJ Services, LLC
505 Sioux Trail
Leander, TX 78641
1-855-667-3816

ENERGY TRANSFER	
ARROWHEAD PLANT SITE	
SURFACE SITE SURVEY SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND REEVES COUNTY, TEXAS	
SCALE: 1" = 1000'	AFE: 100000001137
DRAFTED BY: WLJ	DATE: 19 AUGUST 2015
SHEET: 1 OF 2	QUAD: LIGON RANCH, TEXAS
W.O.-NO.: 15-308	FILE: 120-2015-84

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

BEGINNING AT THE SOUTHWEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG THE EAST LINE OF SECTION 14, A DISTANCE OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14,

THENCE NORTH 01° 35' 03" EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SURFACE SITE WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF SECTION 14, **THENCE** SOUTH 56° 08' 33" EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" WEST, A DISTANCE OF 5059.9 FEET FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SOUTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3869.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 14

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY,

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATURES SHOWN HEREON WERE LOCATED BY VISUAL INSPECTION ONLY. NO MECHANICAL NOR ELECTRONIC METHODS WERE USED. OTHER UNDERGROUND OR SURFACE OBSTRUCTIONS MAY EXIST.

Bearings and Coordinates conform to the Texas State Plane Coordinate System, Central Zone (4203), NAD83, Derived from OPUS Solution. Distances and Stationing are horizontal (GRID) values in U.S. Survey Feet. To obtain surface values multiply distances by a factor of 1.00022613

SURVEYED ON THE GROUND, 13 AUGUST 2015

ROBERT W. JOHNSTON, TEXAS RPLS No. 5579
DRJ SURVEYING LLC P O BOX 501, THORNDALE TX 76577

STATE OF TEXAS REGISTERED ROBERT W. JOHNSTON 5579 PROFESSIONAL LAND SURVEYOR

BTJ SERVICES
BTJ Services, LLC
505 Sioux Trail
Leander, TX 78641
1-855-667-3816

ENERGY TRANSFER	
ARROWHEAD PLANT SITE	
SURFACE SITE SURVEY SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND REEVES COUNTY, TEXAS	
SCALE: 1" = 1000'	AFE: 100000001137
DRAFTED BY: WLJ	DATE: 19 AUGUST 2015
SHEET: 2 OF 2	QUAD: LIGON RANCH, TEXAS
W.O. NO.: 15-308	FILE: 120-2015-84

EXHIBIT "B"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

PERMITTED EXCEPTIONS

Any lease, grant, exception or reservation of minerals or mineral rights associated with the Property.

Any portion of the Property lying within the boundaries of dedicated or existing pipeline easements and roadways or any other visible easements.

Rights of parties in possession.

All matters reflected of record in Reeves County, Texas, affecting the Property.

EXHIBIT "C"

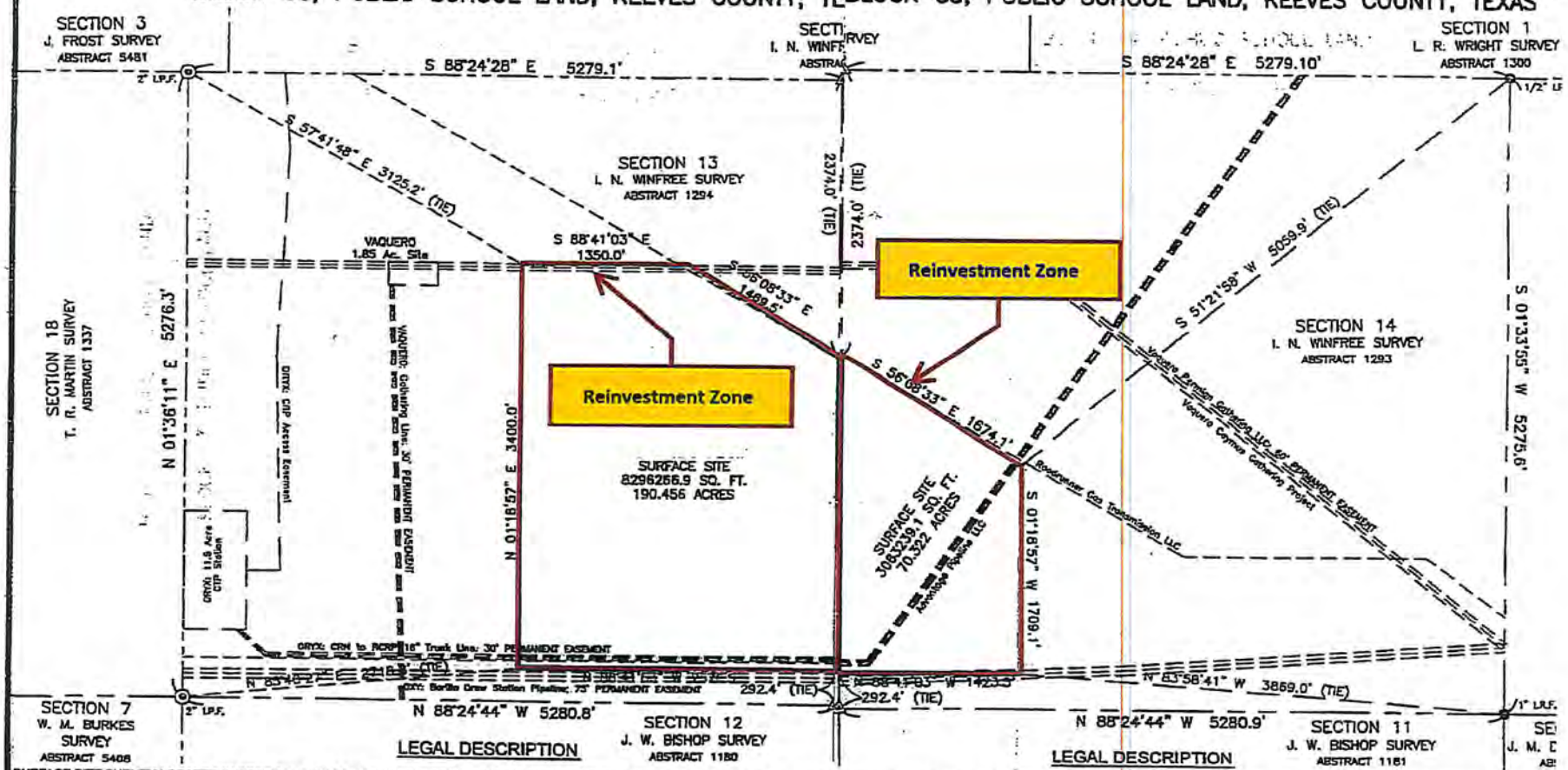
Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

1. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Advantage Pipeline, LLC dated February 13, 2013, recorded Volume 987, Page 606, Official Public Records of Real Property, Reeves County, Texas.
2. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Roadrunner Gas Transmission, LLC dated August 18, 2015, recorded Volume 1192, Page 573, Official Public Records of Real Property, Reeves County, Texas.
3. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 321, Official Public Records of Real Property, Reeves County, Texas.
4. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 333, Official Public Records of Real Property, Reeves County, Texas.
5. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oxy Permian Gathering, LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.
6. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oryx Southern Delaware Oil Gathering and Transport LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA
FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E
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SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND O
HEREON WERE LOCATED BY VISUAL INSPECTIO

LEGAL DESCRIPTION

CATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

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CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR
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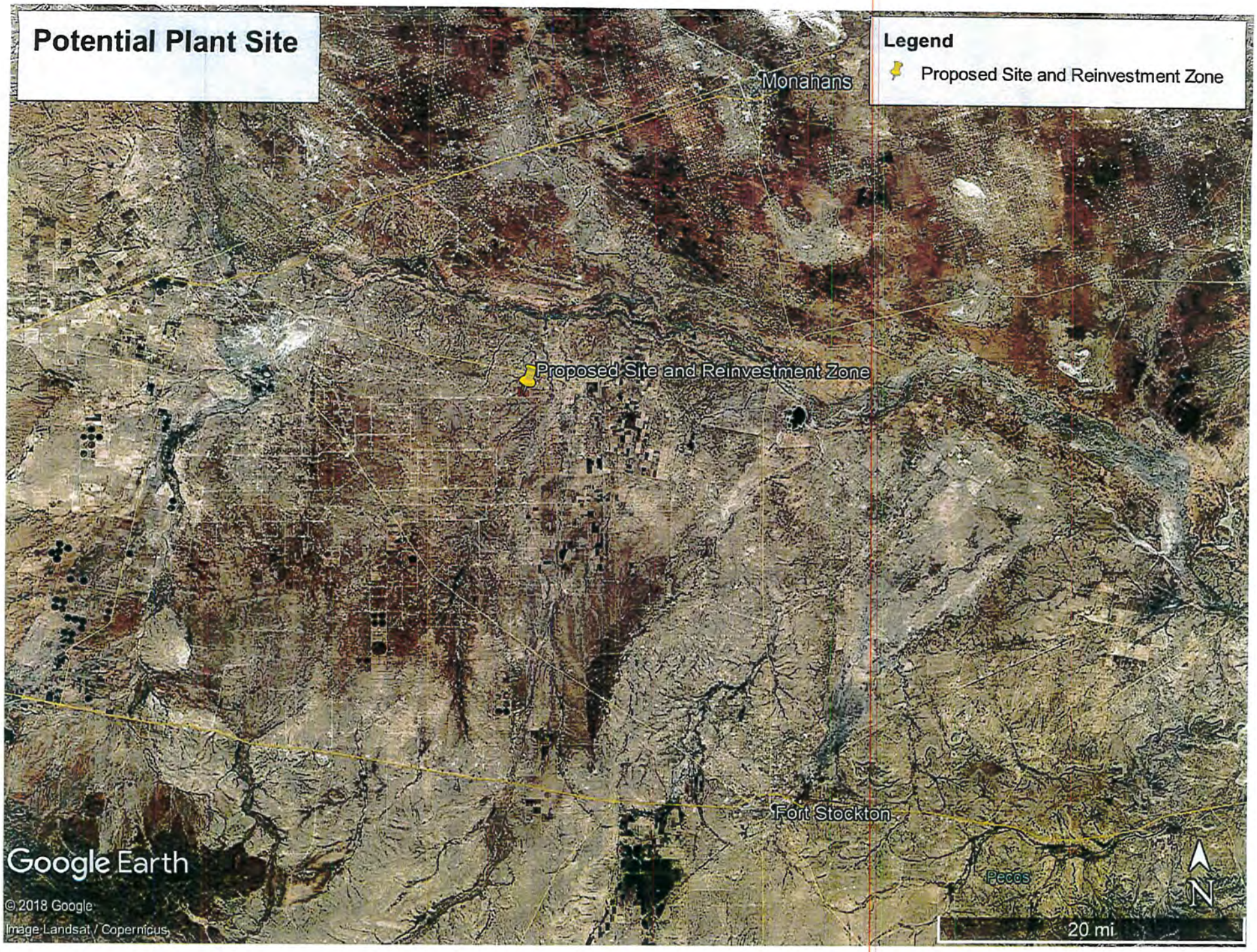
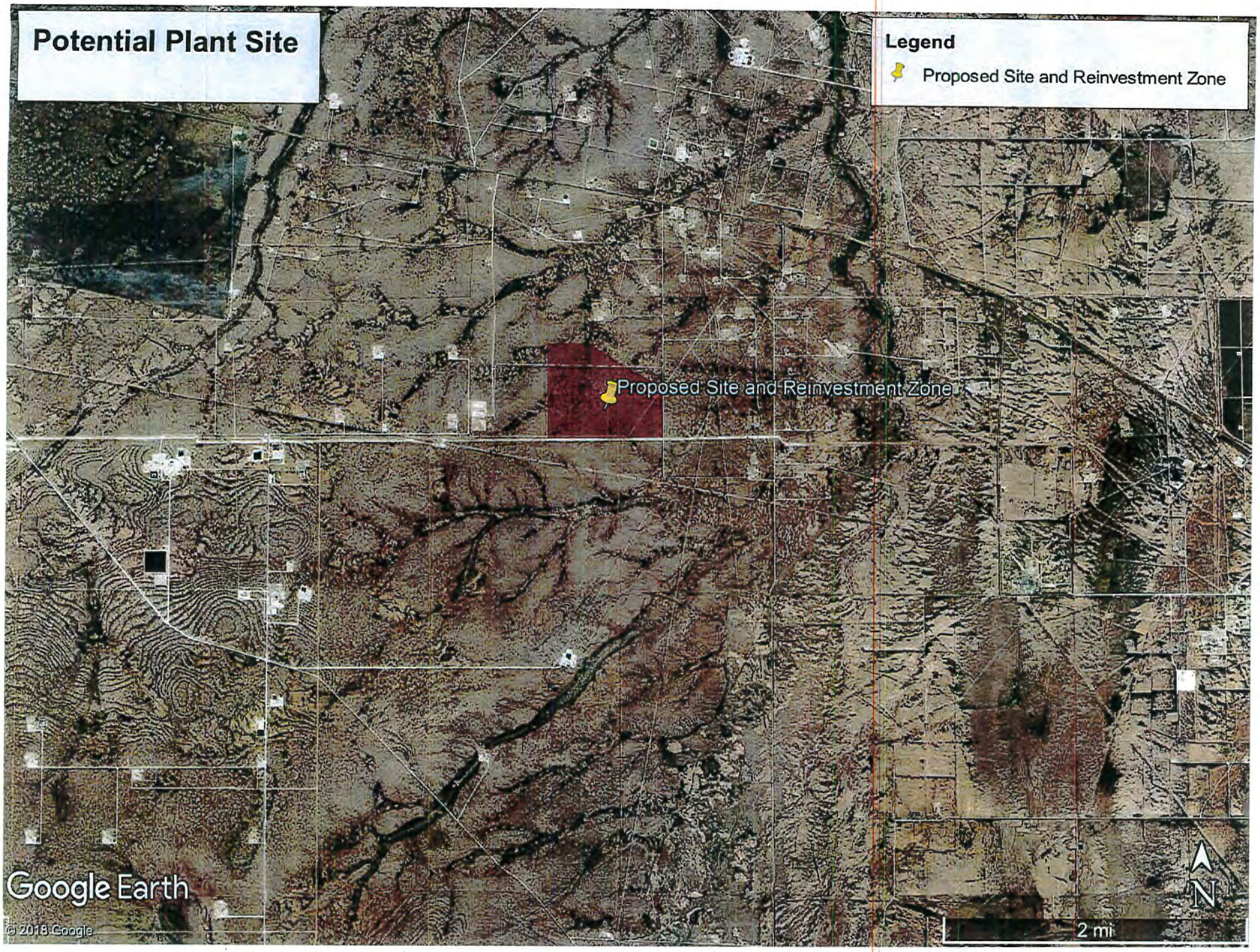

Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Monahans
Proposed Site and Reinvestment Zone
Fort Stockton
Pecos
Google Earth
© 2018 Google
Image Landsat / Copernicus
20 mi
N


Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Proposed Site and Reinvestment Zone
Google Earth
© 2018 Google
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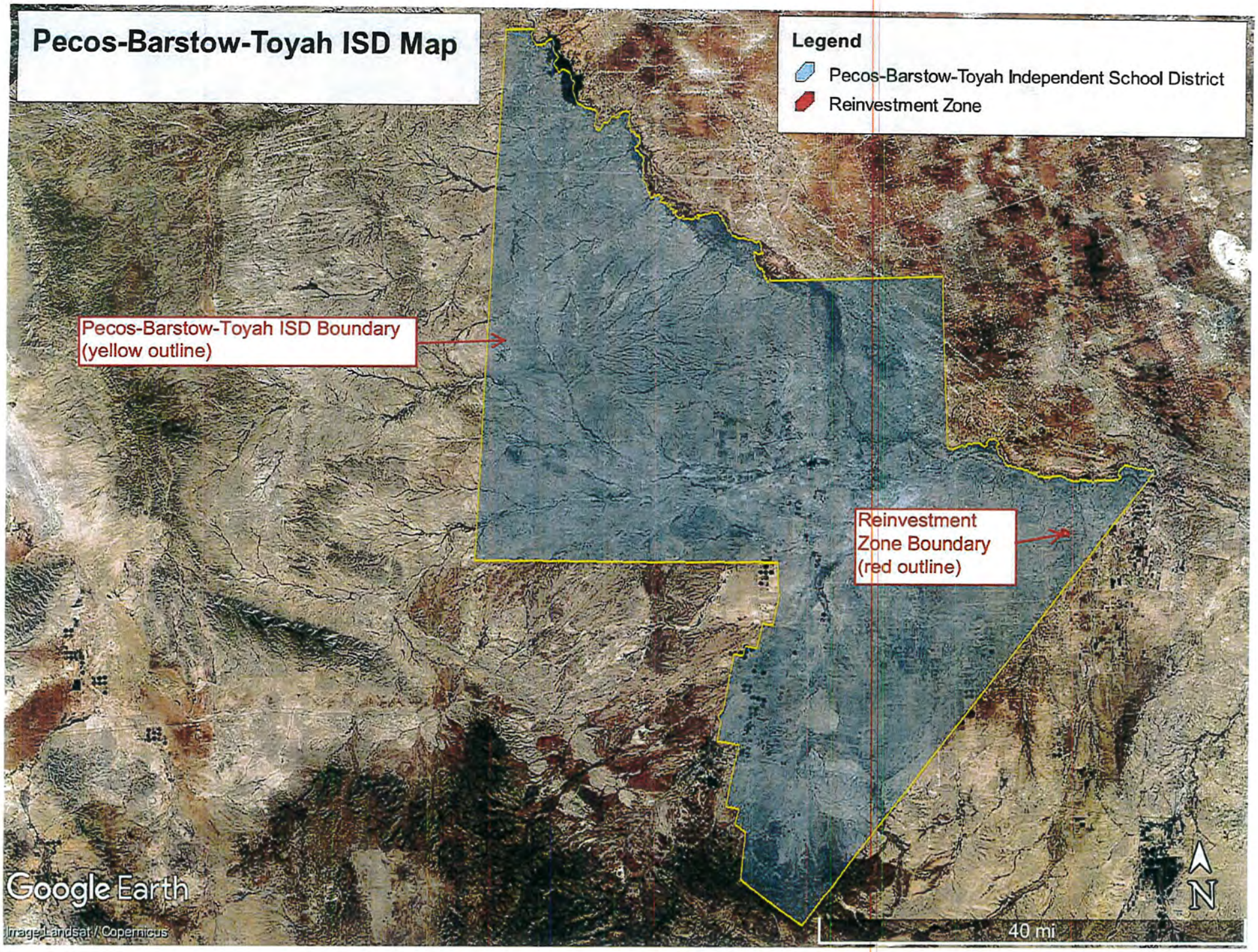
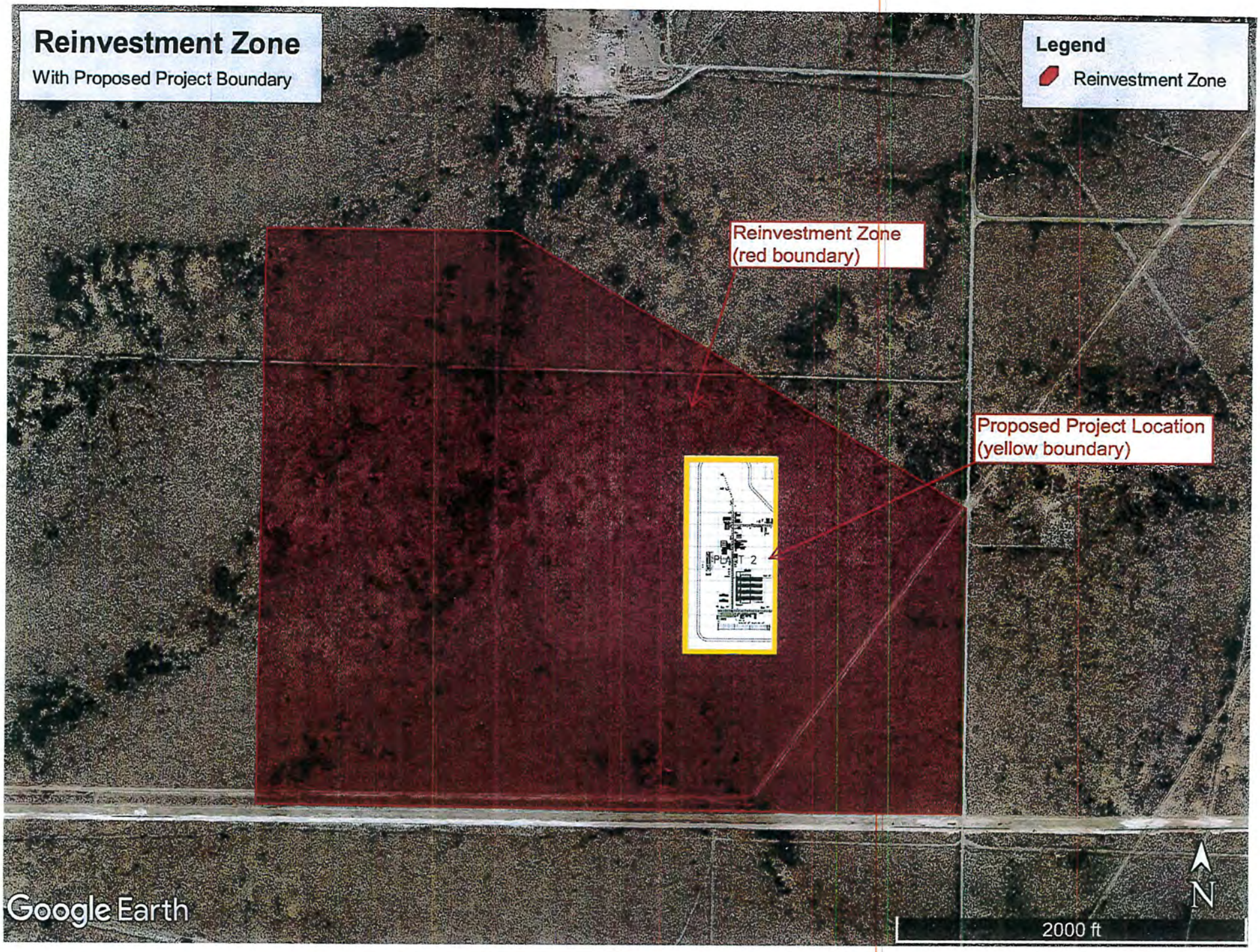
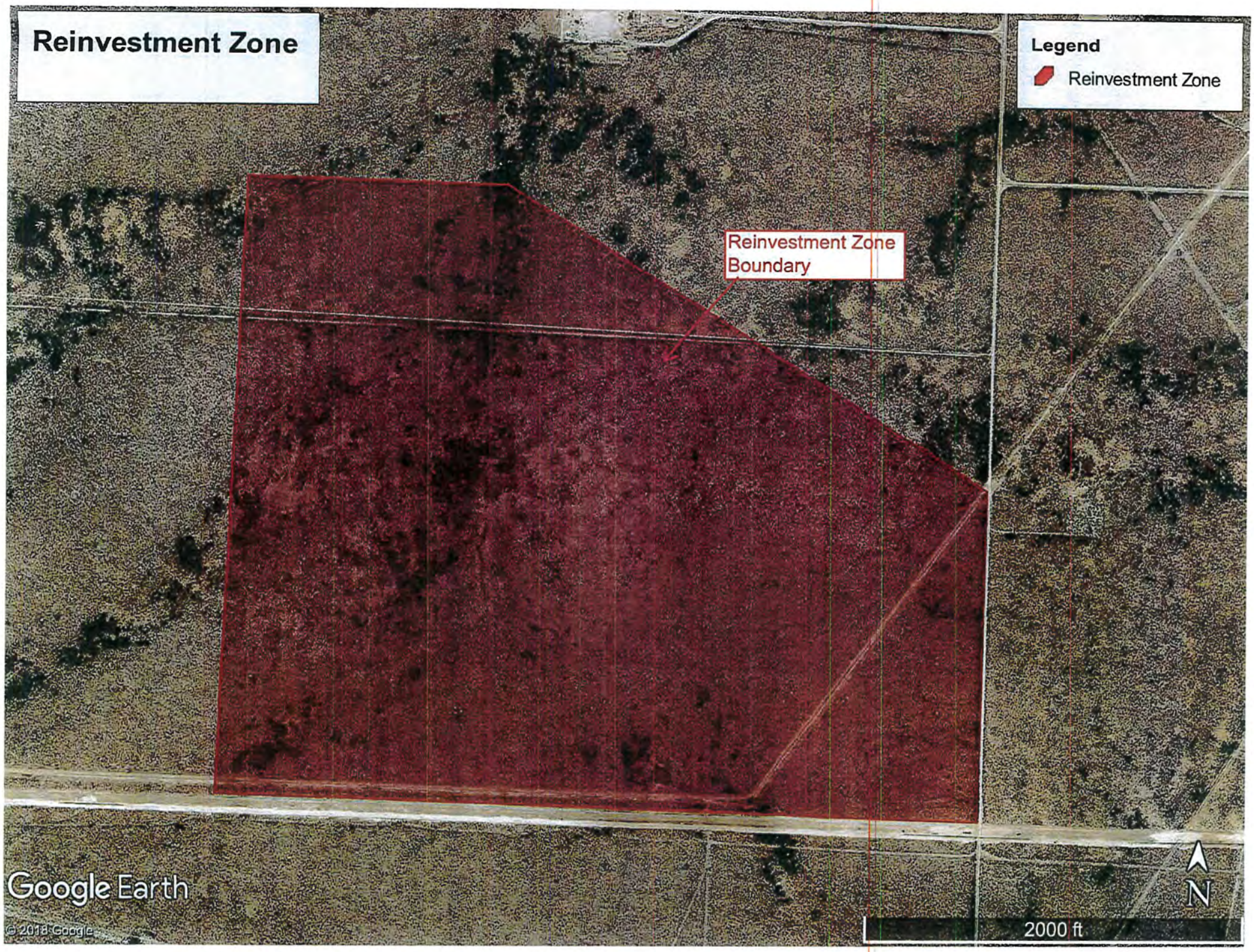
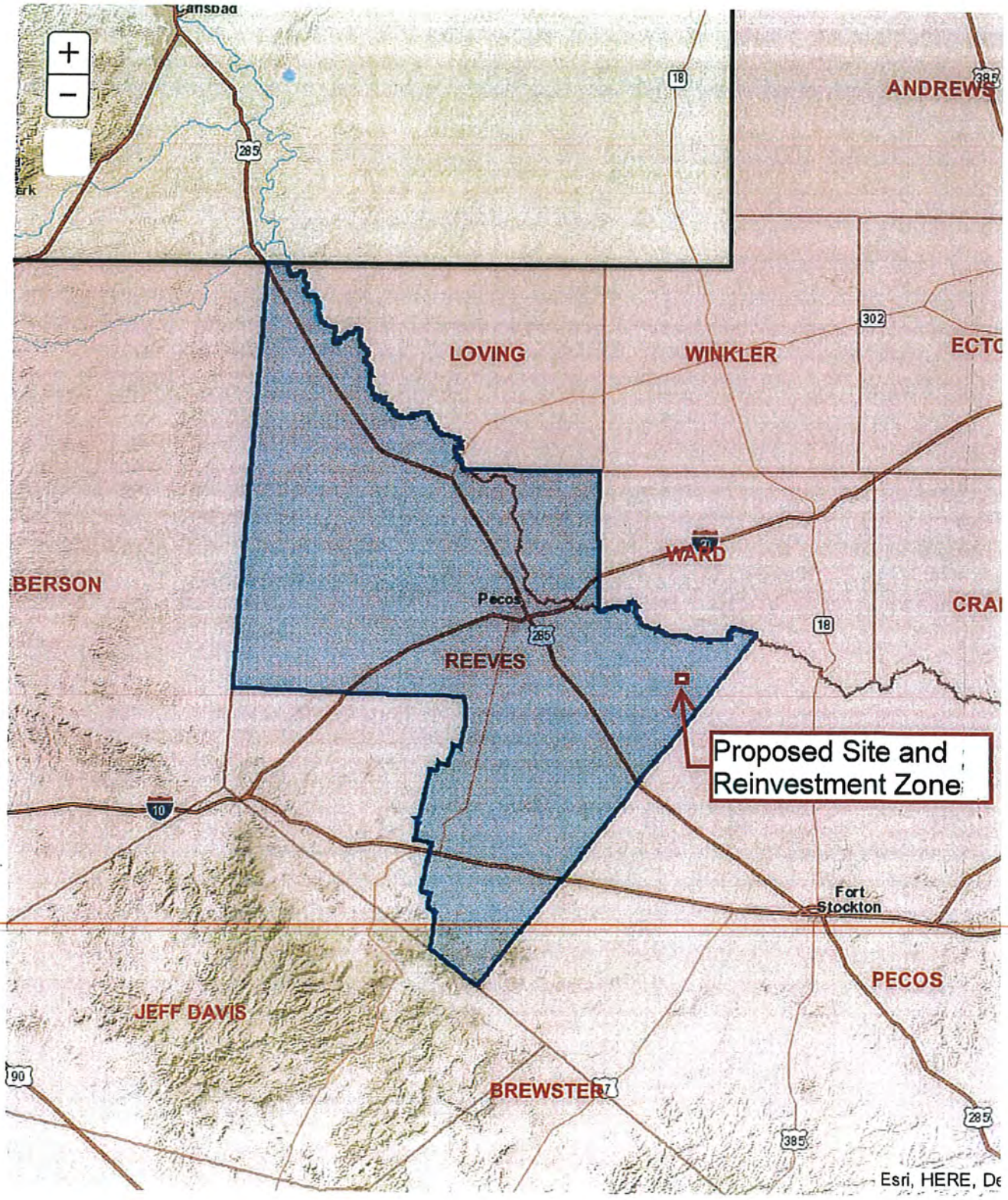
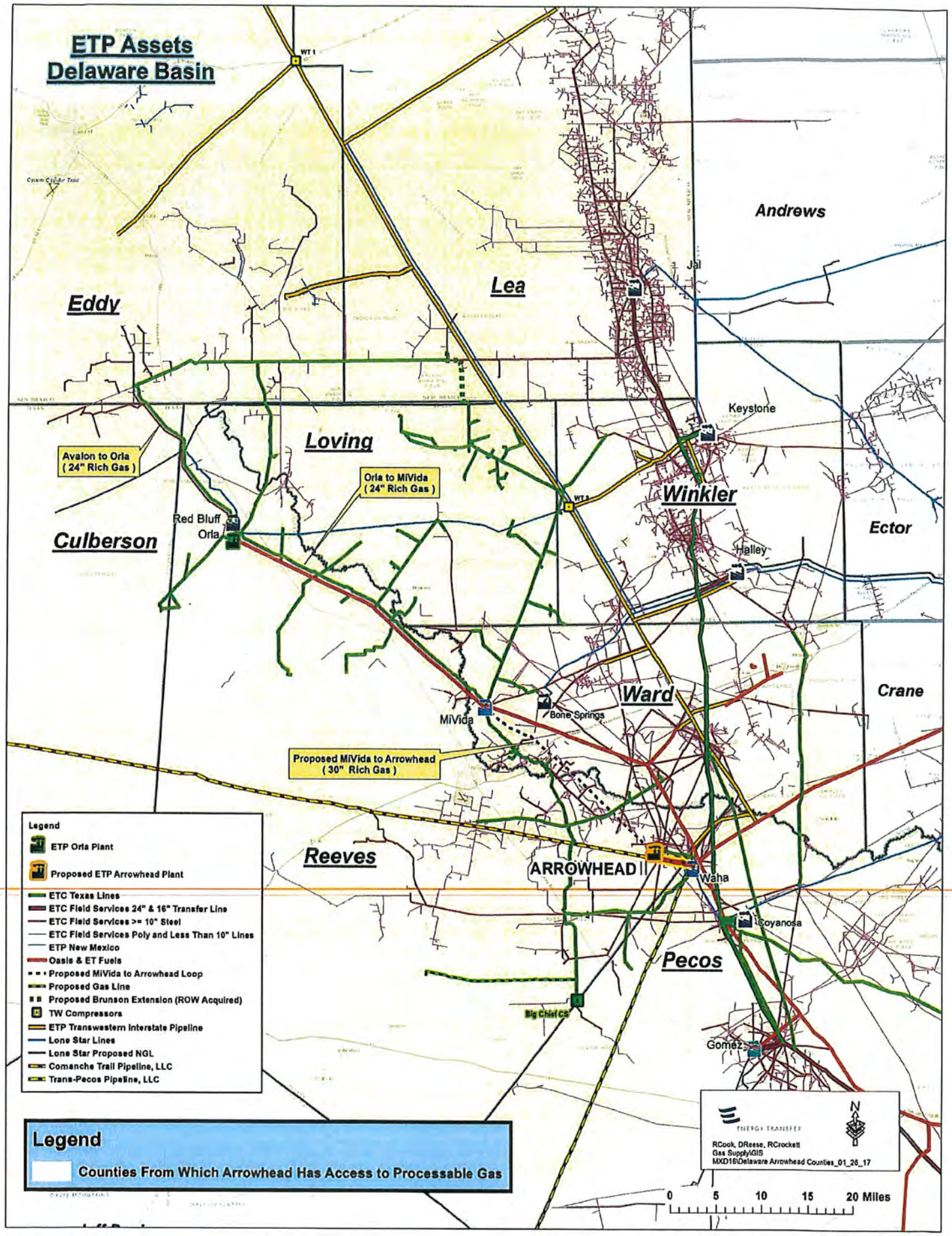

Pecos-Barstow-Toyah ISD Map
Legend
Pecos-Barstow-Toyah Independent School District
Reinvestment Zone
Pecos-Barstow-Toyah ISD Boundary
(yellow outline)
Reinvestment
Zone Boundary
(red outline)
Google Earth
Image Landsat / Copernicus
40 mi
N


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft


Reinvestment Zone
Legend
Reinvestment Zone
Reinvestment Zone Boundary
Google Earth
© 2018 Google
N
2000 ft

Texas School District Loca




ETP Assets
Delaware Basin
Eddy
Lea
Andrews
Loving
Winkler
Ector
Culberson
Ward
Crane
Reeves
Pecos
Jal
Keystone
Halley
Red Bluff
Orla
MiVida
Bone Springs
ARROWHEAD
Waha
Coyanosa
Gomez
Big Chief CS
WT 1
WT 8
Avalon to Orla
(24" Rich Gas)
Orla to MiVida
(24" Rich Gas)
Proposed MiVida to Arrowhead
(30" Rich Gas)
Legend
ETP Orla Plant
Proposed ETP Arrowhead Plant
ETC Texas Lines
ETC Field Services 24" & 16" Transfer Line
ETC Field Services >= 10" Steel
ETC Field Services Poly and Less Than 10" Lines
ETP New Mexico
Oasis & ET Fuels
Proposed MiVida to Arrowhead Loop
Proposed Gas Line
Proposed Brunson Extension (ROW Acquired)
TW Compressors
ETP Transwestern Interstate Pipeline
Lone Star Lines
Lone Star Proposed NGL
Comanche Trail Pipeline, LLC
Trans-Pecos Pipeline, LLC
Legend
Counties From Which Arrowhead Has Access to Processable Gas
ENERGY TRANSFER
RCook, DReese, RCrockett
Gas Supply\GIS
MXD16\Delaware Arrowhead Counties_01_26_17
N
0 5 10 15 20 Miles

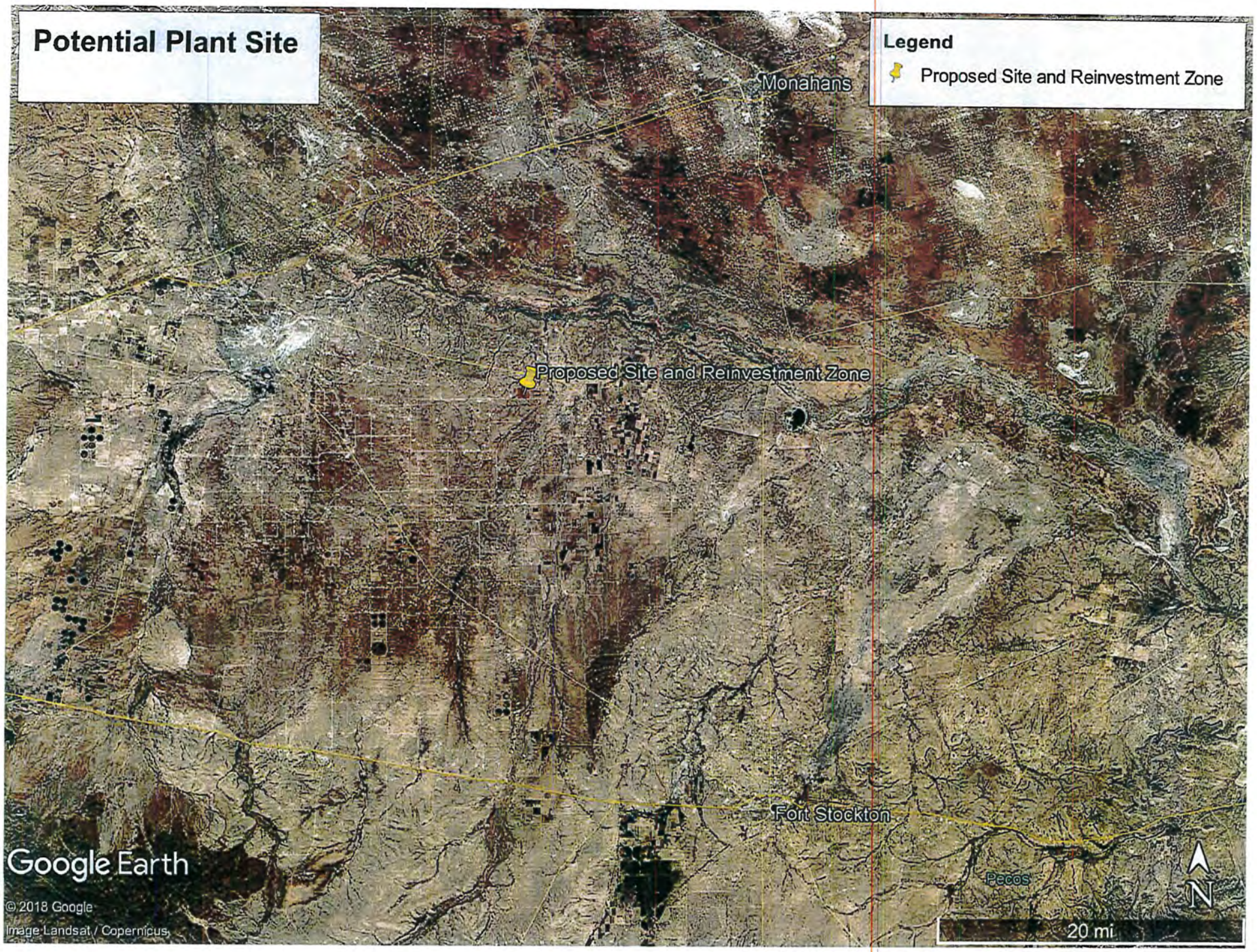
TAB 10

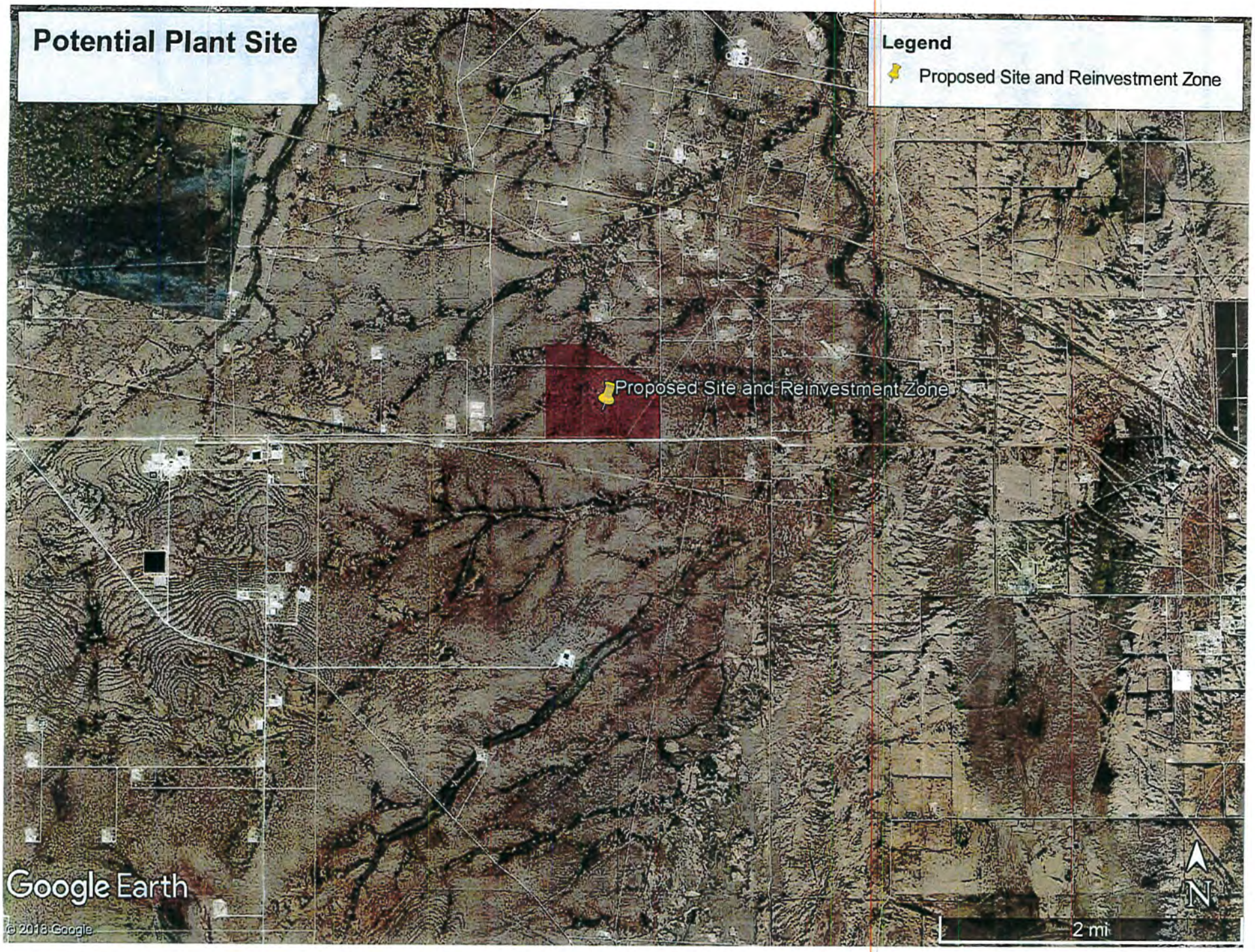
Description of Existing Improvements

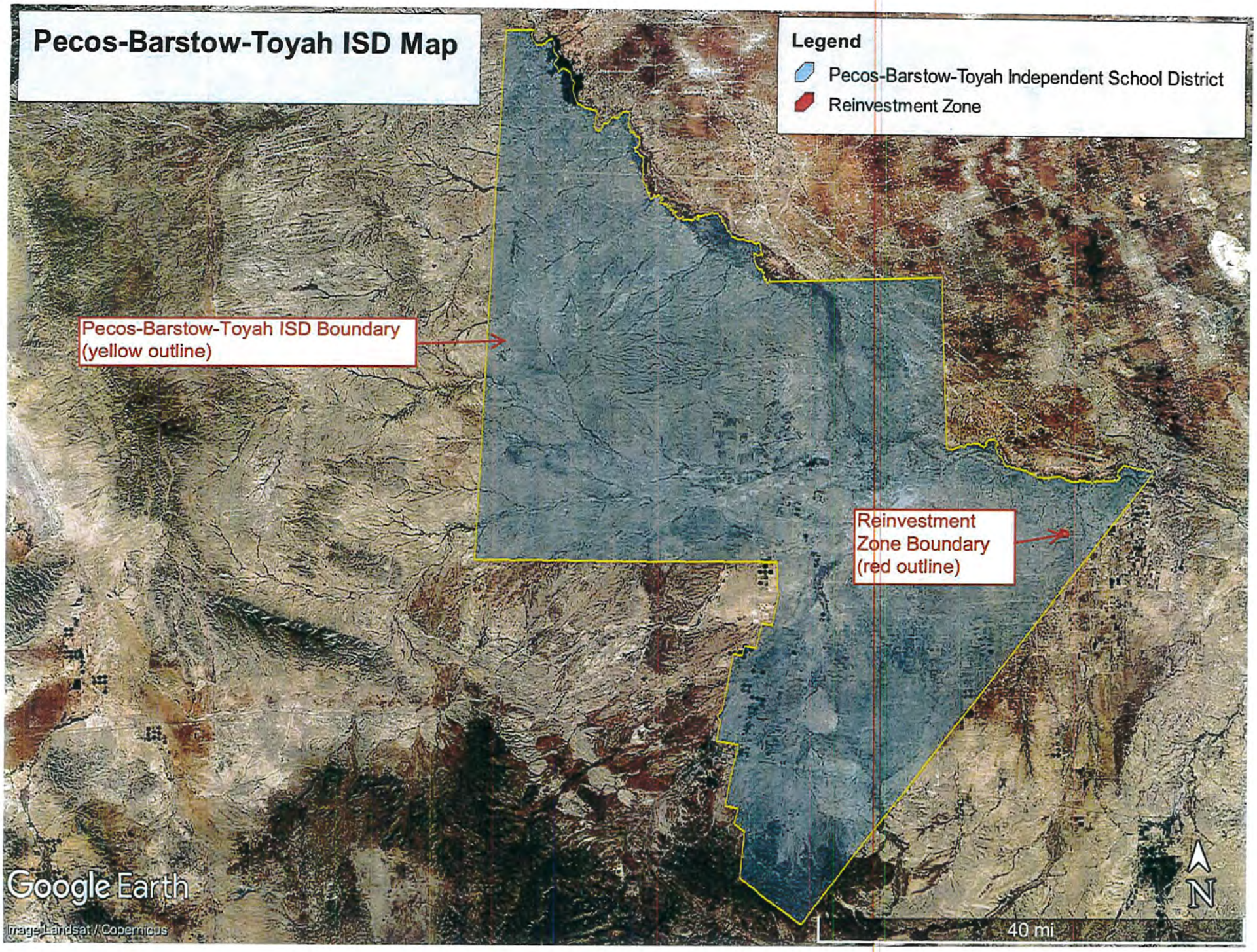
There are no existing improvements related to the proposed project at this site.

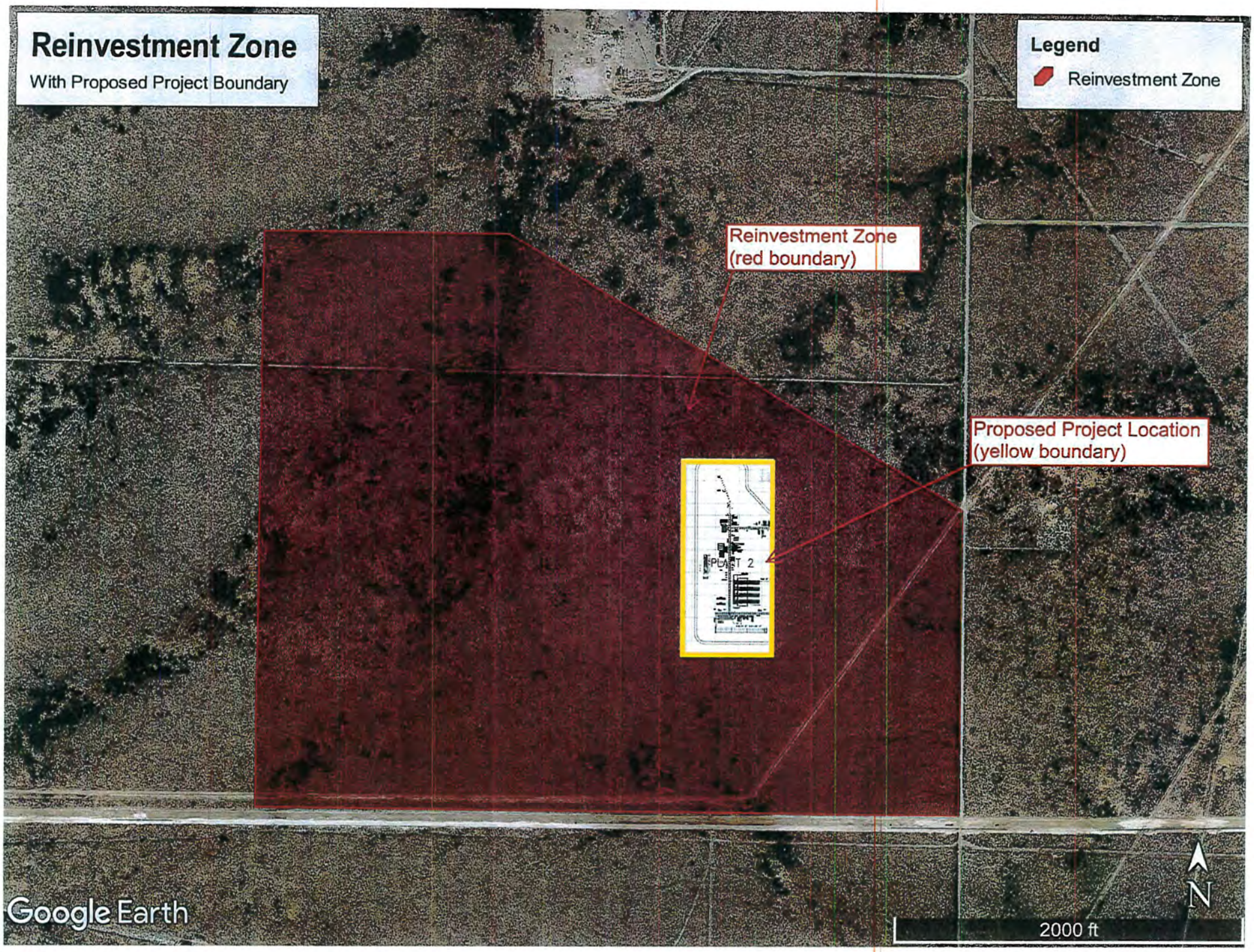
TAB 11

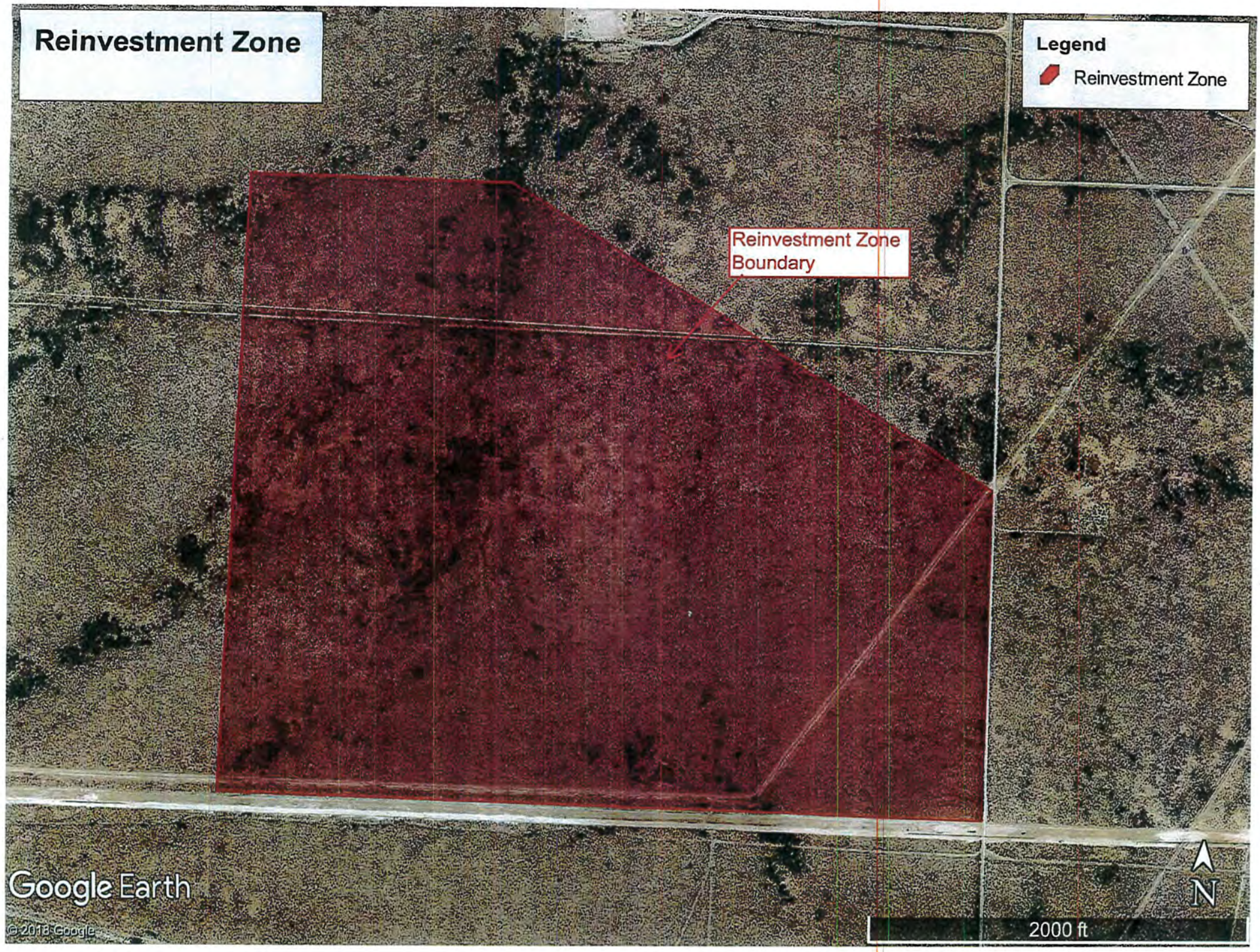
Maps

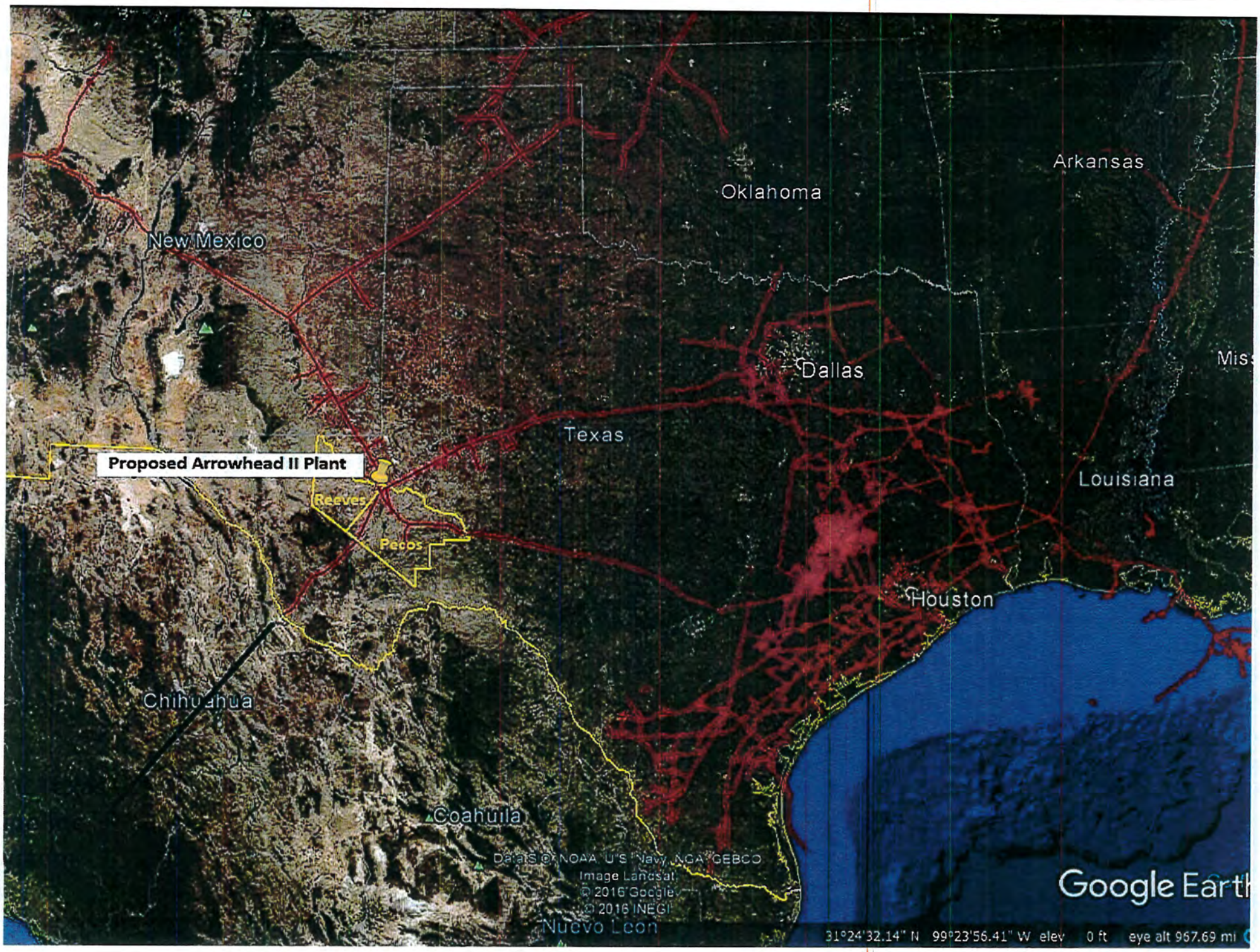

Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Monahans
Proposed Site and Reinvestment Zone
Fort Stockton
Pecos
Google Earth
©2018 Google
Image Landsat / Copernicus
20 mi
N


Potential Plant Site
Legend
Proposed Site and Reinvestment Zone
Proposed Site and Reinvestment Zone
Google Earth
© 2018 Google
2 mi
N


Pecos-Barstow-Toyah ISD Map
Legend
Pecos-Barstow-Toyah Independent School District
Reinvestment Zone
Pecos-Barstow-Toyah ISD Boundary
(yellow outline)
Reinvestment
Zone Boundary
(red outline)
Google Earth
Image Landsat / Copernicus
40 mi
N


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft


Reinvestment Zone
Legend
Reinvestment Zone
Reinvestment Zone Boundary
Google Earth
© 2018 Google
2000 ft
N


Arkansas
Oklahoma
New Mexico
Dallas
Texas
Proposed Arrowhead II Plant
Reeves
Pecos
Louisiana
Houston
Chihuahua
Coahuila
Nuevo Leon
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
Image Landsat
© 2016 Google
© 2016 INEGI
Google Earth
31°24'32.14" N 99°23'56.41" W elev 0 ft eye alt 967.69 mi

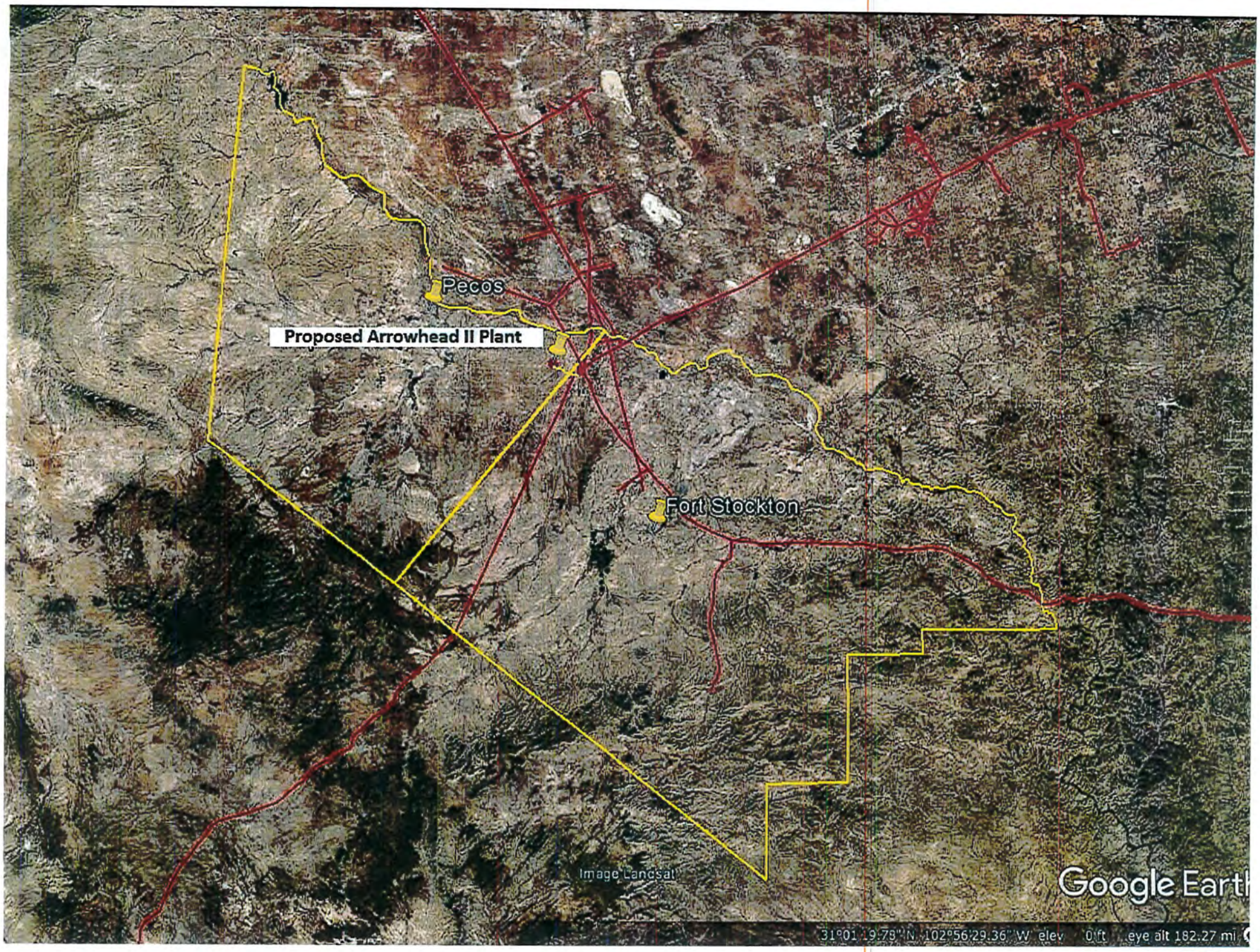
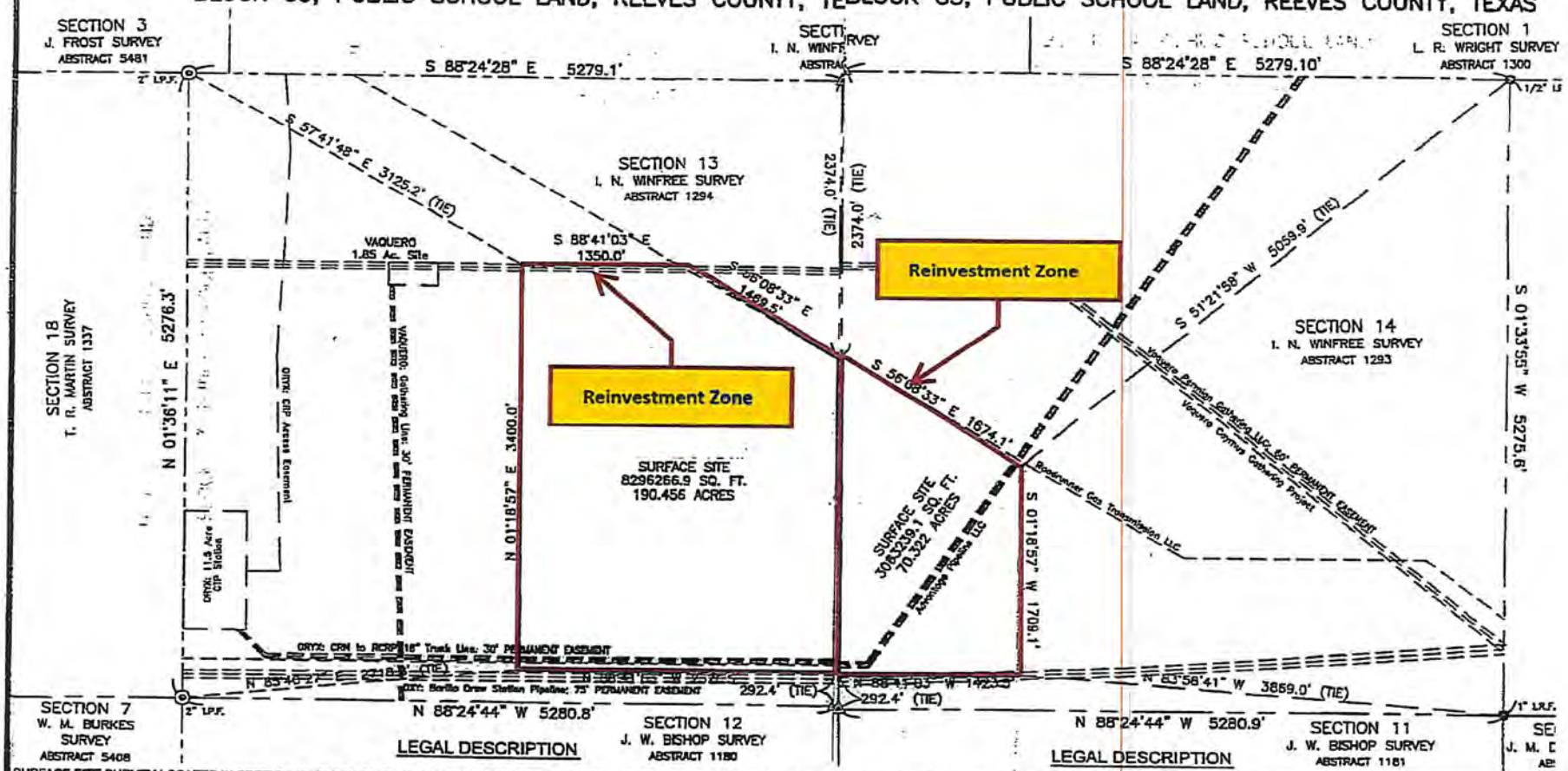

Pecos
Proposed Arrowhead II Plant
Fort Stockton
Image Landsat
Google Earth
31°01'19.78" N 102°56'29.36" W elev 0 ft eye alt 182.27 mi

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA
FOLLOWS.

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E
OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.5 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS N
DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13; THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 F
CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF SI
88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 56° 08' 33" EAST, A D
THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG T
13, A DISTANCE OF 2374.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2509.6 FEET TO THE POINT OF BEGINNING, A
SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND O
HEREON WERE LOCATED BY VISUAL INSPECTION

LEGAL DESCRIPTION

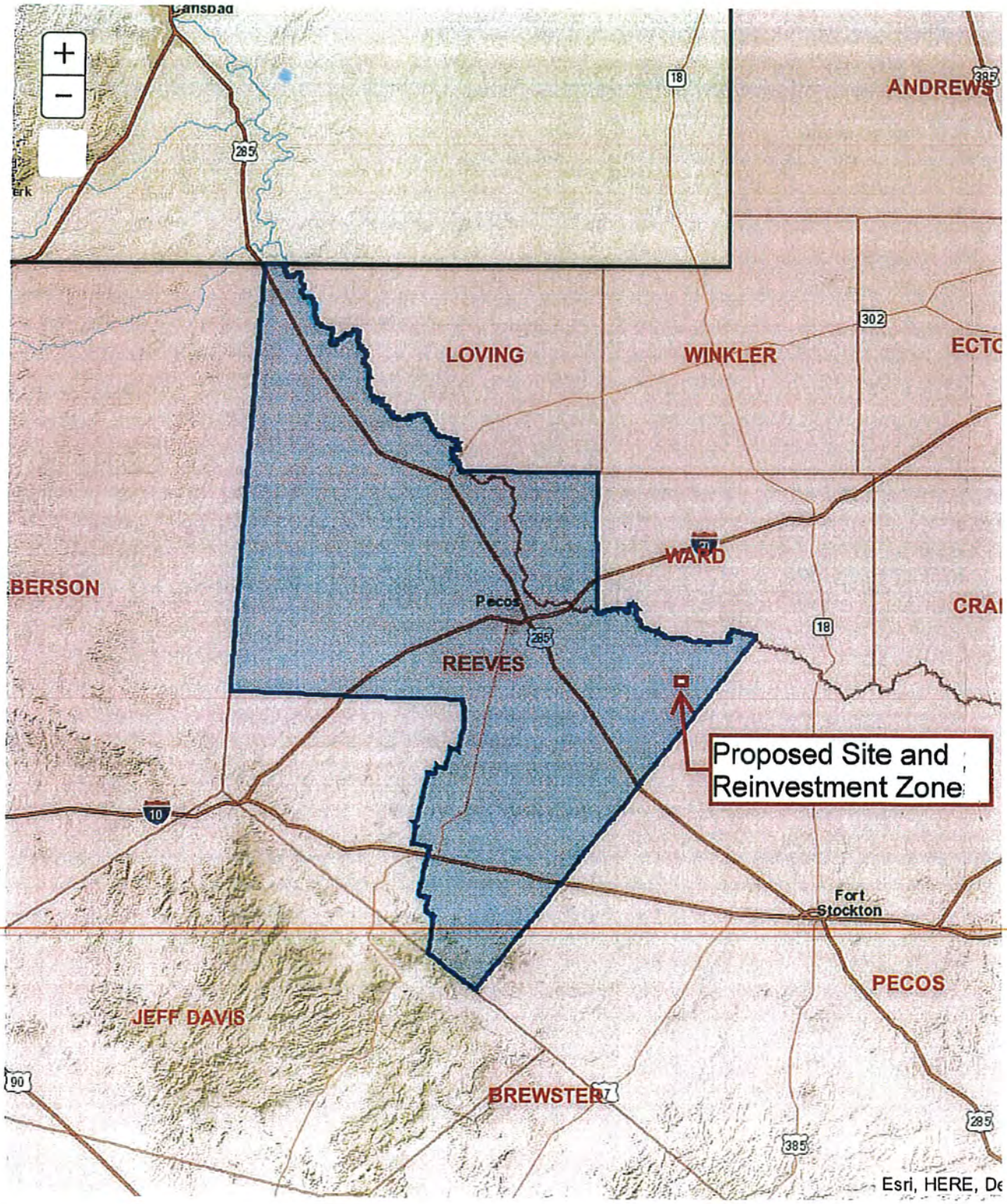
ACATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

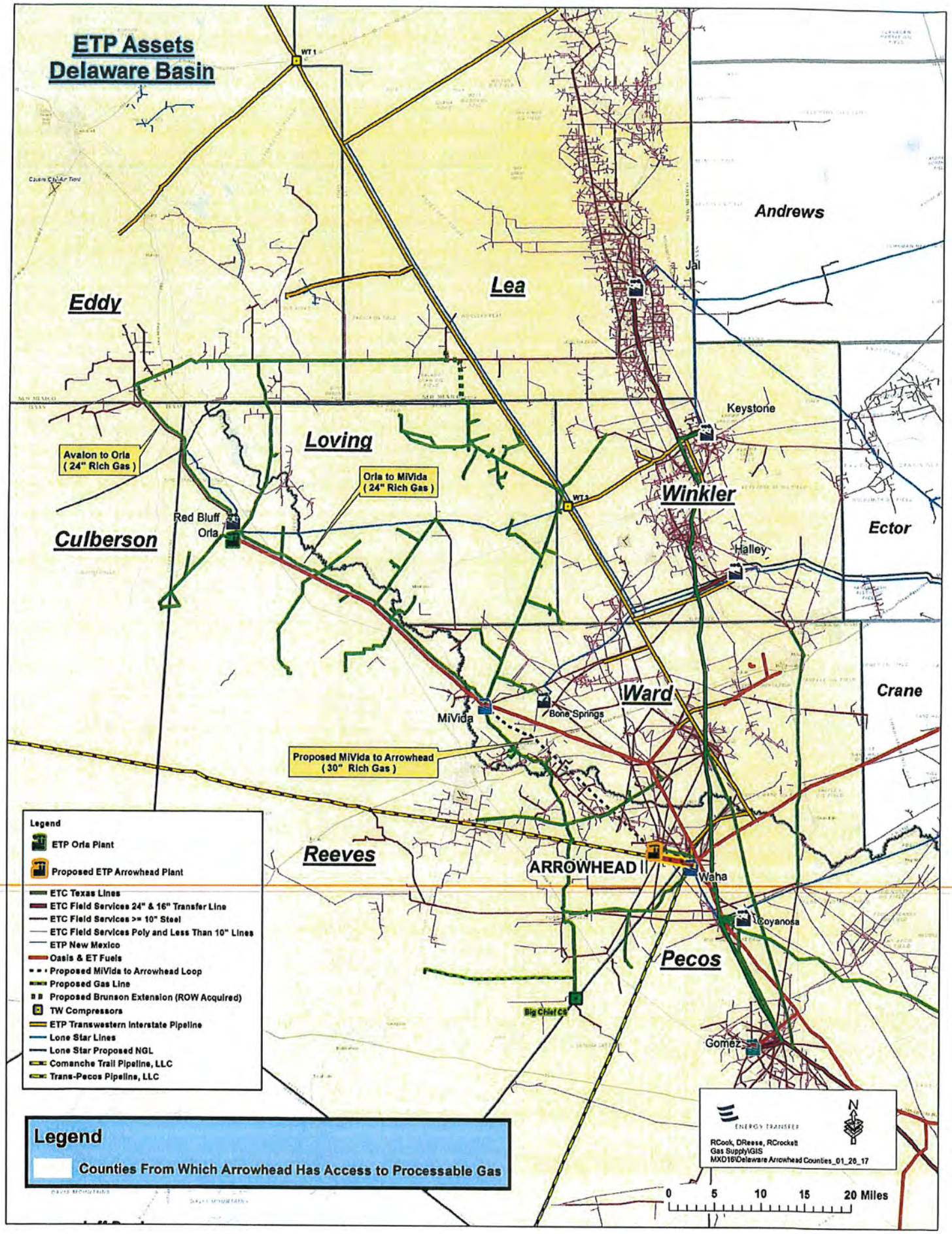
WEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG
E OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2509.6 FEET, TO THE NORTHWEST CORNER OF THE SUR
35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF S
EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" 1
FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SC
SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3859.0 FEET FROM THE SOUTHEAST CORNER OF SECTIO
WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR
HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

Texas School District Loca




ETP Assets
Delaware Basin
Eddy
Lea
Andrews
Loving
Culberson
Winkler
Ector
Ward
Crane
Reeves
Pecos
Jal
Keystone
Halley
Red Bluff
Orla
MiVida
Bone Springs
ARROWHEAD
Waha
Coyanosa
Gomez
Big Chief CS
WT 1
WT 2
Avalon to Orla
(24" Rich Gas)
Orla to MiVida
(24" Rich Gas)
Proposed MiVida to Arrowhead
(30" Rich Gas)
Legend
ETP Orla Plant
Proposed ETP Arrowhead Plant
ETC Texas Lines
ETC Field Services 24" & 16" Transfer Line
ETC Field Services >= 10" Steel
ETC Field Services Poly and Less Than 10" Lines
ETP New Mexico
Oasis & ET Fuels
Proposed MiVida to Arrowhead Loop
Proposed Gas Line
Proposed Brunson Extension (ROW Acquired)
TW Compressors
ETP Transwestern Interstate Pipeline
Lone Star Lines
Lone Star Proposed NGL
Comanche Trail Pipeline, LLC
Trans-Pecos Pipeline, LLC
Legend
Counties From Which Arrowhead Has Access to Processable Gas
ENERGY TRANSFER
RCook, DReese, RCrockett
Gas Supply\GIS
MXD16\Delaware Arrowhead Counties_01_26_17
N
0 5 10 15 20 Miles

TAB 12

Request for Job Waiver

February 2nd, 2018

Pecos-Barstow-Toyah ISD
Mr. Jim Haley
1301 South Eddy Street,
Pecos, Texas 79772

Re: Chapter 313 Job Waiver Request; Gas Processing Plant Chapter 313 Application

Dear Mr. Haley:

ETC Texas Pipeline, LLC ("ETC") respectfully requests that Pecos-Barstow-Toyah Independent School District's Board of Trustees waive the job requirement provision as allowed in Section 313.025(f-1) of the tax code in connection with its Gas Processing Plant Chapter 313 Application. This waiver would require that the School District make a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility described in the ETC application for the Gas Processing Plant. ETC Texas Pipeline, LLC requests that Pecos-Barstow-Toyah ISD makes such findings and waive the job creation requirement of ten (10) permanent jobs.

ETC currently operates multiple plants and facilities in West Texas and expects to integrate the new facility with existing operations. Based on this and other plant operation experience, ETC expects to create three (3) qualifying, full-time jobs for the proposed project. The proposed project is expected to directly create approximately 175 jobs during construction, which will increase the need for local goods and services and generate incremental state and local tax revenue.

We believe this facility will promote economic growth and welfare to the community by creating permanent full-time positions. The wages for these positions will be at least 110% of the Reeves County average wage rate. Additionally, benefits such as medical, dental, and life insurance will be provided.

We appreciate your consideration of the job waiver request and if you have any questions, please feel free to contact me by telephone at 469-298-1618 or by email at mfry@keatax.com

Sincerely,

Mike Fry

Mike Fry
Director – Energy Services

TAB 13

Calculation of Wage Requirements

Calculation of Wage Information - Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

2016	3Q	$809
2016	4Q	$829
2017	1Q	$857
2017	2Q	$907

$ 3,402 /4 = $851 average weekly salary

x1.1 (110%)

$ 935.55

110% of County Average Weekly Wage for Manufacturing Jobs in County

2016	3Q	$532
2016	4Q	$561
2017	1Q	$1,826
2017	2Q	$2,093

$ 5,012 /4 = $1,253 average weekly salary

x1.1 (110%)

$ 1,378.30

110% of County Average Weekly Wage for Manufacturing Jobs in Region

$54,079.00 per year in Permian Basin Area Council published July 2017

X1.10 (110%)

$59,486.90

$1,143.98 **Avg. Weekly**

Quarterly Census of Employment and Wage Original Data Value

Series Id: ENU4838940010

State: Texas
Area: Reeves County, Texas
Industry: Total, all industries
Owner: Total Covered
Size: All establishment sizes
Type: Average Weekly Wage
Years: 2007 to 2017

Year	Qtr1	Qtr2	Qtr3	Qtr4
2013	706	699	741	743
2014	760	731	796	814
2015	817	742	769	778
2016	776	743	809	829
2017	857	907		

Quarterly Census of Employment and Wages Original Data Value

Series Id: ENU483894051013

State: Texas
Area: Reeves County, Texas
Industry: Manufacturing
Owner: Private
Size: All establishment sizes
Type: Average Weekly Wage
Years: 2007 to 2017

Year	Qtr1	Qtr2	Qtr3	Qtr4
2013	309	309	320	374
2014	353	351	330	342
2015	306	393	607	783
2016	648	518	532	561
2017	1826	2093		

2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas	**$25.41**	**$52,850**
1. Panhandle Regional Planning Commission	$22.52	$46,834
2. South Plains Association of Governments	$18.27	$38,009
3. NORTEX Regional Planning Commission	$24.14	$50,203
4. North Central Texas Council of Governments	$26.06	$54,215
5. Ark-Tex Council of Governments	$19.07	$39,663
6. East Texas Council of Governments	$20.52	$42,677
7. West Central Texas Council of Governments	$20.31	$42,242
8. Rio Grande Council of Governments	$19.32	$40,188
9. Permian Basin Regional Planning Commission	$26.00	$54,079
10. Concho Valley Council of Governments	$18.78	$39,066
11. Heart of Texas Council of Governments	$21.14	$43,962
12. Capital Area Council of Governments	$30.06	$62,522
13. Brazos Valley Council of Governments	$17.66	$36,729
14. Deep East Texas Council of Governments	$18.06	$37,566
15. South East Texas Regional Planning Commission	$33.42	$69,508
16. Houston-Galveston Area Council	$27.52	$57,246
17. Golden Crescent Regional Planning Commission	$26.38	$54,879
18. Alamo Area Council of Governments	$21.67	$45,072
19. South Texas Development Council	$15.02	$31,235
20. Coastal Bend Council of Governments	$27.85	$57,921
21. Lower Rio Grande Valley Development Council	$17.55	$36,503
22. Texoma Council of Governments	$20.98	$43,648
23. Central Texas Council of Governments	$18.65	$38,783
24. Middle Rio Grande Development Council	$23.05	$47,950

Source: Texas Occupational Employment and Wages
Data published: July 2017
Data published annually, next update will be July 31, 2018

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 - D

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

Applicant Name ETC Texas Pipeline, LTD
ISD Name Pecos - Barstow - Toyah ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018-2019	2018	[redacted]				
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				$ 105,000,000.00	$ -	$ -	$ -	$ 105,000,000.00
Complete tax years of qualifying time period	QTP1	2019-2020	2019	$ -	$ -	$ -	$ -	$ -
	QTP2	2020-2021	2020	$ -	$ -	$ -	$ -	$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 105,000,000.00	$ -	$ -	$ -	$ 105,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 105,000,000.00				

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

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

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

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

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

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

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

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

Applicant Name ETC Texas Pipeline, LTD
ISD Name Pecos - Barstow - Toyah ISD

Form 50-296A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible **personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E **Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	–	TOTALS FROM SCHEDULE A1		$ 105,000,000.00				$ 105,000,000.00
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2018-2019	2018	$ 105,000,000.00				$ 105,000,000.00
Value limitation period***	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				$ 105,000,000.00				$ 105,000,000.00
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					
Additional years for 25 year economic impact as required by 313.026(c)(1)	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.
Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

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

Applicant Name: ETC Texas Pipeline, LTD

ISD Name: Pecos - Barstow - Toyah ISD

Form 50-296A

Revised Feb 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2018-2019	2018	$ -	$ -	$ -	$ -	$ -	$ -
Value Limitation Period	1	2019-2020	2019	$ -	$ -	$ 95,000,000.00	$ 95,000,000.00	$ 95,000,000.00	$ 30,000,000.00
	2	2020-2021	2020	$ -	$ -	$ 91,200,000.00	$ 91,200,000.00	$ 91,200,000.00	$ 30,000,000.00
	3	2021-2022	2021	$ -	$ -	$ 87,400,000.00	$ 87,400,000.00	$ 87,400,000.00	$ 30,000,000.00
	4	2022-2023	2022	$ -	$ -	$ 83,600,000.00	$ 83,600,000.00	$ 83,600,000.00	$ 30,000,000.00
	5	2023-2024	2023	$ -	$ -	$ 79,800,000.00	$ 79,800,000.00	$ 79,800,000.00	$ 30,000,000.00
	6	2024-2025	2024	$ -	$ -	$ 76,000,000.00	$ 76,000,000.00	$ 76,000,000.00	$ 30,000,000.00
	7	2025-2026	2025	$ -	$ -	$ 72,200,000.00	$ 72,200,000.00	$ 72,200,000.00	$ 30,000,000.00
	8	2026-2027	2026	$ -	$ -	$ 68,400,000.00	$ 68,400,000.00	$ 68,400,000.00	$ 30,000,000.00
	9	2027-2028	2027	$ -	$ -	$ 64,600,000.00	$ 64,600,000.00	$ 64,600,000.00	$ 30,000,000.00
	10	2028-2029	2028	$ -	$ -	$ 60,800,000.00	$ 60,800,000.00	$ 60,800,000.00	$ 30,000,000.00
Continue to maintain viable presence	11	2029-2030	2029	$ -	$ -	$ 57,000,000.00	$ 57,000,000.00	$ 57,000,000.00	$ 57,000,000.00
	12	2030-2031	2030	$ -	$ -	$ 53,200,000.00	$ 53,200,000.00	$ 53,200,000.00	$ 53,200,000.00
	13	2031-2032	2031	$ -	$ -	$ 49,400,000.00	$ 49,400,000.00	$ 49,400,000.00	$ 49,400,000.00
	14	2032-2033	2032	$ -	$ -	$ 45,600,000.00	$ 45,600,000.00	$ 45,600,000.00	$ 45,600,000.00
	15	2033-2034	2033	$ -	$ -	$ 41,800,000.00	$ 41,800,000.00	$ 41,800,000.00	$ 41,800,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	$ -	$ -	$ 38,000,000.00	$ 38,000,000.00	$ 38,000,000.00	$ 38,000,000.00
	17	2035-2036	2035	$ -	$ -	$ 34,200,000.00	$ 34,200,000.00	$ 34,200,000.00	$ 34,200,000.00
	18	2036-2037	2036	$ -	$ -	$ 30,400,000.00	$ 30,400,000.00	$ 30,400,000.00	$ 30,400,000.00
	19	2037-2038	2037	$ -	$ -	$ 26,600,000.00	$ 26,600,000.00	$ 26,600,000.00	$ 26,600,000.00
	20	2038-2039	2038	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	21	2039-2040	2039	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	22	2040-2041	2040	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	23	2041-2042	2041	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	24	2042-2043	2042	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	25	2043-2044	2043	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00

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 ETC Texas Pipeline, LTD
ISD Name Pecos - Barstow - Toyah ISD

Form 50-296A
Revised Feb 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2018-2019	2018	175 FTE	$ 59,486.90	N/A	3	$ 59,486.90
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2019-2020	2019	0	0	N/A	3	$ 59,486.90
	2	2020-2021	2020	0	0	N/A	3	$ 59,486.90
	3	2021-2022	2021	0	0	N/A	3	$ 59,486.90
	4	2022-2023	2022	0	0	N/A	3	$ 59,486.90
	5	2023-2024	2023	0	0	N/A	3	$ 59,486.90
	6	2024-2025	2024	0	0	N/A	3	$ 59,486.90
	7	2025-2026	2025	0	0	N/A	3	$ 59,486.90
	8	2026-2027	2026	0	0	N/A	3	$ 59,486.90
	9	2027-2028	2027	0	0	N/A	3	$ 59,486.90
	10	2028-2029	2028	0	0	N/A	3	$ 59,486.90
Years Following Value Limitation Period	11 through 26	2029-2044	2029-2044	0	0	N/A	3	$ 59,486.90

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

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

If yes, answer the following two questions:

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

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? [ ] Yes [X] No

Schedule D: Other Incentives (Estimated)

Applicant Name ETC Texas Pipeline, LTD

ISD Name Pecos - Barstow - Toyah ISD

Form 50-296A

Revised Feb 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Reeves	2019	2019-2023	$ 444,581.00	Avg 50% Per Yr	$ 222,291.00
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 444,581.00		$ 222,291.00

Additional information on incentives for this project:

TAB 15

Economic Impact Study

N/A

TAB 16

Description of Reinvestment Zone

RESOLUTION OF THE BOARD OF TRUSTEES OF THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE IN CONNECTION WITH AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 313 OF THE TEXAS LOCAL GOVERNMENT CODE, SUCH REINVESTMENT ZONE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT, REEVES COUNTY, TEXAS, TO BE KNOWN AS THE "ETC REINVESTMENT ZONE"; ESTABLISHING THE BOUNDARIES THEREOF IN CONNECTION WITH AN APPLICATION FOR VALUE LIMITATION AGREEMENT FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES UNDER CHAPTER 313 OF THE TEXAS TAX CODE SUBMITTED BY ETC TEXAS PIPELINE, LTD (TAXPAYER I.D. 10505324664), COMPTROLLER'S APPLICATION NO. 1160:

WHEREAS, the Pecos-Bartow-Toyah Independent School District, Texas, (the "District") 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 TAX CODE § 312.0025), for the purpose of authorizing Value Limitation Agreement on School District Maintenance and Operations Taxes, as authorized by Chapter 313 of the TEXAS TAX CODE; and,

WHEREAS, the District desires to contribute to the expansion of primary employment in the reinvestment zone and attract major investment in the reinvestment zone that will be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and

WHEREAS, on May 18, 2017, the District's Board of Trustees held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on ATTACHMENT 1 appended hereto; and,

WHEREAS, the District's Board of Trustees at such public hearing invited any interested person to appear and speak for or against: (1) the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and (2) approval of a Chapter 313 Agreement for Value Limitation for School District Maintenance and Operations Taxes with ETC Texas Pipeline, LTD (Texas Taxpayer I.D. No. 10505324664);

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;

WHEREAS, the District wishes to create a reinvestment zone consisting of the same real property as described on ATTACHMENT 1 to be known as the "ETC Reinvestment Zone";

NOW THEREFORE, BE IT RESOLVED BY THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are incorporated into this Resolution as findings of fact.

SECTION 2. That the Board of Trustees of the District, 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 the adoption of the "ETC Reinvestment Zone" has been properly called, held, and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone;

(b) That the boundaries of the "ETC Reinvestment Zone" be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the description attached hereto as "ATTACHMENT 1";

(c) That creation of the "ETC Reinvestment Zone" boundaries as described in "ATTACHMENT 1" will contribute to the expansion of primary employment in the reinvestment zone and attract major investment in the reinvestment zone that will be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located;

(e) That the "ETC Reinvestment Zone" described in "ATTACHMENT 1" meets the criteria set forth in TEXAS TAX CODE §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the region of this state in which the school district is located.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the District hereby creates a reinvestment zone under the provisions of TEXAS TAX CODE § 312.0025, encompassing the area described by the descriptions in "ATTACHMENT 1," and such reinvestment zone is hereby designated and shall hereafter be referred to as the "ETC Reinvestment Zone".

SECTION 4. That the "ETC Reinvestment Zone" shall take effect upon adoption of this Resolution by the District' Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for the period provided by Chapter 212 of the Property Tax Code.

SECTION 5. That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the District's Board of Trustees, at which this resolution was adopted, was posted at a place convenient 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 newspapers of general circulation in the Pecos-Barstow-Toyah Independent School District, Reeves County, Texas; and that, furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act

PASSED, APPROVED AND ADOPTED on this 18th day of May, 2017.

PECOS-BARSTOW-TOYAH
INDEPENDENT SCHOOL DISTRICT

By: _____
Gail Box, President
Board of Trustees

ATTEST:

By: _____
Bertha Natividad
Secretary, Board of Trustees

ATTACHMENT 1

LEGAL DESCRIPTION OF THE "ETC REINVESTMENT ZONE"

That 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit "A" attached hereto (the "Land") and made a part hereof for all purposes.

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

SPECIAL WARRANTY DEED

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

THAT, WOLF BONE RANCH PARTNERS LLC, (herein referred to as "Grantor"), whose address is 110 W. Louisiana, Suite 500, Midland, Texas 79701, for and in consideration of the sum of Ten and no/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to ETC TEXAS PIPELINE, LTD (herein referred to as "Grantee"), whose address is 1300 Main, Houston, Texas 77002, the following described property:

The surface estate only of 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Public School Lands Survey, Reeves County, Texas, which tract is more particularly described in Exhibit "A" attached hereto (the "Land") and made a part hereof by reference for all purposes, together with all of the rights, privileges and appurtenances related thereto (all of said property and interest being collectively referred to herein as the "Property");

Subject, however, to the exceptions to title (the "Permitted Exceptions") more particularly set forth in Exhibit "B" attached hereto and fully made a part hereof by reference for all purposes, and to the other qualifications described in this deed (the "Qualifications").

I. Qualifications. This conveyance is made and accepted subject to the following Qualifications:

a. Exceptions. Grantee assumes the obligations of Grantor under the Permitted Exceptions but only to the extent that they are still in effect and shown of record in Reeves County, Texas on the date hereof.

b. Easements. Visible and apparent, but unrecorded easements, if any.

c. Laws and Regulations. Application of all laws and regulations affecting the Property after the delivery of this deed, including environmental laws and municipal and governmental ordinances and regulations, relating to the Property.

d. Taxes. The liens for all governmental assessments, standby fees and ad valorem taxes for the year 2015; subsequent assessments for that and prior years due to the sale evidenced by this deed or by change in land usage by Grantee after the delivery of this deed; the payment of which is hereby assumed by Grantee.

e. Reserved Interests. For Grantor and Grantor's heirs, successors, and assigns, all rights, title and interest in all oil, gas and other minerals in, on and under the Property that are owned by Grantor and that may be produced from the Property, all of which are hereby reserved to Grantor. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

The term "oil, gas and other minerals," as used herein, shall mean oil, gas, casinghead gas, and all other liquid or gaseous hydrocarbons, and any constituent elements or byproducts thereof, and all geothermal sources, helium, uranium, and other fissionable minerals and materials, coal, lignite, iron, silver, gold, vanadium, molybdenum, and other materials and ores, whether or not such minerals are or may be mined or extracted by methods which result in material damage to or destruction of the surface estate and shall include all working and royalty interests and any associated royalties, all easements and rights owned or held by any lessee or mineral owner on, over, or across the Property for the purposes of producing or transporting any of said oil, gas and other minerals thereon and there from.

There is also reserved from this Special Warranty Deed all rights of ingress and egress, either express or implied, across any lands GRANTOR may own, whether contiguous to the Land or otherwise, unless expressly granted by separate easement document. GRANTOR agrees to grant a renewable term easement across its lands, including the Land, to GRANTEE on GRANTOR'S standard road easement form, and for the consideration as set out in the most recently published Rate and Damage Schedule of the University of Texas System, University Lands.

Grantor hereby expressly reserves all retained rights of the Grantor concerning those certain agreements further described on Exhibit "C" attached hereto, including but not limited to the right to renew and extend the estates created thereby and receive payment for any such renewal and extension..

f. As Is, Where, Is. Grantee accepts the Property in its **"AS IS", "WHERE IS"** condition with all faults. Grantee agrees that Grantor shall not be liable for any latent or patent defects in the Property. Grantee acknowledges that neither Grantor nor any of the employees, agents or attorneys of Grantor ("Grantor Exculpated Parties") has made any verbal or written representations or warranties whatsoever to Grantee, whether express, implied, statutory, or by operation of law, and in particular, that no such representations and warranties have been made with respect to the physical or environmental condition or operation of the Property, environmental, and other laws, regulations and rules applicable to the Property, or the compliance of the Property therewith, other matter or thing affecting or relating to the Property or the transactions contemplated hereby. GRANTEE HEREBY WAIVES, RELINQUISHES, AND RELEASES GRANTOR AND GRANTOR'S EXCULPATED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION [INCLUDING, WITHOUT LIMITATION, CAUSES OF ACTION IN TORT, LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS)] OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT GRANTEE MIGHT HAVE ASSERTED OR ALLEGED AGAINST GRANTOR AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT DEFECTS OR PHYSICAL CONDITIONS

(INCLUDING, WITHOUT LIMITATION, ADVERSE ENVIRONMENTAL CONDITIONS), VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY.

g. This Special Warranty Deed is expressly made subject to that certain Caliche Use Agreement dated October 21, 2015 between Grantor and Grantee. Said Caliche Use Agreement confers additional burdens on the Lands and Property. Copies of such Agreement are held at the offices of both Grantor and Grantee.

TO HAVE AND TO HOLD the above-described Property, subject to the Permitted Exceptions and Qualifications, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns FOREVER, and Grantor does hereby bind itself and its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto the said Grantee, its successors and assigns, against every person whomsoever, lawfully claiming or to claim the same or any part thereof, by, through or under Grantor but not otherwise.

IN WITNESS WHEREOF, the parties herein named have hereunto set their hands and seal to be effective this 16th day of October, 2015.

----------Signature and Acknowledgement Page to Follow----------

GRANTOR:
Wolf Bone Ranch Partners LLC

By: _____
Name: Benjamin A. Strickling, III
Title: President

ACKNOWLEDGEMENT

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

This instrument was executed before me on the 21st day of October, 2015, by Benjamin A. Strickling, III, the President of Wolf Bone Ranch Partners LLC.

Jordan Davis
Notary Public,
State of Texas
Expires: 06/10/2019

Notary for the State of Texas

My commission Expires: _____

Signature and acknowledgment page to that certain Special Warranty Deed, dated effective October 16, 2015, between Wolf Bone Ranch Partners LLC and ETC Pipeline, LTD.

EXHIBIT "A"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

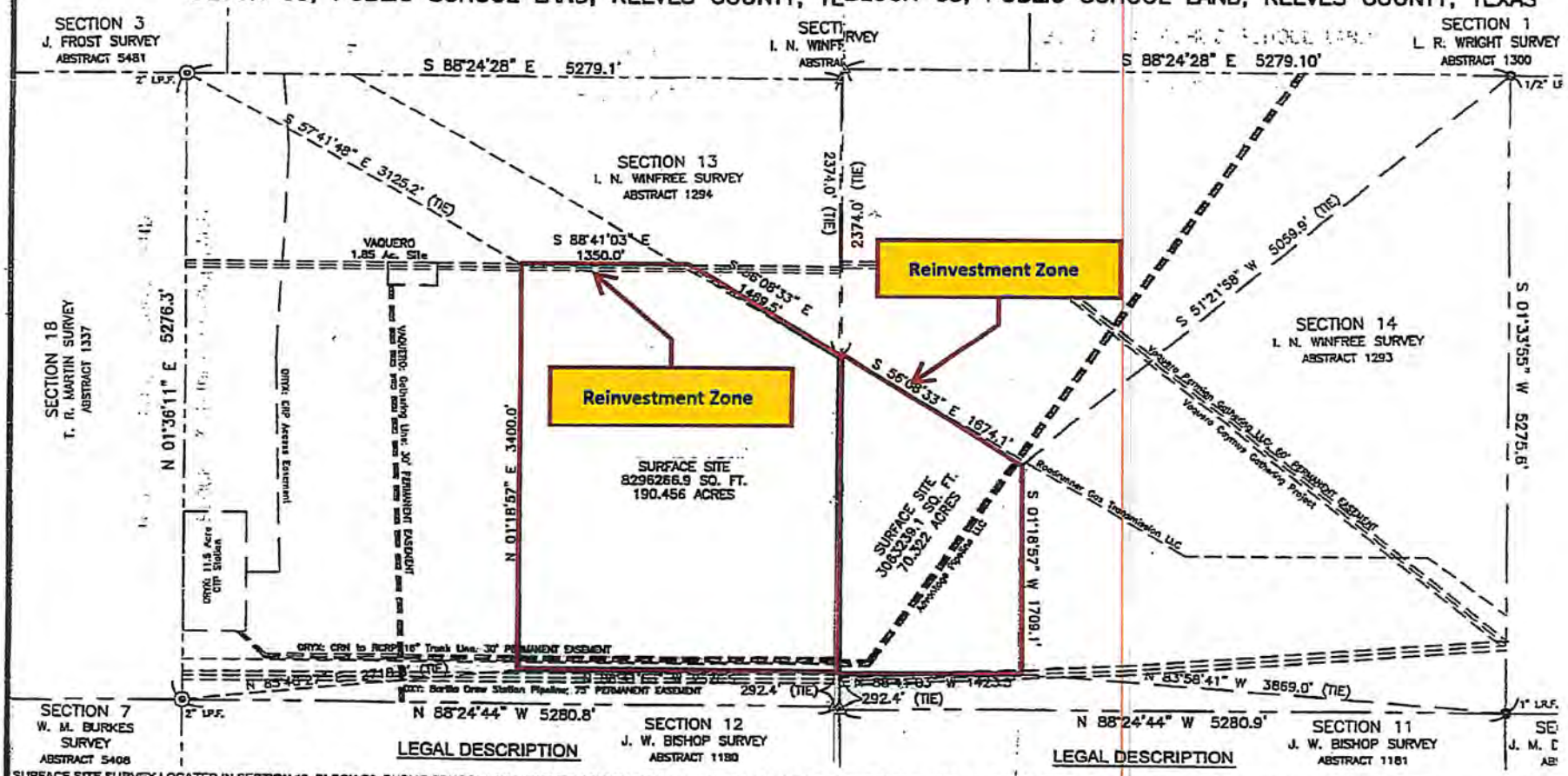
This is a two page exhibit consisting of a survey plat and metes and bounds description of the 260.778 acre tract.

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA
FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E
OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.5 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS N
DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13; THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 F
CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF S
88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 56° 08' 33" EAST, A D
THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG T
13, A DISTANCE OF 2374.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2609.6 FEET TO THE POINT OF BEGINNING, A
SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND OT
HEREON WERE LOCATED BY VISUAL INSPECTION

LEGAL DESCRIPTION

CATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

WEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG
E OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SUR
5' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF S
EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" W
FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SC
SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3869.0 FEET FROM THE SOUTHEAST CORNER OF SECTION

WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR
HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

EXHIBIT "B"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

PERMITTED EXCEPTIONS

Any lease, grant, exception or reservation of minerals or mineral rights associated with the Property.

Any portion of the Property lying within the boundaries of dedicated or existing pipeline easements and roadways or any other visible easements.

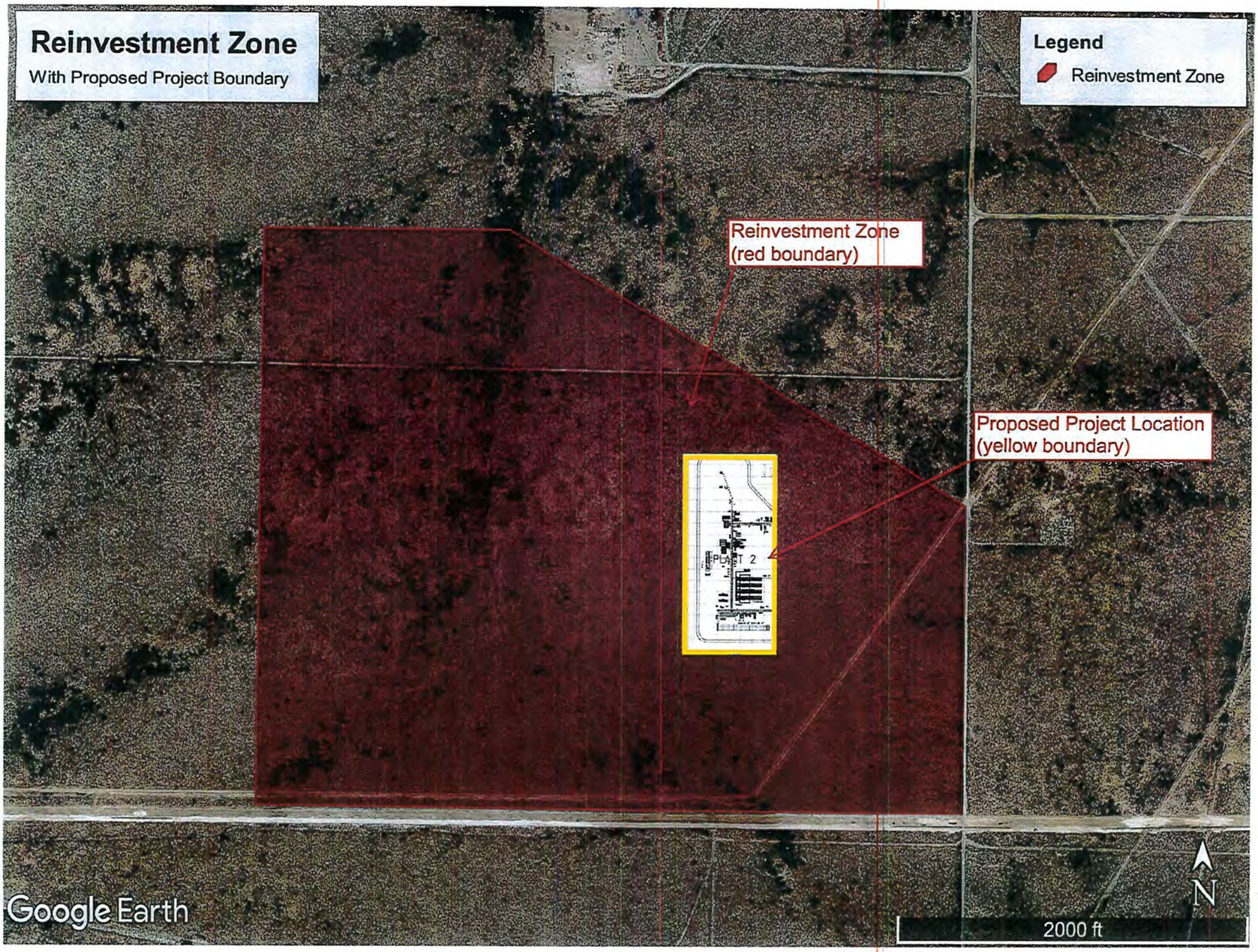
Rights of parties in possession.

All matters reflected of record in Reeves County, Texas, affecting the Property.

EXHIBIT "C"

Attached to and made a part of the Special Warranty Deed, Effective the 16th day of October, 2015, by and between Wolf Bone Ranch Partners LLC and ETC Texas Pipeline, LTD.

1. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Advantage Pipeline, LLC dated February 13, 2013, recorded Volume 987, Page 606, Official Public Records of Real Property, Reeves County, Texas.
2. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Roadrunner Gas Transmission, LLC dated August 18, 2015, recorded Volume 1192, Page 573, Official Public Records of Real Property, Reeves County, Texas.
3. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 321, Official Public Records of Real Property, Reeves County, Texas.
4. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Vaquero Permian Gathering, LLC dated August 19, 2015, recorded Volume 1196, Page 333, Official Public Records of Real Property, Reeves County, Texas.
5. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oxy Permian Gathering, LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.
6. Pipeline Easement Agreement from Wolf Bone Ranch Partners LLC to Oryx Southern Delaware Oil Gathering and Transport LLC, said Agreement is unrecorded but reflected on Exhibit A attached hereto.


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft

TAB 17

Signature and Certification Page

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here ▶ Jim Hale
Print Name (Authorized School District Representative)

Title: Superintendent

sign here ▶
Signature (Authorized School District Representative)

Date: 2/15/18

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 ▶ Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

Title: Sr. Mgr Property Tax

sign here ▶ Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

Date: 2/5/18

BEVERLY M. HERNANDEZ
MY COMMISSION EXPIRES
September 3, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

5 day of February, 2018

Beverly M. Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2018

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.

Blake G. Powell
Sara Hardner Leon
Darrick W. Eugene
Michelle Alcala
Mackenzie Lewis
Casandra Johnson
William C. Bednar, *Of Counsel*

POWELL & LEON LLP

Jay Youngblood
Tyler, Texas

John J. Janssen, Ph.D.
Corpus Christi, Texas

Geneva L. Taylor
Houston, Texas

Rick W. Powell
Pittsburg/Lewisville, Texas

April 9, 2018

Via Electronic Mail: *Desiree.Caufield@cpa.texas.gov*
Via U.S. First Class Mail
Ms. Desiree Caufield
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Post Office Box 13528
Austin, Texas 78711-3528

Re: Application #1240 for a Chapter 313 Value Limitation Agreement between the Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD

First Year of Qualifying Time Period: 2019
First Year of Limitation: 2019

Dear Ms. Caufield:

Please find enclosed for your review a hardcopy and digital copy of Amendment 001 concerning the above referenced Application. These amended pages address your concerns detailed in your March 21, 2018 correspondence.

1. *TWC has released 3rd quarter 2017 wages. As such, page 7 and Tab 13 must be updated to reflect this information.*

Applicant Response:
The Applicant is using the four most recent quarters for both categories.

2. *Section 12, Question 3 is marked "no," but reinvestment zone information was provided in Tab 16. Please clarify.*

Applicant Response:
Section 12, Question 3 has been corrected.

3. *Please provide additional detail / elaboration regarding the information presented in Tab 5.*

Applicant Response:
The Applicant updated Tab 5 with additional detailed language.

4. *Please explicitly state the industry standard for qualified jobs in the job waiver letter.*

Applicant Response:
The Applicant updated jobs from the incorrect number of 3 to 10 jobs. The Applicant does not need a waiver. An explanation is provided on the Request for Waiver cover sheet.

Thank you so much for your kind attention to this matter.

Respectfully submitted,

Shelly Leung

Shelly Leung
Paralegal

Encl.

cc: *Via Electronic Mail: mwatts@pbtisd.esc18.net*
Mr. Maxie Watts, Interim Superintendent
Pecos-Barstow-Toyah Independent School District

Via Electronic Mail: Mike@keatax.com
Mr. Mike Fry, Consultant
KE Andrews

SECTION 12: Qualified Property

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

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property.** This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of **all proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): ..... $ 0.00
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)*: ..... $ 0.00

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

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

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

   ☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☑ Fourth Quarter of 2017 (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? 0

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

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

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

   a. Average weekly wage for all jobs (all industries) in the county is 886.00

   b. 110% of the average weekly wage for manufacturing jobs in the county is 1,378.30

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,143.98

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

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,486.90

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,486.90

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

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ..... ☐ Yes ☑ No

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

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

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

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14.** Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15.** *(not required)*
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15.**

Tab 5 Limitation as Determining Factor w/ability to locate or relocate:

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. In the states mentioned below, Energy Transfer currently operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities and 3 gas conditioning plants. The states where these operations are located include, Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead II Plant economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, multiple other potential projects are presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico.

- Louisiana offers a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs

In the Delaware/Permian Basin alone, the company owns approximately 7,820 miles of natural gas pipeline, 7 processing facilities with aggregate capacity of 815 MMcf/d (*Waha, Coyanosa, Red Bluff, Halley, Jal, Keystone, and Tippet*), and two treating facilities with aggregate capacity of 200 MMcf/d.

The Delaware/Permian Basin assets offer wellhead-to-market services to producers not only in the Texas counties, but also in the New Mexico Counties of Eddy and Lea which surround the Waha Hub.

Because of the proximity of the system to the Waha Hub, the system has a variety of market outlets for the natural gas that is gathered and processed, including several major interstate and intrastate pipelines serving California, the mid-continent region of the United States and the Texas/New Mexico natural gas markets.

Because of existing and new pipeline infrastructure that is now present in New Mexico, ETC has ample freedom to choose where the proposed project can be built. The economic differences outside of tax treatment are considered miniscule because of the Waha's proximity to the NM/TX border. Because of this, the proposed 313 is considered a major determining factor in whether or not the Arrowhead II is completed in Texas.

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Calculation of Wage Information - Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

2016	4Q	$829
2017	1Q	$857
2017	2Q	$902
2017	3Q	$956

$ 3,544 /4 = $886 average weekly salary

x1.1 (110%)

$ 974.60

110% of County Average Weekly Wage for Manufacturing Jobs in County

2016	3Q	$532
2016	4Q	$561
2017	1Q	$1,826
2017	2Q	$2,093

$ 5,012 /4 = $1,253 average weekly salary

x1.1 (110%)

$ 1,378.30

110% of County Average Weekly Wage for Manufacturing Jobs in Region

$54,079.00 per year in Permian Basin Area Council published July 2017

X1.10 (110%)

$59,486.90

$1,143.98 **Avg. Weekly**

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Quarterly Census of Employment and Wages
Original Data Value

Series Id: ENU4838940010

State: Texas
Area: Reeves County, Texas
Industry: Total, all industries
Owner: Total Covered
Size: All establishment sizes
Type: Average Weekly Wage
Years: 2007 to 2017

Year	Qtr1	Qtr2	Qtr3	Qtr4
2007	536	561	539	589
2008	561	593	577	630
2009	587	600	582	632
2010	644	658	633	682
2011	642	666	668	674
2012	681	665	664	727
2013	706	699	741	743
2014	760	731	796	814
2015	817	742	769	778
2016	776	743	809	829
2017	857	902	956	

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Quarterly Census of Employment and Wages
Original Data Value

Series Id: ENU483894051013

State: Texas
Area: Reeves County, Texas
Industry: Manufacturing
Owner: Private
Size: All establishment sizes
Type: Average Weekly Wage
Years: 2007 to 2017

Year	Qtr1	Qtr2	Qtr3	Qtr4
2007	354	406	373	452
2008	356	413	381	462
2009	353	463	388	481
2010	493	Non-Disclosable	Non-Disclosable	Non-Disclosable
2011	Non-Disclosable	406	481	
2012	331	297	270	322
2013	309	309	320	374
2014	353	351	330	342
2015	306	393	607	783
2016	648	518	532	561
2017	1826	2093	Not Disclosable -- data do not meet BLS or State agency disclosure standards.	

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

Applicant Name [redacted]

ISD Name Pecos - Barstow - Toyah ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2018-2019	2018	[redacted]			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				$ 105,000,000.00	$ -	$ -	$ -	$ 105,000,000.00
Complete tax years of qualifying time period	QTP1	2019-2020	2019	$ -	$ -	$ -	$ -	$ -
	QTP2	2020-2021	2020	$ -	$ -	$ -	$ -	$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 105,000,000.00	$ -	$ -	$ -	$ 105,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 105,000,000.00				

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

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

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

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

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

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

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

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

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

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Applicant Name: ETC Texas Pipeline, LTD

ISD Name: Pecos - Barstow - Toyah ISD

Form 50-296A

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PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B: New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C: Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D: Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E: Total Investment (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		$ 105,000,000.00				$ 105,000,000.00
Each year prior to start of value limitation period** (Insert as many lines as necessary)	0	2018-2019	2018	$ 105,000,000.00				$ 105,000,000.00
Value limitation period***	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				$ 105,000,000.00				$ 105,000,000.00
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					
Additional years for 25 year economic impact as required by 313.026(c)(1)	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.
Only tangible personal property that is specifically described in the application can become qualified property.

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

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

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

Applicant Name AMENDMENT 1

ISD Name

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

ETC Texas Pipeline, LTD

Pecos - Barstow - Toyah ISD

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				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period	0	2018-2019	2018	$ -	$ -	$ -	$ -	$ -	$ -
Value Limitation Period	1	2019-2020	2019	$ -	$ -	$ 95,000,000.00	$ 95,000,000.00	$ 95,000,000.00	$ 30,000,000.00
	2	2020-2021	2020	$ -	$ -	$ 91,200,000.00	$ 91,200,000.00	$ 91,200,000.00	$ 30,000,000.00
	3	2021-2022	2021	$ -	$ -	$ 87,400,000.00	$ 87,400,000.00	$ 87,400,000.00	$ 30,000,000.00
	4	2022-2023	2022	$ -	$ -	$ 83,600,000.00	$ 83,600,000.00	$ 83,600,000.00	$ 30,000,000.00
	5	2023-2024	2023	$ -	$ -	$ 79,800,000.00	$ 79,800,000.00	$ 79,800,000.00	$ 30,000,000.00
	6	2024-2025	2024	$ -	$ -	$ 76,000,000.00	$ 76,000,000.00	$ 76,000,000.00	$ 30,000,000.00
	7	2025-2026	2025	$ -	$ -	$ 72,200,000.00	$ 72,200,000.00	$ 72,200,000.00	$ 30,000,000.00
	8	2026-2027	2026	$ -	$ -	$ 68,400,000.00	$ 68,400,000.00	$ 68,400,000.00	$ 30,000,000.00
	9	2027-2028	2027	$ -	$ -	$ 64,600,000.00	$ 64,600,000.00	$ 64,600,000.00	$ 30,000,000.00
	10	2028-2029	2028	$ -	$ -	$ 60,800,000.00	$ 60,800,000.00	$ 60,800,000.00	$ 30,000,000.00
Continue to maintain viable presence	11	2029-2030	2029	$ -	$ -	$ 57,000,000.00	$ 57,000,000.00	$ 57,000,000.00	$ 57,000,000.00
	12	2030-2031	2030	$ -	$ -	$ 53,200,000.00	$ 53,200,000.00	$ 53,200,000.00	$ 53,200,000.00
	13	2031-2032	2031	$ -	$ -	$ 49,400,000.00	$ 49,400,000.00	$ 49,400,000.00	$ 49,400,000.00
	14	2032-2033	2032	$ -	$ -	$ 45,600,000.00	$ 45,600,000.00	$ 45,600,000.00	$ 45,600,000.00
	15	2033-2034	2033	$ -	$ -	$ 41,800,000.00	$ 41,800,000.00	$ 41,800,000.00	$ 41,800,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	$ -	$ -	$ 38,000,000.00	$ 38,000,000.00	$ 38,000,000.00	$ 38,000,000.00
	17	2035-2036	2035	$ -	$ -	$ 34,200,000.00	$ 34,200,000.00	$ 34,200,000.00	$ 34,200,000.00
	18	2036-2037	2036	$ -	$ -	$ 30,400,000.00	$ 30,400,000.00	$ 30,400,000.00	$ 30,400,000.00
	19	2037-2038	2037	$ -	$ -	$ 26,600,000.00	$ 26,600,000.00	$ 26,600,000.00	$ 26,600,000.00
	20	2038-2039	2038	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	21	2039-2040	2039	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	22	2040-2041	2040	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	23	2041-2042	2041	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	24	2042-2043	2042	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00
	25	2043-2044	2043	$ -	$ -	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00	$ 23,750,000.00

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.

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Schedule C: Employment Information

Applicant Name ETC Texas Pipeline, LTD

ISD Name Pecos - Barstow - Toyah ISD

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2018-2019	2018	175 FTE	$ 59,486.90	N/A	3	$ 59,486.90
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2019-2020	2019	0	0	N/A	10	$ 59,486.90
	2	2020-2021	2020	0	0	N/A	10	$ 59,486.90
	3	2021-2022	2021	0	0	N/A	10	$ 59,486.90
	4	2022-2023	2022	0	0	N/A	10	$ 59,486.90
	5	2023-2024	2023	0	0	N/A	10	$ 59,486.90
	6	2024-2025	2024	0	0	N/A	10	$ 59,486.90
	7	2025-2026	2025	0	0	N/A	10	$ 59,486.90
	8	2026-2027	2026	0	0	N/A	10	$ 59,486.90
	9	2027-2028	2027	0	0	N/A	10	$ 59,486.90
	10	2028-2029	2028	0	0	N/A	10	$ 59,486.90
Years Following Value Limitation Period	11 through 26	2029-2044	2029-2044	0	0	N/A	10	$ 59,486.90

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

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

If yes, answer the following two questions:

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

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

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Schedule D: Other Incentives (Estimated)

Applicant Name ETC Texas Pipeline, LTD

ISD Name Pecos - Barstow - Toyah ISD

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State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	**Taxing Entity (as applicable)**	**Beginning Year of Benefit**	**Duration of Benefit**	**Annual Tax Levy without Incentive**	**Annual Incentive**	**Annual Net Tax Levy**
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Reeves	2019	2019-2023	$ 444,581.00	Avg 50% Per Yr	$ 222,291.00
	City:					
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
Other:						
			TOTAL	$ 444,581.00		$ 222,291.00

Additional information on incentives for this project:

TAB 12

Request for Job Waiver

***Because the minimum standard in Subchapter-C School Districts is 10 jobs, the applicant respectfully requests the waiver for the job requirement be removed from the application.*

ETC's Arrowhead II Plant will create 10 full-time jobs by the end of the qualifying period.

AMENDMENT 1

04.09.2018

Texas Comptroller of Public Accounts

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 Watts
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ▶ Maxie Watts
Signature *(Authorized School District Representative)*

4 / 9 / 2018
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 ▶ Megan McKavanagh
Print Name *(Authorized Company Representative (Applicant))*

Sr. Manager Property Tax
Title

sign here ▶ Megan McKavanagh
Signature *(Authorized Company Representative (Applicant))*

4/4/2018
Date

BEVERLY M. HERNANDEZ
MY COMMISSION EXPIRES
September 3, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

4 day of April .2018

Beverly M Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2018

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.

O'HANLON, DEMERATH & CASTILLO
ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILIE: (512) 494-9919

June 15, 2018

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

RE: (1240) Amended application to the Pecos-Barstow-Toyah Independent School District from ETC Texas Pipeline, LTD

To the Local Government Assistance & Economic Analysis Division:

I have enclosed for you the amended application to the Pecos-Barstow-Toyah Independent School District from ETC Texas Pipeline, LTD. The following changes were made with the supplement:

1. Updated Page 1: Name and Title of Superintendent
2. Updated Page 2: Authorized School District Consultant

A copy of the application will be submitted to the Reeves County Appraisal District.
Please do not hesitate to call with any questions.

Sincerely,

William Eggleston
Assistant to Kevin O'Hanlon
School District Consultant

Cc: Reeves County Appraisal District

Texas Comptroller of Public Accounts

Data Analysis and Transparency
Form 50-296-A

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

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 comptroller.texas.gov/economy/local/ch313/. 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

February 15, 2018
Date Application Received by District

Hector
First Name

Mendez
Last Name

Interim Superintendent
Title

Pecos-Barstow-Toyah ISD
School District Name

1301 South Park Street
Street Address

1301 South Park Street
Mailing Address

Pecos
City

Texas
State

79772
ZIP

(432) 447-7201
Phone Number

(432) 447-3076
Fax Number

Mobile Number (optional)

hmendez@ptbisd.esc18.net
Email Address

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

SECTION 1: School DIstrict Information *(continued)*

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

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

4. On what date did the district determine this application complete? ..... Februaary 23, 2018

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

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name: Megan
Last Name: McKavanagh
Title: Assistant Controller
Organization: Energy Transfer Partners, L.P.
Street Address: 800 E. Sonterra Blvd., Suite 400
Mailing Address: 800 E. Sonterra Blvd., Suite 400
City: San Antonio
State: Texas
ZIP: 78258-3941
Phone Number: 210-572-0457
Fax Number: 210-403-6664
Mobile Number *(optional)*:
Business Email Address: megan.mckavanagh@energytransfer.com

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

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

First Name:
Last Name:
Title:
Organization:
Street Address:
Mailing Address:
City:
State:
ZIP:
Phone Number:
Fax Number:
Mobile Number *(optional)*:
Business Email Address:

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

Attachment B

Franchise Tax Account Status

Franchise Tax Account Status

As of : 09/17/2018 09:00:51

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

ETC TEXAS PIPELINE, LTD.

Texas Taxpayer Number	10505324664
Mailing Address	800 E SONTERRA BLVD STE 400 SAN ANTONIO, TX 78258-3941
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	09/24/2002
Texas SOS File Number	0800126082
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 10, 2018

Hector Mendez
Interim Superintendent of Schools
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD, Application 1240

Dear Superintendent Mendez:

On April 20, 2018, the Comptroller issued written notice that ETC Texas Pipeline, LTD (applicant) submitted a completed application (Application 1240) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on February 2, 2018, to the Pecos-Barstow-Toyah Independent School District (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.

[1] All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1240.

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'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, 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 50-826) 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 agreement by December 31, 2018.

Note that any building or improvement existing as of the application review start date of April 20, 2018, 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 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 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 ETC Texas Pipeline, LTD (project) applying to Pecos-Barstow-Toyah Independent School District (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 ETC Texas Pipeline, LTD.

Applicant	ETC Texas Pipeline, LTD
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Pecos-Barstow-Toyah ISD
2016-2017 Average Daily Attendance	2,313
County	Reeves
Proposed Total Investment in District	$105,000,000
Proposed Qualified Investment	$105,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,143.98
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,143.98
Minimum annual wage committed to by applicant for qualified jobs	$59,486.90
Minimum weekly wage required for non-qualifying jobs	$886.50
Minimum annual wage required for non-qualifying jobs	$46,098
Investment per Qualifying Job	$10,500,000
Estimated M&O levy without any limit (15 years)	$8,830,782
Estimated M&O levy with Limitation (15 years)	$4,708,029
Estimated gross M&O tax benefit (15 years)	$4,122,753

Table 2 is the estimated statewide economic impact of ETC Texas Pipeline, LTD (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	178	258	435.79	$10,588,668	$20,761,332	$31,350,000
2019	10	60	70	$594,869	$6,335,131	$6,930,000
2020	10	52	62	$594,869	$5,585,131	$6,180,000
2021	10	39	49	$594,869	$4,665,131	$5,260,000
2022	10	32	42	$594,869	$4,135,131	$4,730,000
2023	10	29	39	$594,869	$3,885,131	$4,480,000
2024	10	29	39	$594,869	$3,835,131	$4,430,000
2025	10	30	40	$594,869	$3,985,131	$4,580,000
2026	10	32	42	$594,869	$4,235,131	$4,830,000
2027	10	34	44	$594,869	$4,545,131	$5,140,000
2028	10	36	46	$594,869	$4,885,131	$5,480,000
2029	10	37	47	$594,869	$5,185,131	$5,780,000
2030	10	38	48	$594,869	$5,525,131	$6,120,000
2031	10	39	49	$594,869	$5,865,131	$6,460,000
2032	10	40	50	$594,869	$6,225,131	$6,820,000

Source: CPA REMI, ETC Texas Pipeline, LTD

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Pecos-Barstow-Toyah ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Reeves County Tax Levy	Reeves County Hospital Tax Levy	Reeves County WCID #2 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0850	0.8607		0.4995	0.2400	0.1194	
2019	$95,000,000	$95,000,000		$80,750	$817,665	$898,415	$474,544	$228,000	$113,383	$1,714,342
2020	$91,200,000	$91,200,000		$77,520	$784,958	$862,478	$455,562	$218,880	$108,847	$1,645,768
2021	$87,400,000	$87,400,000		$74,290	$752,252	$826,542	$436,580	$209,760	$104,312	$1,577,194
2022	$83,600,000	$83,600,000		$71,060	$719,545	$790,605	$417,599	$200,640	$99,777	$1,508,621
2023	$79,800,000	$79,800,000		$67,830	$686,839	$754,669	$398,617	$191,520	$95,241	$1,440,047
2024	$76,000,000	$76,000,000		$64,600	$654,132	$718,732	$379,635	$182,400	$90,706	$1,371,473
2025	$72,200,000	$72,200,000		$61,370	$621,425	$682,795	$360,653	$173,280	$86,171	$1,302,900
2026	$68,400,000	$68,400,000		$58,140	$588,719	$646,859	$341,672	$164,160	$81,635	$1,234,326
2027	$64,600,000	$64,600,000		$54,910	$556,012	$610,922	$322,690	$155,040	$77,100	$1,165,752
2028	$60,800,000	$60,800,000		$51,680	$523,306	$574,986	$303,708	$145,920	$72,565	$1,097,179
2029	$57,000,000	$57,000,000		$48,450	$490,599	$539,049	$284,726	$136,800	$68,030	$1,028,605
2030	$53,200,000	$53,200,000		$45,220	$457,892	$503,112	$265,745	$127,680	$63,494	$960,031
2031	$49,400,000	$49,400,000		$41,990	$425,186	$467,176	$246,763	$118,560	$58,959	$891,458
2032	$45,600,000	$45,600,000		$38,760	$392,479	$431,239	$227,781	$109,440	$54,424	$822,884
2033	$41,800,000	$41,800,000		$35,530	$359,773	$395,303	$208,799	$100,320	$49,888	$754,310
			Total	$872,100	$8,830,782	$9,702,882	$5,125,075	$2,462,400	$1,224,531	$18,514,888

Source: CPA, ETC Texas Pipeline, LTD
*Tax Rate per $100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Pecos-Barstow-Toyah ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Reeves County Tax Levy	Reeves County Hospital Tax Levy	Reeves County WCID #2 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0850	0.8607		0.4995	0.2400	0.1194	
2019	$95,000,000	$30,000,000		$80,750	$258,210	$338,960	$237,272	$228,000	$113,383	$804,232
2020	$91,200,000	$30,000,000		$77,520	$258,210	$335,730	$227,781	$218,880	$108,847	$782,391
2021	$87,400,000	$30,000,000		$74,290	$258,210	$332,500	$218,290	$209,760	$104,312	$760,550
2022	$83,600,000	$30,000,000		$71,060	$258,210	$329,270	$208,799	$200,640	$99,777	$738,709
2023	$79,800,000	$30,000,000		$67,830	$258,210	$326,040	$199,308	$191,520	$95,241	$716,868
2024	$76,000,000	$30,000,000		$64,600	$258,210	$322,810	$379,635	$182,400	$90,706	$884,845
2025	$72,200,000	$30,000,000		$61,370	$258,210	$319,580	$360,653	$173,280	$86,171	$853,513
2026	$68,400,000	$30,000,000		$58,140	$258,210	$316,350	$341,672	$164,160	$81,635	$822,182
2027	$64,600,000	$30,000,000		$54,910	$258,210	$313,120	$322,690	$155,040	$77,100	$790,850
2028	$60,800,000	$30,000,000		$51,680	$258,210	$309,890	$303,708	$145,920	$72,565	$759,518
2029	$57,000,000	$57,000,000		$48,450	$490,599	$539,049	$284,726	$136,800	$68,030	$960,575
2030	$53,200,000	$53,200,000		$45,220	$457,892	$503,112	$265,745	$127,680	$63,494	$896,537
2031	$49,400,000	$49,400,000		$41,990	$425,186	$467,176	$246,763	$118,560	$58,959	$832,499
2032	$45,600,000	$45,600,000		$38,760	$392,479	$431,239	$227,781	$109,440	$54,424	$768,460
2033	$41,800,000	$41,800,000		$35,530	$359,773	$395,303	$208,799	$100,320	$49,888	$704,422
			Total	$872,100	$4,708,029	$5,580,129	$4,033,624	$2,462,400	$1,224,531	$12,076,153
			Diff	$0	$4,122,753	$4,122,753	$1,091,451	$0	$0	$6,438,735

Source: CPA, ETC Texas Pipeline, LTD
*Tax 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 ETC Texas Pipeline, LTD (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	2016	$0	$0	$0	$0
	2017	$0	$0	$0	$0
	2018	$0	$0	$0	$0
Limitation Period (10 Years)	2019	$258,210	$258,210	$559,455	$559,455
	2020	$258,210	$516,420	$526,748	$1,086,203
	2021	$258,210	$774,630	$494,042	$1,580,245
	2022	$258,210	$1,032,840	$461,335	$2,041,580
	2023	$258,210	$1,291,050	$428,629	$2,470,209
	2024	$258,210	$1,549,260	$395,922	$2,866,131
	2025	$258,210	$1,807,470	$363,215	$3,229,346
	2026	$258,210	$2,065,680	$330,509	$3,559,855
	2027	$258,210	$2,323,890	$297,802	$3,857,657
	2028	$258,210	$2,582,100	$265,096	$4,122,753
Maintain Viable Presence (5 Years)	2029	$490,599	$3,072,699	$0	$4,122,753
	2030	$457,892	$3,530,591	$0	$4,122,753
	2031	$425,186	$3,955,777	$0	$4,122,753
	2032	$392,479	$4,348,256	$0	$4,122,753
	2033	$359,773	$4,708,029	$0	$4,122,753
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	$327,066	$5,035,095	$0	$4,122,753
	2035	$294,359	$5,329,454	$0	$4,122,753
	2036	$261,653	$5,591,107	$0	$4,122,753
	2037	$228,946	$5,820,053	$0	$4,122,753
	2038	$204,416	$6,024,470	$0	$4,122,753
	2039	$204,416	$6,228,886	$0	$4,122,753
	2040	$204,416	$6,433,302	$0	$4,122,753
	2041	$204,416	$6,637,718	$0	$4,122,753
	2042	$204,416	$6,842,135	$0	$4,122,753
	2043	$204,416	$7,046,551	$0	$4,122,753

$7,046,551 is greater than **$4,122,753**

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

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, ETC Texas Pipeline, LTD

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the ETC Texas Pipeline, LTD'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:

- Per ETC Texas Pipeline, LTD, Inc. in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead II Plant economics just as potential customer response will be. Both factors will be considered before any determination is made."
  B. "Moreover, multiple other potential projects are presently competing for the same capital expenditures by the company, including Louisiana and in New Mexico."
  C. "Louisiana offers a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives."
  D. "Because of the proximity of the system to the Waha Hub, the sytem has a variety of market outlets for the natural gas that is gathered and processed, including several major interstate and intrastate pipelines serving California, the mid-continent region of the United States and the Texas/New Mexico natural gas markets."
  E. "Because of existing and new pipeline infrastructure that is now present in New Mexico, ETC has ample freedom to choose where the proposed project can be built. The economic differences outside of tax treatment are considered miniscule because of the Waha's proximity to the NM/TX border. Because of this, the proposed 313 is considered a major determining factor in whether or not the Arrowhead II is completed in Texas."
- A November 14, 2017 *Natural Gas Intelligence (NGI)* article stated the following:
  A. Energy Transfer Partnes LP (ETP) "sees opportunities to capture value as all signs point to a continued increase in associated natural gas volumes from the Permian and potential constraints at Waha, which is in Pecos County, TX."

B. ETP is "extremely optimistic over the next 12-14 months that the basis will blow out, probably blow out materially. We're well positioned to take advantage of that. We're actually going to be feeding that with a lot of these projects that we're bringing on and ramping up with our processing plants and with our Red Bluff upstream intrastate."
C. "ETP placed its 200 MMcf/d Arrowhead processing plant in Reeves County, TX, online during the third quarter to serve the Delaware sub-basin, management said, with the 200 MMcf/d Rebel II processing plant serving the Midland sub-basin scheduled for service in 2Q2018."
D. "Including the Panther Plant, which came online in December of last year, Rebel II is our third plant in the Midland Basin," CFO Thomas Long said. "We're nearing capacity in the Permian, and we'll need Rebel II as soon as possible to meet growing producer demand in the region."
E. "The proposed Red Bluff pipeline is an 80-mile, 30- to 42-inch diameter pipe that would travel through the Delaware. The pipe would carry 1.4 Bcf/d from ETP's Red Bluff and Orla plants, as well as multiple third-party plants, to Waha. That project, which has an anchor shipping commitment from Anadarko Petroleum Corp., is expected to cost $300 million and come online in 2Q2018, management said."
F. "We continue to be believers, the industry does, the producers do," McCrea said. "If you look at what's happened to oil prices and everything that's going on in the Middle East, it points to nothing but significant volume growth out of the Permian Basin and a more significant need to move those volumes out."

- The qualified property for the Arrowhead II Plant (Application #1240) will be placed adjacent to the qualified property for the Arrowhead Plant (Application #1160). Commercial operations for Application #1160 began in 2017.
- Attached Energy Transfer Partners ETP system map with Application #1240 location added.

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:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☑ Yes ☐ No
2. Has the applicant entered into any agreements, 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 Limitation as Determining Factor w/ability to locate or relocate:

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. In the states mentioned below, Energy Transfer currently operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities and 3 gas conditioning plants. The states where these operations are located include, Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Arrowhead II Plant economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, multiple other potential projects are presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico.

- Louisiana offers a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs

In the Delaware/Permian Basin alone, the company owns approximately 7,820 miles of natural gas pipeline, 7 processing facilities with aggregate capacity of 815 MMcf/d (*Waha, Coyanosa, Red Bluff, Halley, Jal, Keystone, and Tippet*), and two treating facilities with aggregate capacity of 200 MMcf/d.

The Delaware/Permian Basin assets offer wellhead-to-market services to producers not only in the Texas counties, but also in the New Mexico Counties of Eddy and Lea which surround the Waha Hub.

Because of the proximity of the system to the Waha Hub, the system has a variety of market outlets for the natural gas that is gathered and processed, including several major interstate and intrastate pipelines serving California, the mid-continent region of the United States and the Texas/New Mexico natural gas markets.

Because of existing and new pipeline infrastructure that is now present in New Mexico, ETC has ample freedom to choose where the proposed project can be built. The economic differences outside of tax treatment are considered miniscule because of the Waha's proximity to the NM/TX border. Because of this, the proposed 313 is considered a major determining factor in whether or not the Arrowhead II is completed in Texas.

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Energy Transfer Says Waha-to-Mexico Ramping Up 'Some Time Down the Road'

Jeremiah Shelor November 14, 2017

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Basis differentials at the Waha Hub, situated at the heart of the Permian Basin, could "blow out materially" over the next year or two, and Energy Transfer Partners LP (ETP) is poised to take advantage, management said.

During a conference call last week to discuss 3Q2017 results, COO Marshall McCrea said the Dallas-based midstreamer sees opportunities to capture value as all signs point to a continued increase in associated natural gas volumes from the Permian and potential constraints at Waha, which is in Pecos County, TX.

"We're probably more well-positioned than anybody," McCrea said. "There's not a lot of capacity out of West Texas. Really, the only way out other than west is through our pipe to Mexico, which we still believe will be some time down the road before they're fully ramping up. So, getting volume growth out of there is going to depend on either a new project or existing capacity, of which we have.

"So, we're extremely optimistic over the next 12-14 months that the basis will blow out, probably blow out materially. We're well positioned to take advantage of that. We're actually going to be feeding that with a lot of these projects that we're bringing on and ramping up with our processing plants and with our Red Bluff upstream intrastate."

ETP placed its 200 MMcf/d Arrowhead processing plant in Reeves County, TX, online during the third quarter to serve the Delaware sub-basin, management said, with the 200 MMcf/d Rebel II processing plant serving the Midland sub-basin scheduled for service in 2Q2018

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"Including the Panther Plant, which came online in December of last year, Rebel II is our third plant in the Midland Basin," CFO Thomas Long said "We're nearing capacity in the Permian, and we'll need Rebel II as soon as possible to meet growing producer demand in the region "

The proposed Red Bluff pipeline is an 80-mile, 30- to 42-inch diameter pipe that would travel through the Delaware The pipe would carry 1 4 Bcf/d from ETP's Red Bluff and Orla plants, as well as multiple third-party plants, to Waha That project, which has an anchor shipping commitment from Anadarko Petroleum Corp , is expected to cost $300 million and come online in 2Q2018, management said

"We continue to be believers, the industry does, the producers do," McCrea said "If you look at what's happened to oil prices and everything that's going on in the Middle East, it points to nothing but significant volume growth out of the Permian Basin and a more significant need to move those volumes out

"We certainly continue to evaluate other ways to more efficiently and inexpensively move volumes out by expanding systems that we have or using systems that we have in different manners," he said "We'll continue to evaluate that, and we do believe we'll play a part of that growth on the expansion out of the Waha area But in the meantime, we're pretty excited about what's going to happen as far as basis spread and how it benefits our assets over the next couple of years "

In the interstate segment of its business, ETP confirmed that the next phase of its 3 25 Bcf/d Rover Pipeline remains on track for completion by the end of the year

"For Phase 1B, drilling operations on our remaining" horizontal directional drills (HDD) "are nearly complete," Long said "We expect this phase will be in service and that we will be collecting demand fees on all of Phase 1 before the end of this year In addition, construction of Phase 2 continues, and we feel confident the entire pipeline will be in service by the end of the first quarter of 2018 "

Following a moratorium on HDD activities issued earlier this year, FERC recently provided ETP with several reports from third-party technical advisor J.D Hair & Associates covering "the remaining HDDs on Rover, which should allow us to resume construction on these drills in short order. Both of these developments provide us with more certainty in meeting our projected in-service dates," Long said

Rover, which has been flowing about 1 Bcf/d east-to-west through Ohio, is designed to deliver Marcellus and Utica shale gas to markets in the Midwest, Gulf Coast and Canada

By segment, ETP saw third quarter interstate natural gas transportation volumes increase to 6 075 billion Btu/d from 5.386 billion Btu/d in the year-ago quarter. Management attributed the increase in 3Q2017 to Rover, as well as to increased backhaul deliveries on its Trunkline pipeline, increases on the Tiger pipeline from higher Haynesville Shale production and increases on the Transwestern pipeline from demand in the West and "opportunities in the Texas intrastate market "

"We continue to expect earnings in this segment to pick up once the remaining sections of Rover are in service and we are able to efficiently provide end-user customers with Marcellus and Utica gas," Long said "In addition, we will also be receiving significant revenues from our backhaul capabilities on Panhandle and Trunkline "

Intrastate natural gas volumes also increased during the quarter to 8.94 billion Btu/d from 8 29 billion Btu/d, with higher exports to Mexico and new pipe additions partially offsetting lower production from the Barnett Shale, management said

In the midstream segment, gathered volumes increased to 11.09 billion Btu/d from 9 675 billion Btu/d, while natural gas liquids (NGL) production moved higher to 449,454 b/d versus 420,877 b/d in the year-ago quarter. NGL transportation volumes increased to 836,000 b/d versus 766,000 b/d a year ago

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ETP reported net income for the quarter of $761 million (33 cents/unit) versus net income of $138 million (minus 33 cents/unit) in the year-ago period. Quarterly revenues were $6.97 billion versus $5.53 billion in 3Q2016.

Energy Transfer Equity LP reported quarterly net income of $252 million (22 cents/unit) versus $209 million (20 cents) in the year-ago quarter. Revenue totaled $9.47 billion from $7.71 billion.

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Markets Editor | Dulles, VA
Jeremiah Shelor joined NGI in 2015 after covering business and politics for The Exponent Telegram in Clarksburg, WV. He holds a Master of Fine Arts in Literary Nonfiction from West Virginia University and a Bachelor of Arts in English from Virginia Tech.
jeremiah.shelor@naturalgasintel.com

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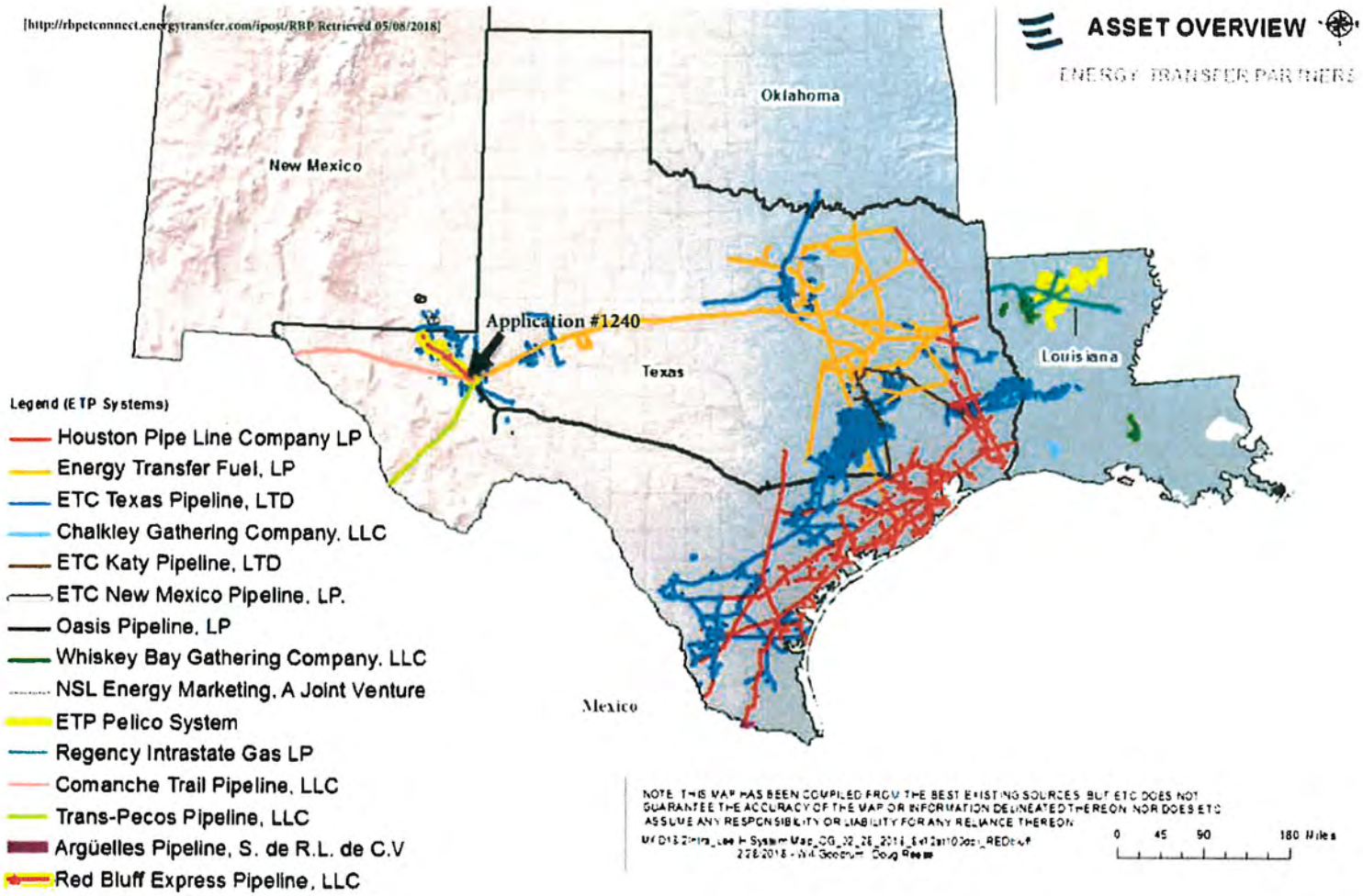

Attachment D

Summary of Financial Impact

CHAPTER 313 PROPERTY VALUE LIMITATION FINANCIAL IMPACT OF THE PROPOSED ETC TEXAS PIPELINE, LTD PROJECT IN THE PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT (PROJECT # 1240)

PREPARED BY

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

AUGUST 30, 2018

Executive Summary

ETC Texas Pipeline, LTD (Company) has requested that the Pecos-Barstow-Toyah Independent School District (P-B-T ISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to P-B-T ISD on February 2, 2018 the Company plans to invest $95 million in initial taxable value to construct a raw natural gas processing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

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

Under the provisions of Chapter 313, P-B-T ISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2019-20 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

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

Total Revenue Loss Payment owed to P-B-T ISD	$250,951
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$4.7 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for the project was issued on April 20, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The Certificate was issued on July 10, 2018.

After the Comptroller's certificate was received, O'Hanlon, Demerath and Castillo contacted the school district to discuss the value limitation agreement and began negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees.

Prior to final board meeting, O'Hanlon, Demerath & Castillo will provide the district with the necessary agenda language and any additional action items. The school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's website (Manuals and Presentations) or (School Finance-One Page Descriptions).

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

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

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

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remains at $5,140 and the Tier II Austin yield increases to $106.28 per WADA for 2018-19, which is maintained for future years.

Static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313

projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA:	2,403
Local Tax Base:	$5.5 billion
M&O Tax Rate:	$1.04 per $100
I&S Tax Rate:	$0.085 per $100
Wealth per WADA:	$1,064,955

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

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

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	2,403.50	3,428.58	$1.0400	$0.0850	$5,575,616,737	$5,575,616,737	$5,178,512,480	$5,178,512,480	$1,510,394	$1,510,394
QTP1/VL1	2019-20	2,403.50	3,428.58	$1.0400	$0.0850	$5,760,616,737	$5,695,616,737	$5,268,512,480	$5,268,512,480	$1,536,644	$1,536,644
QTP2/VL1	2020-21	2,403.50	3,428.58	$1.0400	$0.0850	$5,756,816,737	$5,695,616,737	$5,453,512,480	$5,388,512,480	$1,590,602	$1,571,644
VL3	2021-22	2,403.50	3,428.58	$1.0400	$0.0850	$5,753,016,737	$5,695,616,737	$5,449,712,480	$5,388,512,480	$1,589,494	$1,571,644
VL4	2022-23	2,403.50	3,428.58	$1.0400	$0.0850	$5,878,036,270	$5,824,436,270	$5,445,912,480	$5,388,512,480	$1,588,385	$1,571,644
VL5	2023-24	2,403.50	3,428.58	$1.0400	$0.0850	$5,870,071,684	$5,820,271,684	$5,570,932,013	$5,517,332,013	$1,624,849	$1,609,216
VL6	2024-25	2,403.50	3,428.58	$1.0400	$0.0850	$5,862,232,035	$5,816,232,035	$5,562,967,427	$5,513,167,427	$1,622,526	$1,608,001
VL7	2025-26	2,403.50	3,428.58	$1.0400	$0.0850	$5,858,432,035	$5,816,232,035	$5,555,127,778	$5,509,127,778	$1,620,240	$1,606,823
VL8	2026-27	2,403.50	3,428.58	$1.0400	$0.0850	$5,973,527,316	$5,935,127,316	$5,551,327,778	$5,509,127,778	$1,619,131	$1,606,823
VL9	2027-28	2,403.50	3,428.58	$1.0400	$0.0850	$5,965,410,457	$5,930,810,457	$5,666,423,059	$5,628,023,059	$1,652,701	$1,641,501
VL10	2028-29	2,403.50	3,428.58	$1.0400	$0.0850	$6,293,123,021	$6,262,323,021	$5,658,306,200	$5,623,706,200	$1,650,333	$1,640,242
VP1	2029-30	2,403.50	3,428.58	$1.0400	$0.0850	$7,033,669,540	$7,033,669,540	$5,986,018,764	$5,955,218,764	$1,745,916	$1,736,932
VP2	2030-31	2,403.50	3,428.58	$1.0400	$0.0850	$6,985,520,313	$6,985,520,313	$6,726,565,283	$6,726,565,283	$1,961,908	$1,961,908
VP3	2031-32	2,403.50	3,428.58	$1.0400	$0.0850	$6,940,004,885	$6,940,004,885	$6,678,416,056	$6,678,416,056	$1,947,864	$1,947,864
VP4	2032-33	2,403.50	3,428.58	$1.0400	$0.0850	$6,895,295,369	$6,895,295,369	$6,632,900,628	$6,632,900,628	$1,934,589	$1,934,589
VP5	2033-34	2,403.50	3,428.58	$1.0400	$0.0850	$6,852,220,919	$6,852,220,919	$6,588,191,112	$6,588,191,112	$1,921,549	$1,921,549

***Basic Allotment: $5,140; AISD Yield: $106.28; Equalized Wealth: $514,000 per WADA**

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

M&O Impact of the ETC Texas project on P-B-T ISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of $30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of $250,951 over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2019-20). Nearly all the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	$54,934,758	$1,031,161	-$35,897,131	$2,197,390	$0	$0	$8,633	$81,042	$22,355,853
QTP1/VL1	2019-20	$56,760,758	$662,383	-$37,431,698	$2,270,430	$0	$0	$8,767	$81,042	$22,351,682
QTP2/VL1	2020-21	$56,722,758	$1,031,161	-$38,050,048	$2,268,910	$0	$0	$8,464	$81,042	$22,062,286
VL3	2021-22	$56,684,758	$662,383	-$38,011,555	$2,267,390	$0	$0	$8,464	$81,042	$21,692,482
VL4	2022-23	$57,909,189	$1,031,161	-$38,826,971	$2,316,368	$0	$0	$8,653	$81,042	$22,519,442
VL5	2023-24	$57,830,376	$662,383	-$39,193,627	$2,313,215	$0	$0	$8,447	$81,042	$21,701,836
VL6	2024-25	$57,752,788	$1,031,161	-$39,114,427	$2,310,112	$0	$0	$8,448	$81,042	$22,069,124
VL7	2025-26	$57,714,788	$662,383	-$39,062,662	$2,308,592	$0	$0	$8,454	$81,042	$21,712,597
VL8	2026-27	$58,841,962	$1,031,161	-$39,819,477	$2,353,678	$0	$0	$8,626	$81,042	$22,496,991
VL9	2027-28	$58,761,656	$662,383	-$40,143,564	$2,350,466	$0	$0	$8,439	$81,042	$21,720,422
VL10	2028-29	$61,972,480	$1,031,161	-$42,328,153	$2,478,899	$0	$0	$8,913	$81,042	$23,244,341
VP1	2029-30	$69,223,675	$662,383	-$48,501,271	$2,768,947	$0	$0	$9,410	$81,042	$24,244,186
VP2	2030-31	$68,751,813	$1,031,161	-$50,396,674	$2,750,073	$0	$0	$8,317	$81,042	$22,225,732
VP3	2031-32	$68,305,762	$662,383	-$49,938,464	$2,732,230	$0	$0	$8,323	$81,042	$21,851,276
VP4	2032-33	$67,867,609	$1,031,161	-$49,493,038	$2,714,704	$0	$0	$8,326	$81,042	$22,209,804
VP5	2033-34	$67,445,479	$662,383	-$49,061,456	$2,697,819	$0	$0	$8,331	$81,042	$21,833,597

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

Table 3– "Value Limitation Revenue Model" --Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	$54,934,758	$1,031,161	-$35,897,131	$2,197,390	$0	$0	$8,633	$81,042	$22,355,853
QTP1/VL1	2019-20	$56,110,758	$662,383	-$36,999,120	$2,244,430	$0	$0	$8,667	$81,042	$22,108,160
QTP2/VL1	2020-21	$56,110,758	$1,031,161	-$37,417,093	$2,244,430	$0	$0	$8,474	$81,042	$22,058,771
VL3	2021-22	$56,110,758	$662,383	-$37,417,093	$2,244,430	$0	$0	$8,474	$81,042	$21,689,993
VL4	2022-23	$57,373,189	$1,031,161	-$38,266,651	$2,294,928	$0	$0	$8,664	$81,042	$22,522,333
VL5	2023-24	$57,332,376	$662,383	-$38,676,971	$2,293,295	$0	$0	$8,456	$81,042	$21,700,580
VL6	2024-25	$57,292,788	$1,031,161	-$38,636,205	$2,291,712	$0	$0	$8,457	$81,042	$22,068,955
VL7	2025-26	$57,292,788	$662,383	-$38,622,776	$2,291,712	$0	$0	$8,463	$81,042	$21,713,612
VL8	2026-27	$58,457,962	$1,031,161	-$39,415,227	$2,338,318	$0	$0	$8,635	$81,042	$22,501,891
VL9	2027-28	$58,415,656	$662,383	-$39,781,214	$2,336,626	$0	$0	$8,446	$81,042	$21,722,939
VL10	2028-29	$61,664,480	$1,031,161	-$41,997,918	$2,466,579	$0	$0	$8,923	$81,042	$23,254,266
VP1	2029-30	$69,223,675	$662,383	-$48,395,870	$2,768,947	$0	$0	$9,459	$81,042	$24,349,636
VP2	2030-31	$68,751,813	$1,031,161	-$50,396,674	$2,750,073	$0	$0	$8,317	$81,042	$22,225,732
VP3	2031-32	$68,305,762	$662,383	-$49,938,464	$2,732,230	$0	$0	$8,323	$81,042	$21,851,276
VP4	2032-33	$67,867,609	$1,031,161	-$49,493,038	$2,714,704	$0	$0	$8,326	$81,042	$22,209,804
VP5	2033-34	$67,445,479	$662,383	-$49,061,456	$2,697,819	$0	$0	$8,331	$81,042	$21,833,597

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

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP1/VL1	2019-20	-$650,000	$0	$432,578	-$26,000	$0	$0	-$100	$0	-$243,522
QTP2/VL1	2020-21	-$612,000	$0	$632,955	-$24,480	$0	$0	$10	$0	-$3,515
VL3	2021-22	-$574,000	$0	$594,462	-$22,960	$0	$0	$9	$0	-$2,488
VL4	2022-23	-$536,000	$0	$560,320	-$21,440	$0	$0	$11	$0	$2,892
VL5	2023-24	-$498,000	$0	$516,656	-$19,920	$0	$0	$9	$0	-$1,255
VL6	2024-25	-$460,000	$0	$478,222	-$18,400	$0	$0	$8	$0	-$169
VL7	2025-26	-$422,000	$0	$439,886	-$16,880	$0	$0	$8	$0	$1,015
VL8	2026-27	-$384,000	$0	$404,250	-$15,360	$0	$0	$9	$0	$4,899
VL9	2027-28	-$346,000	$0	$362,350	-$13,840	$0	$0	$8	$0	$2,517
VL10	2028-29	-$308,000	$0	$330,235	-$12,320	$0	$0	$10	$0	$9,926
VP1	2029-30	$0	$0	$105,402	$0	$0	$0	$49	$0	$105,450
VP2	2030-31	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2031-32	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total $5.7 million over the life of the agreement. The P-B-T ISD revenue losses are expected to total approximately $250,951 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to total $4.7 million, prior to any negotiations with ETC Texas on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with P-B-T ISD currently levying a $0.0850 per $100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the ETC Texas project to the local I&S tax roll. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Table 5 - Estimated Financial Impact of the ETC Texas Project Property Value Limitation Request Submitted to P-B-T ISD at $1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2018-19	$0	$0	$0	$1.040	$0	$0	$0	$0	$0
QTP1/VL1	2019-20	$95,000,000	$30,000,000	$65,000,000	$1.040	$988,000	$312,000	$676,000	-$243,522	$432,478
QTP2/VL2	2020-21	$91,200,000	$30,000,000	$61,200,000	$1.040	$948,480	$312,000	$636,480	-$3,515	$632,965
VL3	2021-22	$87,400,000	$30,000,000	$57,400,000	$1.040	$908,960	$312,000	$596,960	-$2,488	$594,472
VL4	2022-23	$83,600,000	$30,000,000	$53,600,000	$1.040	$869,440	$312,000	$557,440	$0	$557,440
VL5	2023-24	$79,800,000	$30,000,000	$49,800,000	$1.040	$829,920	$312,000	$517,920	-$1,255	$516,665
VL6	2024-25	$76,000,000	$30,000,000	$46,000,000	$1.040	$790,400	$312,000	$478,400	-$169	$478,231
VL7	2025-26	$72,200,000	$30,000,000	$42,200,000	$1.040	$750,880	$312,000	$438,880	$0	$438,880
VL8	2026-27	$68,400,000	$30,000,000	$38,400,000	$1.040	$711,360	$312,000	$399,360	$0	$399,360
VL9	2027-28	$64,600,000	$30,000,000	$34,600,000	$1.040	$671,840	$312,000	$359,840	$0	$359,840
VL10	2028-29	$60,800,000	$30,000,000	$30,800,000	$1.040	$632,320	$312,000	$320,320	$0	$320,320
VP1	2029-30	$57,000,000	$57,000,000	$0	$1.040	$592,800	$592,800	$0	$0	$0
VP2	2030-31	$53,200,000	$53,200,000	$0	$1.040	$553,280	$553,280	$0	$0	$0
VP3	2031-32	$49,400,000	$49,400,000	$0	$1.040	$513,760	$513,760	$0	$0	$0
VP4	2032-33	$45,600,000	$45,600,000	$0	$1.040	$474,240	$474,240	$0	$0	$0
VP5	2033-34	$41,800,000	$41,800,000	$0	$1.040	$434,720	$434,720	$0	$0	$0
						$10,670,400	**$5,688,800**	**$4,981,600**	**-$250,951**	**$4,730,649**

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

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

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

Attachment E

Taxable Value of Property

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax

School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

195/Reeves

195-901/Pecos-Barstow-Toyah ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	236,981,950	N/A	236,981,950	236,981,950
B. Multi-Family Residences	4,361,320	N/A	4,361,320	4,361,320
C1. Vacant Lots	22,145,420	N/A	22,145,420	22,145,420
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	10,402,740	N/A	10,402,740	10,402,740
D2. Real Prop Farm & Ranch	665,460	N/A	665,460	665,460
E. Real Prop NonQual Acres	38,534,820	N/A	38,534,820	38,534,820
F1. Commercial Real	154,955,220	N/A	154,955,220	154,955,220
F2. Industrial Real	354,212,000	N/A	354,212,000	354,212,000
G. Oil, Gas, Minerals	1,456,349,744	N/A	1,456,349,744	1,456,349,744
J. Utilities	381,586,530	N/A	381,586,530	381,586,530
L1. Commercial Personal	86,800,890	N/A	86,800,890	86,800,890
L2. Industrial Personal	391,804,290	N/A	391,804,290	391,804,290

M. Other Personal	12,486,080	N/A	12,486,080	12,486,080
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	3,151,286,464		3,151,286,464	3,151,286,464
Less Total Deductions	362,784,901		362,784,901	362,784,901
Total Taxable Value	2,788,501,563		2,788,501,563	2,788,501,563 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
2,806,493,531	2,788,501,563	2,806,493,531	2,788,501,563

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
17,991,968	0

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
2,968,303,531	2,950,311,563	2,968,303,531	2,950,311,563

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

238/Ward

195-901/Pecos-Barstow-Toyah ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	2,471,200	N/A	2,471,200	2,471,200
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	1,762,300	N/A	1,762,300	1,762,300
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	289,890	N/A	289,890	289,890
D2. Real Prop Farm & Ranch	197,340	N/A	197,340	197,340

E. Real Prop NonQual Acres	4,134,830	N/A	4,134,830	4,134,830
F1. Commercial Real	338,010	N/A	338,010	338,010
F2. Industrial Real	103,872,490	N/A	103,872,490	103,872,490
G. Oil, Gas, Minerals	900,221,210	N/A	900,221,210	900,221,210
J. Utilities	101,049,260	N/A	101,049,260	101,049,260
L1. Commercial Personal	3,973,880	N/A	3,973,880	3,973,880
L2. Industrial Personal	26,546,920	N/A	26,546,920	26,546,920
M. Other Personal	522,110	N/A	522,110	522,110
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	1,145,379,440		1,145,379,440	1,145,379,440
Less Total Deductions	3,899,250		3,899,250	3,899,250
Total Taxable Value	1,141,480,190		1,141,480,190	1,141,480,190 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
1,141,480,190	1,141,480,190	1,141,480,190	1,141,480,190

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
0	0

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
1,141,480,190	1,141,480,190	1,141,480,190	1,141,480,190

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

195-901/Pecos-Barstow-Toyah ISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned

A. Single-Family Residences	239,453,150	N/A	239,453,150	239,453,150
B. Multi-Family Residences	4,361,320	N/A	4,361,320	4,361,320
C1. Vacant Lots	23,907,720	N/A	23,907,720	23,907,720
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	10,692,630	N/A	10,692,630	10,692,630
D2. Real Prop Farm & Ranch	862,800	N/A	862,800	862,800
E. Real Prop NonQual Acres	42,669,650	N/A	42,669,650	42,669,650
F1. Commercial Real	155,293,230	N/A	155,293,230	155,293,230
F2. Industrial Real	458,084,490	N/A	458,084,490	458,084,490
G. Oil, Gas, Minerals	2,356,570,954	N/A	2,356,570,954	2,356,570,954
J. Utilities	482,635,790	N/A	482,635,790	482,635,790
L1. Commercial Personal	90,774,770	N/A	90,774,770	90,774,770
L2. Industrial Personal	418,351,210	N/A	418,351,210	418,351,210
M. Other Personal	13,008,190	N/A	13,008,190	13,008,190
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	4,296,665,904		4,296,665,904	4,296,665,904
Less Total Deductions	366,684,151		366,684,151	366,684,151
Total Taxable Value	3,929,981,753		3,929,981,753	3,929,981,753 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

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

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by and between

PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

and

ETC TEXAS PIPELINE, LTD

(Texas Taxpayer ID # 10505324664)

Comptroller Application #1240

Dated

September 20, 2018

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

STATE OF TEXAS §
COUNTY OF REEVES §

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 **PECOS-BARSTOW-TOYAH 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 **ETC TEXAS PIPELINE, LTD**, Texas Taxpayer Identification Number 10505324664, 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 February 15, 2018, the Superintendent of Schools of the Pecos-Barstow-Toyah 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 February 15, 2018, 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, the District and the Texas Comptroller's Office have determined that the Application is complete and April 20, 2018, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Reeves Appraisal District established in Reeves County, Texas (the "Reeves 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 July 10, 2018, issued a certificate for limitation on appraised

value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Superintendent as authorized by the District's Board of Trustees, by letter dated August 30, 2018, extended the statutory deadline by which the District must consider the Application until September 30, 2018 and the Comptroller was provided notice of such extension as set out under 34 Texas Admin. Code Section 9.1054(d);

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 September 20, 2018, 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 September 20, 2018, 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 September 18, 2018, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on September 14, 2018, 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 September 20, 2018, 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 ETC Texas Pipeline, LTD, *(Texas Taxpayer ID #10505324664)* 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 February 15, 2018. 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 Reeves County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Pecos-Barstow-Toyah Independent School District.

"*Comptroller*" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of 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 Reeves County, Texas.

"*District*" *or* "*School District*" means the Pecos-Barstow-Toyah 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 sixty (60) 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.

"*Aggregate Limit*" means, for any Tax Year during the term of this Agreement, an amount equal

to the Net Tax Benefit to the Applicant.

"*Annual Limit*" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, for the school year immediately preceding each year for which the Annual Limit is calculated, rounded to the whole number by $100, or any larger amount in Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for the first Tax Year (including partial Tax Year) the Qualifying Time Period is to commence shall be Tax Year 2018. The start of the Qualifying Time Period is set forth in Section 2.3(C)(i), below.

"*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.

"*Commencement Date*" means September 20, 2018, the start of the Qualifying Time Period.

"*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 payments paid by Applicant to compensate District for loss of revenue under this Agreement.

"*Lost M&O Revenue*" means the reduction in Maintenance and Operations ad valorem tax revenue to the District caused by, resulting from, or on account of the execution 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 District actually received 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 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 payments due to the District under Articles IV, V, and VI of this Agreement.

"*Original M&O Revenue*" means the total State and local Maintenance and Operations Revenue that District would have received for the school year, under the Applicable School Finance Law for such Tax Year, had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the District's full *ad valorem* maintenance & operations tax at the rate applicable for such

tax 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 subject to this Agreement, *plus* the total appraised value of the Qualified Property 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, the taxable value of Applicant's Qualified Property for M&O purposes will not be used.

"*Revenue Protection Amount*" means the amount calculated pursuant to Section 4.2 of this Agreement.

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 and 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 April 20, 2018, 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 September 20, 2018.

C. The Qualifying Time Period for this Agreement:
   i. Starts on the Application Approval Date.
   ii. End on December 31, 2020, 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 Application Review Start Date; 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, 2033.

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. Thirty Million Dollars ($30,000,000).

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 $30,000,000 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 $887 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 property used for manufacturing.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject only to the limitations contained in Section 7.1 of this Agreement, it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any Lost M&O Revenue in each year of this Agreement for which this Agreement was the producing cause, 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 in this Agreement. Subject only to the limitations contained in this Agreement, including Section 7.1, **it is the intent of the Parties that**

the risk of any and all Lost M&O Revenue, for which this Agreement was the producing cause, will be borne solely by Applicant and not by 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.

Section 4.2. CALCULATING THE LOST M&O REVENUE BY THE DISTRICT. Subject only to the provisions of Section 7.1 of this Agreement, the amount to be paid by the Applicant to compensate the District for Lost M&O Revenue 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 as that law exists for each year for which the calculation is made.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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 under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. 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, with the consent of the Applicant. In the event the Applicant and the District cannot agree upon a Third Party, the Parties will participate in mediation as provided in Section 9.3 of this Agreement. 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 the following: Any other reasonable and necessary 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.

In the event that the calculations made under this Agreement by the Third Party should become the subject of litigation, the Parties stipulate that the Third Party's participation in any such dispute shall be limited to providing the court or administrative body with jurisdiction over such dispute with an explanation of the methodology used in reaching the Third Party's calculation so as to assist the court or administrative body.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified appraisal 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 4.3. The certified appraisal 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 appraisal roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party shall forward to the Parties a certification containing the calculations required under Articles IV, V, 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 4.6, 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 4.6. 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 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, 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, which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any

total expenses under this Section and Section 4.7, above, in excess of Fifteen Thousand Dollars ($15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. Should the Applicant disagree with the 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 shall 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 certified calculations 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. Pursuant to Sections 4.3, 4.4 and 4.5 of this Agreement, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification or, (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within ten (10) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification continent the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees. Any such 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 Applicant's receipt of the Third Party's final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property 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 Property 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 amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District, up to the Annual Limitation amount set forth

in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for 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 purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

(a) Amounts Exclusive of Article IV and Article V Payments

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article VI, (the "Supplemental Payments"). 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, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV and V are subject to the limitations contained in Section 7.1, and that all payments under this Article VI are subject to the separate limitations contained in Section 6.2.

(b) Adherence to Statutory Limits on Supplemental Payments

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

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

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 Applicant;

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; and

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of $50,000 or $100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

Section 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT. The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2018, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i., the Applicant's Supplemental Payment Amount will annually be paid based on the following schedule

Date of Payment	Amount of Payment
January 31, 2019	Equal to the Annual Limit
January 31, 2020	Equal to the Annual Limit
January 31, 2021	Equal to the Annual Limit
January 31, 2022	Equal to the Annual Limit
January 31, 2023	Equal to the Annual Limit
January 31, 2024	Equal to the Annual Limit
January 31, 2025	Equal to the Annual Limit
January 31, 2026	Equal to the Annual Limit
January 31, 2027	Equal to the Annual Limit
January 31, 2028	Equal to the Annual Limit
January 31, 2029	Equal to the Annual Limit
January 31, 2030	Equal to the Annual Limit
January 31, 2031	Equal to the Annual Limit
January 31, 2032	Equal to the Annual Limit

A. **Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.** All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.3, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6, above.

C. All amounts owed by the Applicant to the District for a Tax Year under this Article shall be paid on the same date established by Section 6.3 for such Tax Year.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1 below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section 6.5 shall not alter the limits on Supplemental Payments described in Sections 6.2 and 6.3, above.

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement unless Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

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;

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 sixty (60) 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 sixty (60) 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 Reeves 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 Reeves County, 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 sixty (60) 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 sixty (60) 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 $30,000,000 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 REQUIRED NEW QUALIFYING JOBS. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. 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:

Superintendent of Schools (or his successor)
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772
Phone: (432) 447-7201
Facsimile: (432) 447-3076
Email: hmendez@pbtisd.esc18.net

With a copy to:

Kevin T. O'Hanlon
O'Hanlon, Demerath & Castillo
808 West Ave
Austin, Texas 78701
Phone: (512) 494-9949
Facsimile: (512) 494-9919
Email: kohanlon@808west.com

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

Energy Transfer Partners, L.P.
Attn: Megan McKavanagh, Assistant Controller
800 E. Sonterra Boulevard, Suite 400
San Antonio, Texas 78258-3941
Telephone: (210)572-0457
Facsimile: (210) 403-6664

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 Reeves County.

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 Amended Agreement has been executed by the Parties in multiple originals on this 20th day of September, 2018.

ETC TEXAS PIPELINE, LTD

By: Megan McKavanagh

MEGAN MCKAVANAGH
~~**ASSISTANT CONTROLLER**~~ Senior Property Tax

PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT

By: Sam Contreras

PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: Esther Natividad

SECRETARY, BOARD OF TRUSTEES

Or In the Event of a Conflict of Interest:

By: _____

VICE PRESIDENT, BOARD OF TRUSTEES

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

A map of the *ETC Reinvestment Zone* is attached following the legal description of the Zone. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *ETC Reinvestment Zone*.

Legal Description:

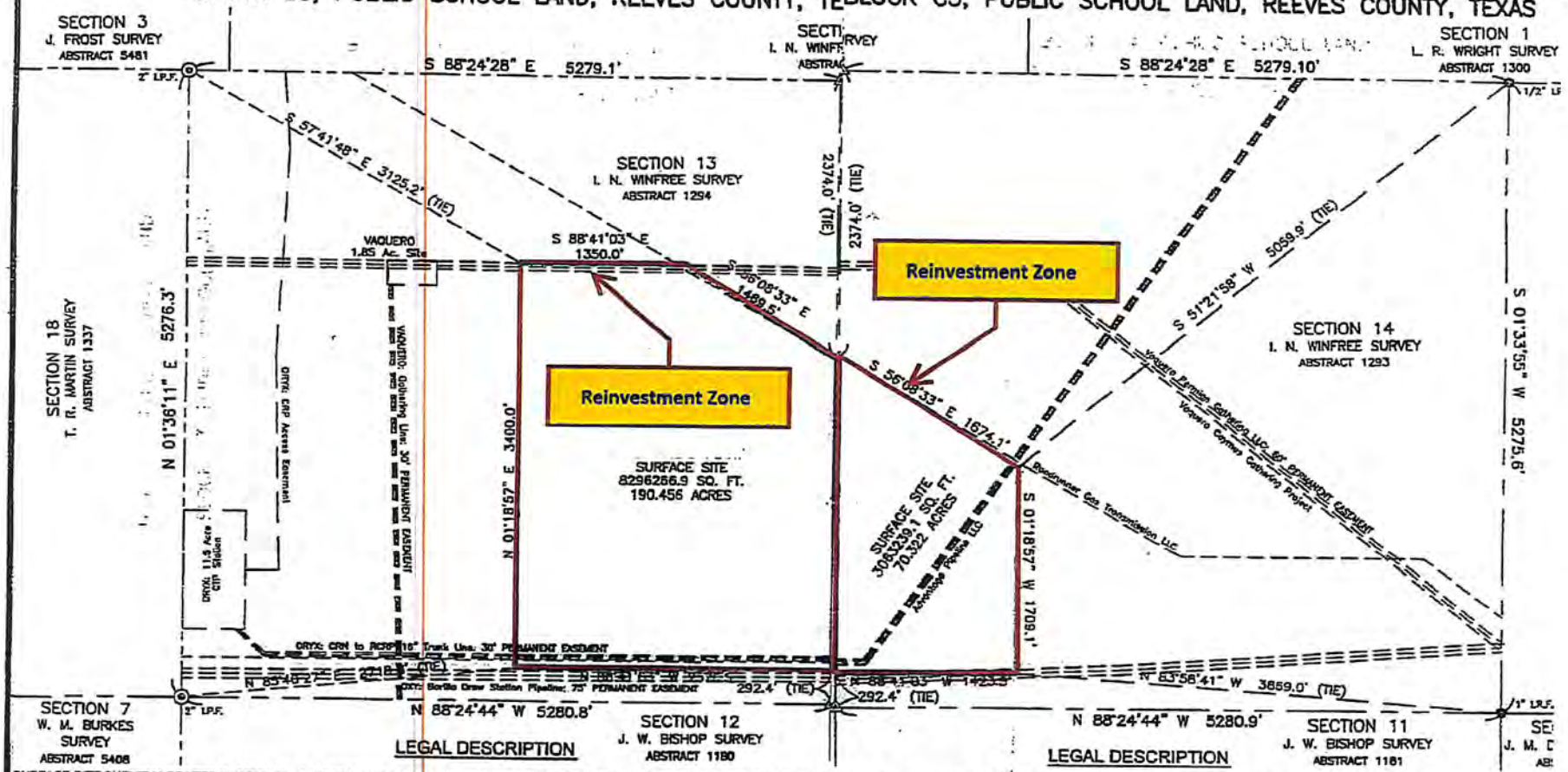
That 260.778 acre tract of land located in Section(s) 13 and 14, Block C-3, Pubic School Lands Survey, Reeves County, Texas.

EXHIBIT "A"

EXHIBIT "A"

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TE

BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS



LEGAL DESCRIPTION

SURFACE SITE SURVEY LOCATED IN SECTION 13, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULA

FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS NORTH 01° 35' 03" E

OF SECTION 13, A DISTANCE OF 292.4 FEET, FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE NORTH 88° 41' 03" WEST, A DISTANCE OF 2576.5 FEET, TO THE SOUTHWEST CORNER OF THE SURFACE SITE, WHICH BEARS N

DISTANCE OF 2718.8 FEET FROM THE SOUTHWEST CORNER OF SECTION 13; THENCE NORTH 01° 18' 57" EAST, A DISTANCE OF 3400.0 F

CORNER OF THE SURFACE SITE, WHICH BEARS S 57° 41' 48" EAST, A DISTANCE OF 3125.2 FEET, FROM THE NORTHWEST CORNER OF SI

88° 41' 03" EAST, A DISTANCE OF 1350.0 FEET, TO A NORTHERLY CORNER OF THE SURFACE SITE, THENCE SOUTH 56° 08' 33" EAST, A D

THE NORTHEAST CORNER OF THE SURFACE SITE, IN THE EAST LINE OF SECTION 13, WHICH BEARS SOUTH 01° 35' 03" WEST, ALONG TH

13, A DISTANCE OF 2374.0 FEET FROM THE SOUTHEAST CORNER OF SECTION 13;

THENCE SOUTH 01° 35' 03" WEST, ALONG THE EAST LINE OF SECTION 13, A DISTANCE OF 2609.6 FEET TO THE POINT OF BEGINNING, A

SURVEY

CAUTIONARY NOTE: LINE CROSSINGS AND OT

LEGAL DESCRIPTION

ATED IN SECTION 14, BLOCK C3, PUBLIC SCHOOL LAND, REEVES COUNTY, TEXAS, BEING MORE PARTICULARLY DESCR

WEST CORNER OF THE SURFACE SITE, IN THE WEST LINE OF SECTION 14, WHICH BEARS NORTH 01° 35' 03" EAST, ALONG

E OF 292.4 FEET, FROM THE SOUTHWEST CORNER OF SECTION 14;

EAST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2609.6 FEET, TO THE NORTHWEST CORNER OF THE SUR

35' 03" WEST, ALONG THE WEST LINE OF SECTION 14, A DISTANCE OF 2374.0 FEET FROM THE NORTHWEST CORNER OF S

EAST, A DISTANCE OF 1674.1 FEET, TO NORTHEAST CORNER OF THE SURFACE SITE, WHICH BEARS SOUTH 51° 21' 58" W

FROM THE NORTHEAST CORNER OF SECTION 14; THENCE SOUTH 01° 18' 57" WEST, A DISTANCE OF 1709.1 FEET, TO SC

SITE, WHICH BEARS NORTH 83° 58' 41" WEST, A DISTANCE OF 3859.0 FEET FROM THE SOUTHEAST CORNER OF SECTIO

WEST, A DISTANCE OF 1423.5 FEET TO THE POINT OF BEGINNING, AND THE END OF THIS SURVEY.

CAUTIONARY NOTE: LINE CROSSINGS AND OTHER FEATUR

HEREON WERE LOCATED BY VISUAL INSPECTION ONLY.

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land upon which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the maps attached to **Exhibit 1.** The Land upon which the Qualified Investment shall be made and upon which the Qualified Property shall located shall be one hundred percent (100%) contained within the boundaries of the *ETC Reinvestment Zone*, which is located within the boundaries of the Pecos-Barstow-Toyah Independent School District.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Specifically, all Qualified Investment of the Applicant is located in the sections of land identified in **EXHIBIT 2** and within the boundaries indicated on the map attached as the last page of **EXHIBIT 1**. This Agreement covers Qualified Investment necessary for commercial operations as more fully described in Tab 7 of the Application, attached hereto as **EXHIBIT 3**.

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for ETC to start construction is June of 2018 and start hiring the new employees in September of 2018. This should allow for completion and commencement of commercial operations to start in January of 2018.

Cryogenic Natural Gas Processing Plant

The Arrowhead Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Arrowhead Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H20 Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within Pecos-Barstow-Toyah Independent School District necessary for the commercial operations of a new cryogenic fractionation plant, as more fully described in Tab 8 of the Application, attached hereto as **EXHIBIT 4**.

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Pecos-Barstow-Toyah ISD/Reeves County, Texas. Projected timeline for ETC to start construction is June of 2018 and start hiring the new employees in September of 2018. This should allow for completion and commencement of commercial operations to start in January of 2018.

Cryogenic Natural Gas Processing Plant

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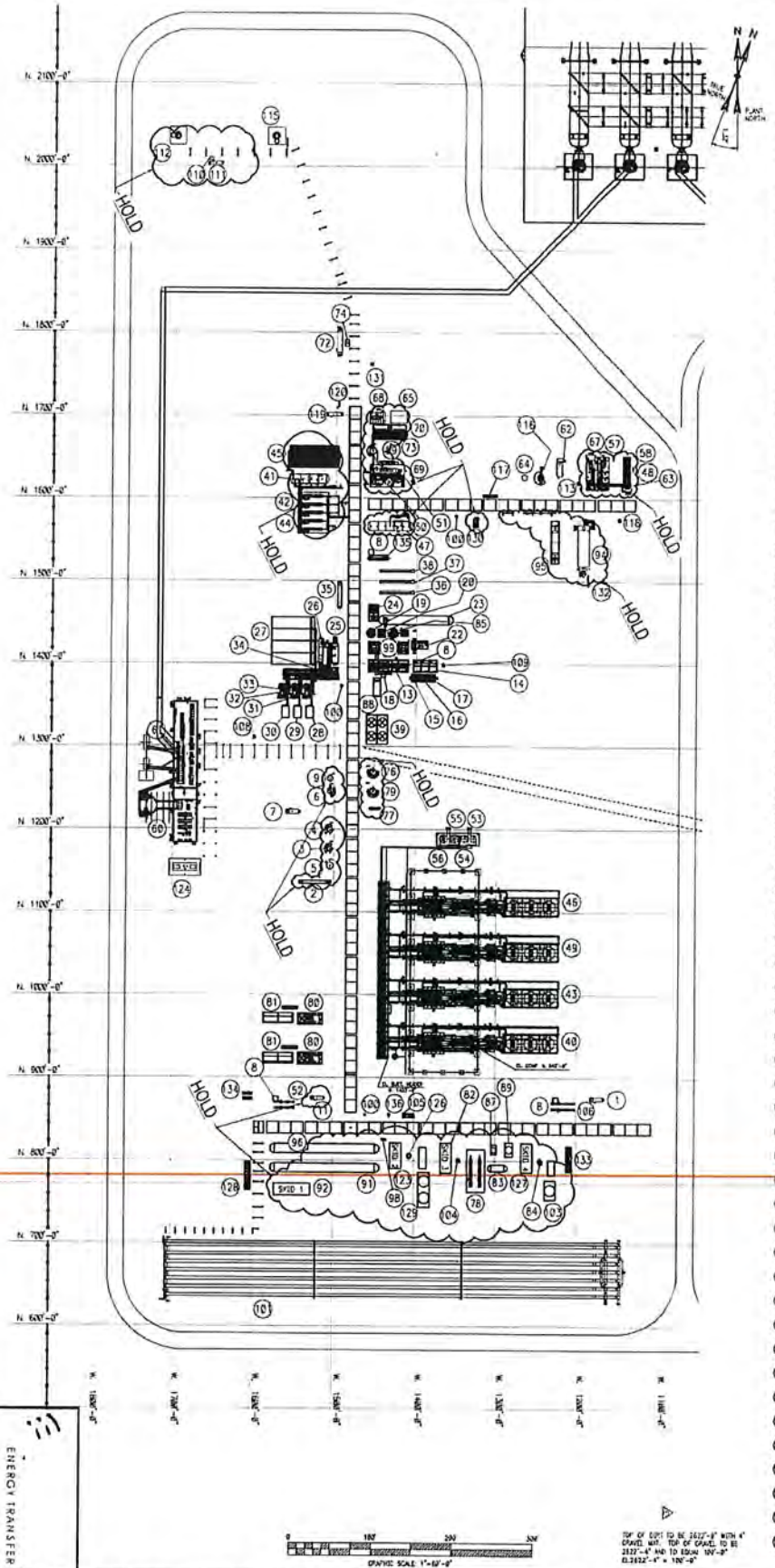
- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H20 Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.



	TAG NUMBER	DESCRIPTION
1	F-1161-2	INLET FILTER COALESCER SEPERATOR
2	E-1330-2	INLET GAS/GAS EXCHANGER
3	T-1103-2	INLET GAS AMINE CONTACTOR
4	T-1104-2	INLET GAS AMINE CONTACTOR
5	V-1105-2	AMINE AFTER SCRUBBER
6	T-1402-2	GLYCOL CONTACTOR
7	F-2422-2	GLYCOL CONTACTOR INLET FILTER SEPARATOR
8	-	GC BUILDING (4 TOTAL)
9	V-1421-2	GLYCOL AFTERSCRUBBER
11	F-2210-2	RESIDUE GAS FILTER/COALESCER
13	-	UPPER LEVEL INLET SKID #6
14	-	DEHY SWITCHING VALVE SKID #2
15	V-442-2	MOL SIEVE DEHYDRATOR
16	V-443-2	MOL SIEVE DEHYDRATOR
17	V-444-2	MOL SIEVE DEHYDRATOR
18	-	INLET FILTER SKID #1
19	V-402-2	COLD SEPARATOR
20	E-201-2	WARM GAS/GAS EXCHANGER
22	EC-101-2	EXPANDER/COMPRESSOR
23	V-424-2	PRODUCT SURGE TANK
24	-	PRODUCT PUMP SKID #5
25	E-203-2	CHILLER
26	V-403-2	REFRIGERANT ACCUMULATOR
27	A-361-2	REFRIGERANT CONDENSER
28	A-161-2	LUBE OIL COOLER
29	A-162-2	LUBE OIL COOLER
30	A-163-2	LUBE OIL COOLER
31	C-161-2	REFRIGERANT COMPRESSOR
32	C-162-2	REFRIGERANT COMPRESSOR
33	C-163-2	REFRIGERANT COMPRESSOR
34	-	REFRIGERATION SKID #7
35	V-403-2	COLD DRAIN TANK
36	P-1505A-2	NGL PIPELINE PUMP
37	P-1505B-2	NGL PIPELINE PUMP
38	P-1505C-2	NGL PIPELINE PUMP
39	A-301-2	EXPANDER COMPRESSOR AFTERCOOLER
40	CP-201-2	RESIDUE GAS COMPRESSOR
41	V-1119-2	AMINE SURGE TANK
42	P-1105A/B/C-2	AMINE SOLUTION PUMPS (GAS)
43	CP-202-2	RESIDUE GAS COMPRESSOR
44	P-15204A/B-2	AMINE SOLUTION PUMPS (NGL)
45	AC-1111A/B-2	AMINE SOLUTION COOLERS
46	CP-204-2	RESIDUE GAS COMPRESSOR
47	V-1109-2	AMINE FLASH TANK
48	AC-1415-2	BTEX CONDENSER
49	CP-203-2	RESIDUE GAS COMPRESSOR
50	-	AMINE FILTER SKID #1
51	-	AMINE LEAN/RICH EXCHANGER SKID #2
52	FE-2210A/B-2	RESIDUE GAS METER
53	TK-3003-2	LUBE OIL TANK
54	TK-3002-2	WASTE LUBE OIL TANK
55	TK-3000-2	COOLANT STORAGE TANK
56	TK-3001-2	WASTE COOLANT STORAGE TANK
57	-	GLYCOL REGEN SKID #4B
58	AC-1411-2	GLYCOL COOLER
59	T-1114-2	AMINE REGEN STILL
60	-	LOW VOLTAGE MCC
61	-	MEDIUM VOLTAGE MCC
62	H-741-2	REGEN GAS HEATER
63	-	BTEX BLOWER PLATFORM #4C
64	V-1910-2	CO2 VENT SCRUBBER
65	-	SULFA GUARD
67	-	GLYCOL REGEN SKID #4A
68	-	REFLUX ACCUMULATOR/PUMP SKID #3
69	TK-1115-2	AMINE SUMP TANK
70	AC-1115-2	REFLUX CONDENSER
72	V-1810-2	FLARE KNOCKOUT DRUM
73	P-1850-2	ANTI-FOAM INJECTION PUMP
74	P-1820A/B-2	FLARE KNOCKOUT PUMP
76	T-1500-2	NGL AMINE CONTACTOR
77	F-1503-2	TREATED NGL COALESCER
78	-	PIPELINE PUMPS
79	T-1501-2	NGL AMINE CONTACTOR
80	C-3200A/B-2	STABILIZER OVERHEAD COMPRESSORS
81	AC-3200A/B-2	OVERHEAD COMPRESSOR AFTERCOOLERS
82	-	Y-GRADE SKID #3
83	-	STABILIZED NGL SURGE TANK
84	-	SAYBOLT STABLIZER TOWER
85	T-501-2	DEMETHANIZER
87	-	Y-GRADE BOTTOMS COOLER
88	A-341-2	REGEN GAS COOLER
89	-	STABILIZED NGL COOLER
91	V-1601-2	L.P. FLASH DRUM
92	-	CONDENSATE FEED SKID #1
94	H-1706-2	STABILIZER HMO HEATER
95	-	STABILIZER HMO PUMP SKID #5
96	V-2530-2	CONDENSATE REPUN TANK
98	P-2550-2	RE-RUN PUMP
99	-	PROCESS SKID #3 & #4
100	V-4015A/B/C-2	INSTRUMENT AIR SURGE TANK
101	V-100-2	SLUG CATCHER
103	-	SAYBOLT OVHD CONDENSER
104	-	Y-GRADE STABILIZER TOWER
105	FE-1601-2	LP FLASH DRUM LIQUIDS METER SKID
106	FE-1161A/B-2	INLET METER
108	TK-730-2	REFRIGERATION SUMP TANK
109	TK-750-2	CRYO SUMP TANK
110	P-1942-2	ACID GAS FLARE K.O. PUMP
111	V-1941-2	ACID GAS FLARE K.O. DRUM
112	FL-1940-2	ACID GAS FLARE
113	TK-2424-2	GLYCOL SUMP TANK
115	FL-1800-2	FLARE
116	TO-1900-2	THERMAL OXIDIZER
117	-	THERMAL OXIDIZER CONTROL RACK
118	TK-2870-2	OPEN DRAIN SUMP TANK
119	V-2810-2	CLOSED DRAIN DRUM
120	P-2820-2	CLOSED DRAIN OIL PUMP
121	-	RVP STABILIZER SKID #2
124	C-4000-2	INSTRUMENT AIR COMPRESSOR
125	-	RVP STABILIZER TOWER
126	-	SAYBOLT STABLIZER SKID #4
128	FE-1000-2	SLUG CATCHER LIQUID METER SKID
129	-	RVP OVERHEAD CONDENSER
130	V-1600-2	WET FUEL GAS SCRUBBER SKID #6
131	TK-2850-2	OPEN DRAIN SUMP
132	-	SKID #7 HMO FG TRAIN
133	FE-1502-2	Y-GRADE METER SKID
134	FE-2211A-2	BUY BACK METER SKID
135	FE-1501-2	NGL PRODUCT METER
136	TK-2830-2	OPEN DRAIN SUMP TANK

REV	DESCRIPTION	BY	DATE	CHK'D	APP'D
G	ISSUED FOR INFORMATION (REV. SLUGCATCHER, VRU, ACID GAS FLARE)	BWS	1/10/18	CW	PAH
F	ISSUED FOR INFORMATION (REVISED STABILIZER AREA)	BWS	12/13/17	CW	PAH
E	ISSUED FOR INFORMATION (REVISED GRADE NOTE)	BWS	11/27/17	CW	PAH
D	ISSUED FOR INFORMATION (ADDED HOLD NOTE)	BWS	11/8/17	CW	PAH
C	ISSUED FOR INFORMATION	BWS	11/7/17	CW	PAH
B	ISSUED FOR REVIEW	BWS	11/2/17	CW	PAH

DRAWN BWS 11/2/17
CHECKED CW 11/2/17
APPROVED PAH 11/2/17
SCALE 1"=60'-0"
PROJ NO. 55070001
DRAWING NO. 55070001-000-1003
REV G

ENERGY TRANSFER

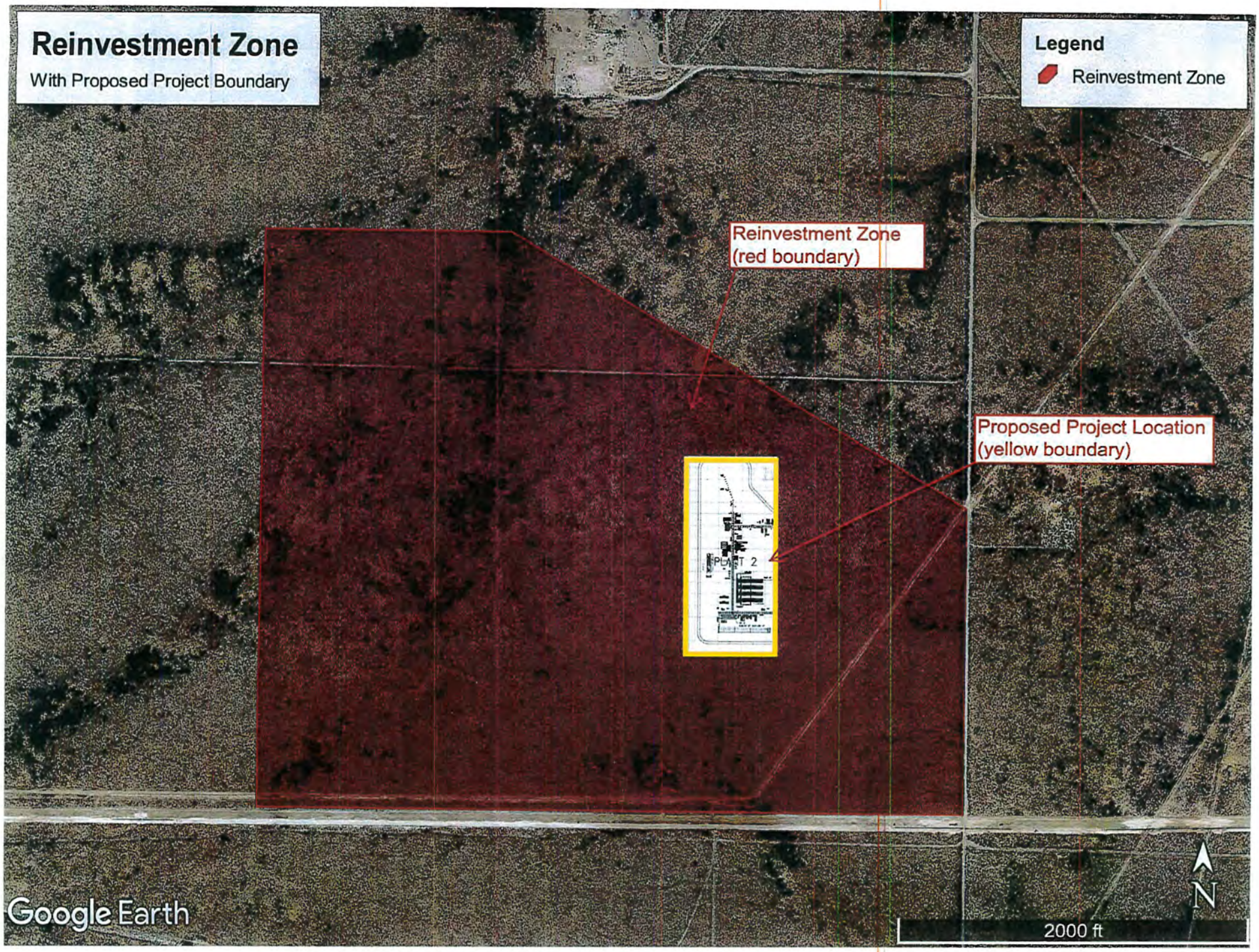
ENERGY TRANSFER
ARROWHEAD II CRYO PLANT

COHANSEY TEXAS

PROCESS AREA
PLOT PLAN

MATRIX PDM ENGINEERING

CONFIDENTIALITY STATEMENT


Reinvestment Zone
With Proposed Project Boundary
Legend
Reinvestment Zone
Reinvestment Zone
(red boundary)
Proposed Project Location
(yellow boundary)
PLANT 2
Google Earth
N
2000 ft

Attachment H

Consultant Verification Letter

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

September 20, 2018

President and Members
Board of Trustees
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772

Re: Recommendations and Findings of the firm Concerning Application of ETC Texas Pipeline, LTD for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Pecos-Barstow-Toyah Independent School District, with respect to the pending Application of ETC Texas Pipeline, LTD for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review, we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of ETC Texas Pipeline, LTD for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878 901 S. Mopac Expressway ★ Bldg. III ★ Suite 310 ★ Austin, TX 78746 Fax 512-485-7888

O'HANLON, DEMERATH & CASTILLO

ATTORNEYS & COUNSELORS AT LAW
808 WEST AVE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

September 20, 2018

President and Members
Board of Trustees
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772

Re: Recommendations and Findings of the Firm Concerning Application of ETC Texas Pipeline, LTD for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

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1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of ETC Texas Pipeline, LTD for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 14, 2018

Hector Mendez
Interim Superintendent
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD, Application 1240

Dear Superintendent Mendez:

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 Pecos-Barstow-Toyah Independent School District and ETC Texas Pipeline, LTD (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement 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,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Demerath, PC
Megan McKavanagh, Energy Transfer Partners, L.P.
Mike Fry, KE Andrews

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:

   The person owns at least:

   a. Ten percent of the voting stock or shares of the business entity, or
   b. Either ten percent or $15,000 of the fair market value of the business entity; or
   c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.