FINDINGS OF THE CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY FORMOSA PLASTICS CORPORATION, TX (#1319)

September 16, 2019

FINDINGS OF THE

CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT

ON THE APPLICATION SUBMITTED BY

FORMOSA PLASTICS CORPORATION, TX (#1319)

SEPTEMBER 16, 2019

FINDINGS OF THE CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY FORMOSA PLASTICS CORPORATION, TX (#1319)

STATE OF TEXAS §

COUNTY OF CALHOUN §

On the 16th day of September 2019, a public meeting of the Board of Trustees of the Calhoun County 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 Formosa Plastics Corporation, TX ("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 October 5, 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. The Application was determined to be complete as of January 29, 2019. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 12223554648), 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 Calhoun County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on April 9, 2019, 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**. An updated financial summary assessing the impact of the project under House Bill 3 is also included for Board consideration.

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:

> Formosa Plastics Corporation, Texas, proposes to develop a Polypropylene Unit (PP3 Unit) within the Calhoun County Independent School District.
>
> The project will be constructed on approximately 7.73 acres. The project will be located entirely in Calhoun County and within the Calhoun County Independent School District.
>
> Production of Polypropylene process is a propylene monomer and some ethylene monomer that combine in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets.
>
> These pellets are transported to holding silos to prepare for loading and shipping. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping to customers.

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, the Applicant has committed to creating ten (10) new qualifying jobs. The average salary level of qualifying jobs committed to by the applicant will total at least $61,646 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(5)(B) requirement that qualifying jobs must pay at least 110 percent of the regional 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 intends to create fifteen (15) non-qualifying jobs.

In its Application, Applicant has indicated that it intends to create fifteen (15) non-qualifying jobs. For any non-qualifying jobs the Applicant should create, the Applicant will be required to pay at least the county average wage of $65,807 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 $120 million to the tax base that would be available for debt service purposes at the peak investment level for the 2021-22 school year, which will benefit the District and its taxpayers.

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 place substantial demands on the District's educational facilities.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicated that the additional of 10 permanent full-time jobs is not likely to prompt a major impact on the District's educational facilities. 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 CCGB (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 CCGB (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 2017 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year **(Attachment E)**. The total industrial value for the District is $2.063 billion. 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 inclusion in a strategic investment area. 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. 12223554648) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.**

The Applicant, (Texas Taxpayer No. 12223554648), 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 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. and its House Bill 3 update show that the District will incur a revenue loss in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. 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 https://pol.tasb.org/home/index/248, 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 16th day of September 2019.

CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT

By: _____
Dr. Bill Harvey
President, Board of Trustees

ATTEST:

By: _____
Mr. John Foester
Secretary, Board of Trustees

Attachment A

Application

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 1

Pages 1-9 of 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

October 5, 2018
Date Application Received by District

Larry
First Name

Nichols
Last Name

Superintendent
Title

Calhoun County ISD
School District Name

525 North Commerce Street
Street Address

525 North Commerce Street
Mailing Address

Port Lavaca
City

Texas
State

77979
ZIP

361/552-9728
Phone Number

361/551-2648
Fax Number

Mobile Number (optional)

mcafeej@calcoisd.org
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: Consultant
Firm Name: O'Hanlon, Demerath & Castillo
Phone Number: (512) 494-9949
Fax Number: (512) 494-9919
Mobile Number *(optional)*: (361) 920-8800
Email Address: kohanlon@808west.com

4. On what date did the district determine this application complete? . . . . . November 28, 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: Jack
Last Name: Wu
Title: Vice President
Organization: Formosa Plastics Corp., TX
Street Address: 201 Formosa Drive
Mailing Address: PO Box 700
City: Point Comfort
State: Texas
ZIP: 77978
Phone Number: (361) 987-7700
Fax Number: (361) 987-2729
Mobile Number *(optional)*: (361) 920-8800
Business Email Address: jackwu@ftpc.fpcusa.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

Last Name

Title

Firm Name

Phone Number

Fax Number

Business Email Address

SECTION 3: Fees and Payments

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

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

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

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

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Formosa Plastics Corporation, TX
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 12223554648
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

   Affiliate Formosa has the following agreements: #45 (2007) #235 (2012) #1048 (2015) #1227 (2018) CalhounCISD #1191 Palacios ISD (2017)

SECTION 5: Applicant Business Structure

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

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

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

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur?	✓ Yes	No
2. Has the applicant entered into any agreements, 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 ..... April 2019
2. Commencement of construction 2019
3. Beginning of qualifying time period ..... April 1, 2019
4. First year of limitation 2020
5. Begin hiring new employees 2018
6. Commencement of commercial operations 2020
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? 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Calhoun
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Calhoun County
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:	Calhoun 100%, .49 *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	N/A *(Name, tax rate and percent of project)*	Water District:	Ground Water District 100%, .0098 *(Name, tax rate and percent of project)*
Other *(describe)*:	Calhoun Port Authority 100% .001 *(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 2018 (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)? 2,235

   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? 15

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 1,265.50

   b. 110% of the average weekly wage for manufacturing jobs in the county is 2,291.30

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,185.50

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? 61,646.20

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 61,646.20

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 2

Please find on the attached page, a copy of the application fee check in the amount of $75,000.00 made payable to the Calhoun County Independent School District.

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

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

TAB 3

Documentation of Combined Group membership under Texas Tax Code 174.0001(7), history of tax default, delinquencies and/or material litigation

Attached

Combined Group Membership in Calhoun County

Formosa Hydorcarbons
Formosa Industries Corporation
Formosa Olefins, L.L.C.
Formosa Plastics Corp., America
Formosa Plastics Corp., Texas
Formosa Transrail Corp.
Formosa Utility Venture, LTD
Lavaca Pipeline
Nan Ya Plastics Corp., America
Nan Ya Plastics Corp., Texas

Contact Information

Jack Wu
PO Box 700
Point Comfort, TX 77978
361/987-7700
jackwu@ftpc.fpcusa.com

Formosa Plastics Corporation, Texas Employee Benefits
2018

Matching 401K
Vacation
Pension
Sick Leave
Personal Time
Medical Insurance
Dental Insurance
Vision Insurance
Life Insurance
Tuition Assistance

TX102P01 F5 00.02

TX2015 05-102
Ver. 7.0 (Rev 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12515859135

Report year: 2017

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name: FORMOSA HYDROCARBONS COMPANY, INC.	☐ Check box if the mailing address has changed.
Mailing address: 201 FORMOSA DRIVE	Secretary of State (SOS) file number or Comptroller file number: 0007916306
City: POINT COMFORT; State: TX; ZIP code plus 4: 77978	

☐ Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office: POINT COMFORT, TEXAS

Principal place of business: POINT COMFORT, TEXAS

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 5 1 5 8 5 9 1 3 5 1 6

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)
SEE ATTACHMENT		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
ONG JOINT VENTURE	TX		50
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA PLASTICS CORPORATION, U.S.A	DE	0801274618	100

Registered agent and registered office currently on file. (see instructions if you need to make changes) You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY

Office: 800 BRAZOS ST STE 750 | City: AUSTIN | State: TX | ZIP Code: 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	Title	Date	Area code and phone number
DAVID LIN	SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

FORMOSA HYDROCARBONS COMPANY
FOR THE REPORT YEAR 2017
F.E.I.# : 1-25-1585913

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WONG, WILLIAM	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WANG, SUSAN	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, JASON	DIRECTOR/PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, C.T.	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHEN,WALTER	DIRECTOR/EVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, DAVID	DIRECTOR/SVP/TREASURER	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, H.C.	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
UENG, STAN	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
NIGHTINGALE, ALICE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

Franchise Tax

2017 Annual No Tax Due Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

Print this page for your records

Submission ID: 38492393
Date and Time of Filing: 10/30/2017 09:25:51 AM

Taxpayer ID: 32058442867
Taxpayer Name: FORMOSA INDUSTRIES CORPORATION
Taxpayer Address: 9 PEACH TREE HILL RD LIVINGSTON, NJ 07039 - 5702

Entered By: Wenjun Ma
Email Address: wma@fpcusa.com
Telephone Number: (973) 716-7359
IP Address: 209.65.101.99

Additional Reports	
Is this the reporting entity of a combined group?	No
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

No Tax Due Report	
SIC Code:	NAICS Code: 325200
Accounting Year Begin Date: 01/01/2016	Accounting Year End Date: 12/31/2016
Is this a passive entity as defined in Chapter 171 of the Texas Tax Code?	No
Is this entity's annualized total revenue below the no tax due threshold?	Yes
Does the entity have zero Texas Gross Receipts?	Yes
Is this entity a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4)?	No
Is this entity a New Veteran-Owned Business as defined in Texas Tax Code Sec. 171.0005?	No
Total Revenue:	$281,899

Mailing Address

Street Address: 9 PEACH TREE HILL RD
City: LIVINGSTON
State: NJ
Zip Code: 07039 - 5702
Country: USA

Public Information Report

Taxpayer

Taxpayer Name: FORMOSA INDUSTRIES CORPORATION
Taxpayer Number: 32058442867
SOS File Number or Comptroller File Number: 0802303962
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039-5702
Principal Office: POINT COMFORT, TEXAS
Principal Place Of Business: POINT COMFORT, TEXAS
Changes from previous year?: Yes

Officers, Directors, Managers, Member or General Partner

Name: C.T. LEE

Title: DIRECTOR Director? Yes Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Name: JASON LIN
Title: DIRECTOR Director? Yes Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Name: KING-LONG HUANG
Title: DIRECTOR Director? Yes Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Name: JASON LIN
Title: PRESIDENT Director? Yes Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Name: DAVID LIN
Title: TREASURER Director? No Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Name: ALICE NIGHTINGALE
Title: SECRETARY Director? No Term Expiration Date:
Mailing Address: 9 PEACH TREE HILL RD
LIVINGSTON, NJ 07039

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
FORMOSA OLEFINS, L.L.C.	TX	802300613	33.0
LOLITA PACKAGING LLC	TX	802600683	38.0

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
FORMOSA PLASTICS CORPORATION TAIWAN	NA	0	100.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-5702

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Print | Return to Menu | File for Another Taxpayer

texas.gov | Texas Records and Information Locator (TRAIL) | State Link Policy | Texas Homeland Security | Texas Veterans Portal
Glenn Hegar, Texas Comptroller • Home • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

Franchise Tax

2017 Annual No Tax Due Report

Confirmation

You Have Filed Successfully

Please do NOT send a paper form

Print this page for your records

Submission ID: 38300113
Date and Time of Filing: 09/26/2017 08:25:17 AM

Taxpayer ID: 32058395933
Taxpayer Name: FORMOSA OLEFINS, L.L.C.
Taxpayer Address: PO BOX 510 POINT COMFORT, TX 77978 - 0510

Entered By: Chia-Wei Hsu
Email Address: chsu@fpcusa.com
Telephone Number: (973) 992-2090
IP Address: 50.225.139.225

Additional Reports	
Is this the reporting entity of a combined group?	No
Do any of the entities in the combined group have a temporary business loss preserved?	No
Will your total revenue be adjusted for the Tiered Partnership Election?	No

No Tax Due Report		
SIC Code:	NAICS Code: 325200	
Accounting Year Begin Date: 01/01/2016	Accounting Year End Date: 12/31/2016	
Is this a passive entity as defined in Chapter 171 of the Texas Tax Code?		No
Is this entity's annualized total revenue below the no tax due threshold?		Yes
Does the entity have zero Texas Gross Receipts?		Yes
Is this entity a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4)?		No
Is this entity a New Veteran-Owned Business as defined in Texas Tax Code Sec. 171.0005?		No
Total Revenue:		$0

Mailing Address	
Street Address:	PO BOX 510
City:	POINT COMFORT
State:	TX
Zip Code:	77978 - 0510
Country:	USA

Public Information Report

Taxpayer

Taxpayer Name:	FORMOSA OLEFINS, L.L.C.
Taxpayer Number:	32058395933
SOS File Number or Comptroller File Number:	0802300613
Mailing Address:	PO BOX 510 POINT COMFORT, TX 77978-0510
Principal Office:	
Principal Place Of Business:	POINT COMFORT, TX
Changes from previous year?:	Yes

Officers, Directors, Managers, Member or General Partner

Name: FORMOSA PLASTICS CORPORATION, TEXAS

Title: Director? Term Expiration Date:

MEMBER No

Mailing Address: 9 PEACH TREE HILL ROAD
LIVINGSTON, NEW JERSEY 07039

Name: FORMOSA INDUSTRIES CORPORATION

Title: MEMBER Director? No Term Expiration Date:

Mailing Address: 9 PEACH TREE HILL ROAD
LIVINGSTON, NEW JERSEY 07039

Name: NAN YA PLASTICS CORPORATION, TEXAS

Title: MEMBER Director? No Term Expiration Date:

Mailing Address: 9 PEACH TREE HILL ROAD
LIVINGSTON, NEW JERSEY 07039

Owned Entity(s)

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
None entered.			

Owners

Owned Entity(s)	State of Formation	TX SOS File #	Percentage of Ownership
FORMOSA PLASTICS CORPORATION, TEXAS	DELAWARE	5107506	46.0
FORMOSA INDUSTRIES CORPORATION	DELAWARE	802303962	33.0
NAN YA PLASTICS CORPORATION, TEXAS	DELAWARE	802244384	21.0

Registered Agent and Office

Agent: CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO

Office: 211 E. 7TH STREET, SUITE 620
AUSTIN, TX 78701-0510

Declaration Statement

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the submission date, and that a copy of this information has been mailed to each person named in this section who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

Print | Return to Menu | File for Another Taxpayer

texas.gov | Texas Records and Information Locator (TRAIL) | State Link Policy | Texas Homeland Security | Texas Veterans Portal
Glenn Hegar, Texas Comptroller • Home • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

TX102P01 F5.00 02

TX2016 05-102
Ver. 7.0 (Rev. 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12230265949

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name: FORMOSA PLASTICS CORPORATION, AMERICA	☐ Check box if the mailing address has changed.
Mailing address: 9 PEACH TREE HILL ROAD	Secretary of State (SOS) file number or Comptroller file number: 0008177006
City: LIVINGSTON; State: NJ; ZIP code plus 4: 07039	

☐ Check box if there are currently no changes from previous year. If no information is displayed, complete the applicable information in Sections A, B and C.

Principal office: POINT COMFORT, TX

Principal place of business: POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

12230265949 16

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (mm dd yy)
SEE ATTACHMENT		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (mm dd yy)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (mm dd yy)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA UTILITY VENTURE	TX	0005752510	12

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA PLASTICS CORPORATION, U.S.A	DE	0801274618	100

Registered agent and registered office currently on file (see instructions if you need to make changes). You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY

Office: 800 BRAZOS STREET, City: AUSTIN, State: TX, ZIP Code: 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation LLC, LP, PA or financial institution.

sign here	Title	Date	Area code and phone number
DAVID LIN	SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

FORMOSA PLASTICS CORPORATION, AMERICA
FOR THE REPORT YEAR 2017
F.E.I.# : 1-22-3026594-9
SECRETARY OF STATE FILE NUMBER: 00081770-06-7

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WONG, WILLIAM	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WANG, SUSAN	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, JASON	DIRECTOR/PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, C.T.	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHEN,WALTER	DIRECTOR/EVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, DAVID	DIRECTOR/SVP/TREASURER	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, H.C.	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
NIGHTINGALE, ALICE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

TX102P01 F5.00.02

TX2016 Ver. 7.0 | 05-102 (Rev 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12223554648

Report year: 2017

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381

Taxpayer name FORMOSA PLASTICS CORPORATION, TEXAS	☐ Check box if the mailing address has changed.
Mailing address 9 PEACH TREE HILL ROAD	Secretary of State (SOS) file number or Comptroller file number 0005107506
City LIVINGSTON / State NJ / ZIP code plus 4 07039	

☐ Check box if there are currently no changes from previous year. If no information is displayed, complete the applicable information in Sections A, B and C.

Principal office	POINT COMFORT, TX
Principal place of business	POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 2 2 3 5 5 4 6 4 8 1 6

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)
SEE ATTACHMENT		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
SEE ATTACHMENT			
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA PLASTICS CORPORATION, U.S.A.	DE	0801274618	100

Registered agent and registered office currently on file. (see instructions if you need to make changes)

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY			
Office: 800 BRAZOS ST STE 750	City AUSTIN	State TX	ZIP Code 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	David Lin	Title	Date	Area code and phone number
		SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

FORMOSA PLASTICS CORPORATION, TEXAS
FOR THE REPORT YEAR 2017
TAXPAYER NUMBER: 12223554648

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WONG, WILLIAM	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WANG, SUSAN	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, JASON	DIRECTOR/PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, C.T.	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHEN, WALTER	DIRECTOR/EVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, DAVID	DIRECTOR/SVP/TREASURER	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, H.C.	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WU, JACK	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CRABTREE, RICK	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
ALAN CHIANG	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
NIGHTINGALE, ALICE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

FORMOSA PLASTICS CORPORATION, TEXAS
FOR THE REPORT YEAR 2017
TAXPAYER NUMBER: 12223554648

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION B

NAME OF OWNED CORP or LLC	STATE of FORMATION	TEXAS SOS FILE NUMBER	PERCENTAGE OF OWNERSHIP
FORMOSA UTILITY VENTURE	TX	0005752510	29
FORMOSA OLEFINS, LLC	TX	0802300613	46
LOLITA PACKAGING LLC	TX	0802600683	62

TX102P01 F5.00.02

TX2016 05-102
Ver. 7.0 (Rev.9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12234985609

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name FORMOSA TRANSRAIL CORPORATION	☐ Check box if the mailing address has changed.
Mailing address 9 PEACH TREE HILL ROAD	Secretary of State (SOS) file number or Comptroller file number
City LIVINGSTON / State NJ / ZIP code plus 4 07039	0011439506

☐ Check box if there are currently no changes from previous year, if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office	POINT COMFORT, TX
Principal place of business	POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 2 3 4 9 8 5 6 0 9 1 6

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)
SEE ATTACHMENT		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA PLASTICS CORPORATION, NEVADA	DE	0801274618	87

Registered agent and registered office currently on file. (see instructions if you need to make changes)

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY			
Office: 800 BRAZOS ST. STE 750	City AUSTIN	State TX	ZIP Code 78774

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	DAVID LIN	Title	Date	Area code and phone number
		SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

FORMOSA TRANSRAIL CORPORATION
FOR THE REPORT YEAR 2017
F.E.I.# : 1-22-3498560-9

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WONG, WILLIAM	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WANG, SUSAN	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, JASON	DIRECTOR/PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, C.T.	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHEN,WALTER	DIRECTOR/EVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, DAVID	DIRECTOR/SVP/TREASURER	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
NIGHTINGALE, ALICE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

TX102P01 F5.00.02

TX2016 Ver. 7.0 | 05-102 (Rev. 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12230325024

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381

Taxpayer name FORMOSA UTILITY VENTURE, LTD.			☐ Check box if the mailing address has changed.
Mailing address 9 PEACH TREE HILL ROAD			Secretary of State (SOS) file number or Comptroller file number
City LIVINGSTON	State NJ	ZIP code plus 4 07039	

☐ Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office	POINT COMFORT, TX
Principal place of business	POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 2 3 0 3 2 5 0 2 4 1 6

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)	
FORMOSA PLASTIC CORPORATION, TX	GENERAL PARTNER	☐ YES		
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON		State NJ	ZIP Code 07039
DAVID LIN	TREASURER	☐ YES		
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON		State NJ	ZIP Code 07039
ALICE NIGHTINGALE	SECRETARY	☐ YES		
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON		State NJ	ZIP Code 07039

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
SEE STATEMENT			

Registered agent and registered office currently on file. (see instructions if you need to make changes)

Agent: CORPORATION SERVICE COMPANY

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Office: 800 BRAZOS ST STE 750	City AUSTIN	State TX	ZIP Code 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	DAVID LIN	Title	Date	Area code and phone number
	David Lin	SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

FORMOSA UTILITY VENTURE, LTD.
FOR THE REPORT YEAR 2017
TAXPAYER NUMBER: 12230325024

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION C

MEMBER	STATE of FORMATION	TEXAS SOS FILE NUMBER	PERCENTAGE OF OWNERSHIP
FORMOSA PLASTICS CORPORATION, TEXAS	DE	0005107506	29
FORMOSA PLASTICS CORPORATION, NEVADA	DE	NONE	45
FORMOSA PLASTICS CORPORATION, AMERICA	DE	0008177006	12
NAN YA PLASTICS CORPORATION, AMERICA	DE	0008176806	12

TX102P01 F6 00 02

TX2016 Ver. 7.0 | 05-102 (Rev 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 12509438714

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381

Taxpayer name LAVACA PIPELINE COMPANY			☐ Check box if the mailing address has changed.
Mailing address 9 PEACH TREE HILL ROAD			Secretary of State (SOS) file number or Comptroller file number 0009512800
City LIVINGSTON	State NJ	ZIP code plus 4 07039	

☐ Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office	POINT COMFORT, TX
Principal place of business	POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

12509438714 16

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)
SEE ATTACHMENT		☐ YES	
Mailing address	City		State / ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City		State / ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City		State / ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA PLASTICS CORPORATION, U.S.A	DE	0801274618	100

Registered agent and registered office currently on file. (see instructions if you need to make changes) You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY			
Office: 800 BRAZOS ST STE 750	City AUSTIN	State TX	ZIP Code 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here		Title	Date	Area code and phone number
	DAVID LIN	SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

LAVACA PIPE LINE COMPANY
FOR THE REPORT YEAR 2017
F.E.I.# : 1-25-0943871-4

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WONG, WILLIAM	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
WANG, SUSAN	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, JASON	DIRECTOR/PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, C.T.	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHEN,WALTER	DIRECTOR/EVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LIN, DAVID	DIRECTOR/SVP/TREASURER	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
LEE, H.C.	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
W.S. Jou	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
NIGHTINGALE, ALICE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

TX102P01 F5 00 02

TX2016 05-102
Ver 7.0 (Rev 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode 13196

Taxpayer number: 32062268647

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code, to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name LOLITA PACKAGING LLC	☐ Check box if the mailing address has changed.
Mailing address 9 PEACH TREE HILL ROAD	Secretary of State (SOS) file number or Comptroller file number
City LIVINGSTON State NJ ZIP code plus 4 07039	

☐ Check box if there are currently no changes from previous year. If no information is displayed, complete the applicable information in Sections A, B and C.

Principal office	POINT COMFORT, TX
Principal place of business	POINT COMFORT, TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 2 3 0 3 2 5 0 2 4 1 6

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager.

Name	Title	Director	Term expiration (m m d d y y)
FORMOSA PLASTIC CORPORATION, TX	MEMBER-MANAGER	☐ YES	
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON	State NJ	ZIP Code 07039
DAVID LIN	TREASURER	☐ YES	
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON	State NJ	ZIP Code 07039
ALICE NIGHTINGALE	SECRETARY	☐ YES	
Mailing address 9 PEACH TREE HILL ROAD	City LIVINGSTON	State NJ	ZIP Code 07039

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
SEE STATEMENT			

Registered agent and registered office currently on file (see instructions if you need to make changes)

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY			
Office: 800 BRAZOS ST STE 750	City AUSTIN	State TX	ZIP Code 78701

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	Title	Date	Area code and phone number
DAVID LIN	SVP	9/8/17	(973) 992-2090

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

LOLITA PACKAGING LLC
FOR THE REPORT YEAR 2017
TAXPAYER NUMBER: 32062268647

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION C

MEMBER	STATE of FORMATION	TEXAS SOS FILE NUMBER	PERCENTAGE OF OWNERSHIP
FORMOSA PLASTICS CORPORATION, TEXAS	DE	0005107506	62
FORMOSA INDUSTRIES CORPORATION	DE	NONE	38

Texas Franchise Tax Public Information Report

Taxpayer Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode [illegible]

Taxpayer number [illegible]

Report year 2017

You have certain rights under Chapter 552 and 559 Government Code to review, request and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name [illegible] PLASTICS CORPORATION, AMERICA

☐ Check box if the mailing address has changed.

Mailing address [illegible] PARK BLVD

City [illegible] State [illegible] ZIP code plus 4 [illegible]

Secretary of State (SOS) file number or Comptroller file number [illegible]

[x] Check box if there are currently no changes from previous year. If no information is displayed, complete the applicable information in Sections A, B and C.

Principal office LAKE [illegible], SC

Principal place of business [illegible]E CITY SC

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

1 2 2 3 0 0 9 1 1 9 6 1 7

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager

Name	Title	Director	Term expiration (m m d d y y)
[illegible]		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned subsidiary corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
[illegible] VENTURE, LTD.	TX	[illegible]	[illegible]
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
[illegible] PLASTICS CORPORATION, TEXAS	TX	[illegible]	[illegible]

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned parent corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
[illegible] PLASTICS CORPORATION, TAIWAN		N/A	[illegible]

Registered agent and registered office currently on file (see instructions if you need to make changes):

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent CORPORATION SERVICE CO

Office 2019 PARK STREET COLUMBIA | City AUSTIN | State TX | ZIP Code [illegible]

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets in Sections A, B and C if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	KEVIN TSAI	Title	Date	Area code and phone number
		ASSISTANT CONTROLLER	09/08/2017	[illegible]

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

NAN YA PLASTICS CORPORATION, AMERICA
FOR THE REPORT YEAR ENDED 12/31/2017
F.E.I.# : 1-22-3009119-6

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WILLIAM WONG	CHAIRMAN	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
SUSAN WANG	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHIA-CHAU WU	PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
ALLEN F.C. LIN	SVP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
M.J. TZOU	EXEC. VP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
Z.C. JEN	SVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
SHIOU-YEH SHENG	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
S.Y. HUANG	SVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
YANG-DOUN CHIEN	VP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
YU-SHENG CHEN	AVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
PHILIP CHANG	AVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHARLIE TSAI	AVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
DAVID LIN	TREASURER	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
GEORGE CHANG	CONTROLLER	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
ALICE NIGHTINGALE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

TX2017 05-102
Ver 8.0 (Rev. 9-15/33)

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC), Limited Partnerships (LP), Professional Associations (PA) and Financial Institutions

Tcode

Taxpayer number: 32057655006

Report year: 2017

You have certain rights under Chapter 552 and 559 Government Code to review, request, and correct information we have on file about you. Contact us at 1-800-252-1381.

Taxpayer name: NAN YA PLASTICS CORPORATION, TEXAS

☐ Check box if the mailing address has changed

Mailing address: 9 PEACH TREE HILL ROAD

City: [illegible] State: [illegible] ZIP code plus 4: [illegible]

Secretary of State (SOS) file number or Comptroller file number: 0802244164

[X] Check box if there are currently no changes from previous year. If no information is displayed, complete the applicable information in Sections A, B and C.

Principal office: POINT COMFORT, TX

Principal place of business: POINT COMFORT TX

You must report officer, director, member, general partner and manager information as of the date you complete this report.

Please sign below! **This report must be signed to satisfy franchise tax requirements.**

3 2 0 5 7 6 5 5 0 0 6 1 7

SECTION A Name, title and mailing address of each officer, director, member, general partner or manager

Name	Title	Director	Term expiration (m m d d y y)
SEE STATEMENT 1		☐ YES	
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code
Name	Title	Director ☐ YES	Term expiration (m m d d y y)
Mailing address	City	State	ZIP Code

SECTION B Enter information for each corporation, LLC, LP, PA or financial institution, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
FORMOSA OLEFINS, L.L.C.	TX	0802300613	51
Name of owned (subsidiary) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter information for each corporation, LLC, LP, PA or financial institution, if any, that owns an interest of 10 percent or more in this entity.

Name of owned (parent) corporation, LLC, LP, PA or financial institution	State of formation	Texas SOS file number, if any	Percentage of ownership
NAN YA PLASTICS CORPORATION, AMERICA	DE	0008176806	100

Registered agent and registered office currently on file (see instructions if you need to make changes)

You must make a filing with the Secretary of State to change registered agent, registered office or general partner information.

Agent: CORPORATION SERVICE COMPANY

Office: 2019 PARK STREET COLUMBIA City: AUSTIN State: TX ZIP Code: [illegible]

The information on this form is required by Section 171.203 of the Tax Code for each corporation, LLC, LP, PA or financial institution that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director, member, general partner or manager and who is not currently employed by this or a related corporation, LLC, LP, PA or financial institution.

sign here	KEVIN TSAY	Title: ASSISTANT CONTROLLER	Date: 09/08/2017	Area code and phone number: [illegible]

Texas Comptroller Official Use Only

VE/DE	☐	PIR IND	☐

1023

NAN YA PLASTICS CORPORATION, TEXAS
FOR THE REPORT YEAR ENDED 12/31/2017
F.E.I.# : 3-20-5765500-6

A STATEMENT ATTACHED TO AND MADE PART OF FORM 05-102 SECTION A

NAME	TITLE	DIRECTOR	ADDRESS
WILLIAM WONG	CHAIRMAN	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
SUSAN WANG	DIRECTOR	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
CHIA-CHAU WU	PRESIDENT	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
M.J. TZOU	EXEC. VP	YES	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
Z.C. JEN	SVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
YU-SHENG CHEN	AVP	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
DAVID LIN	TREASURER	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
GEORGE CHANG	CONTROLLER	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039
ALICE NIGHTINGALE	SECRETARY	NO	9 PEACH TREE HILL ROAD, LIVINGSTON, NJ 07039

TAB 4

Detailed description of the project

Formosa Plastics Corporation, Texas, proposes to develop a Polypropylene Unit (PP3 Unit) within the Calhoun County Independent School District.

The project will be constructed on approximately 7.73 acres. The project will be located entirely in Calhoun County and within the Calhoun County Independent School District.

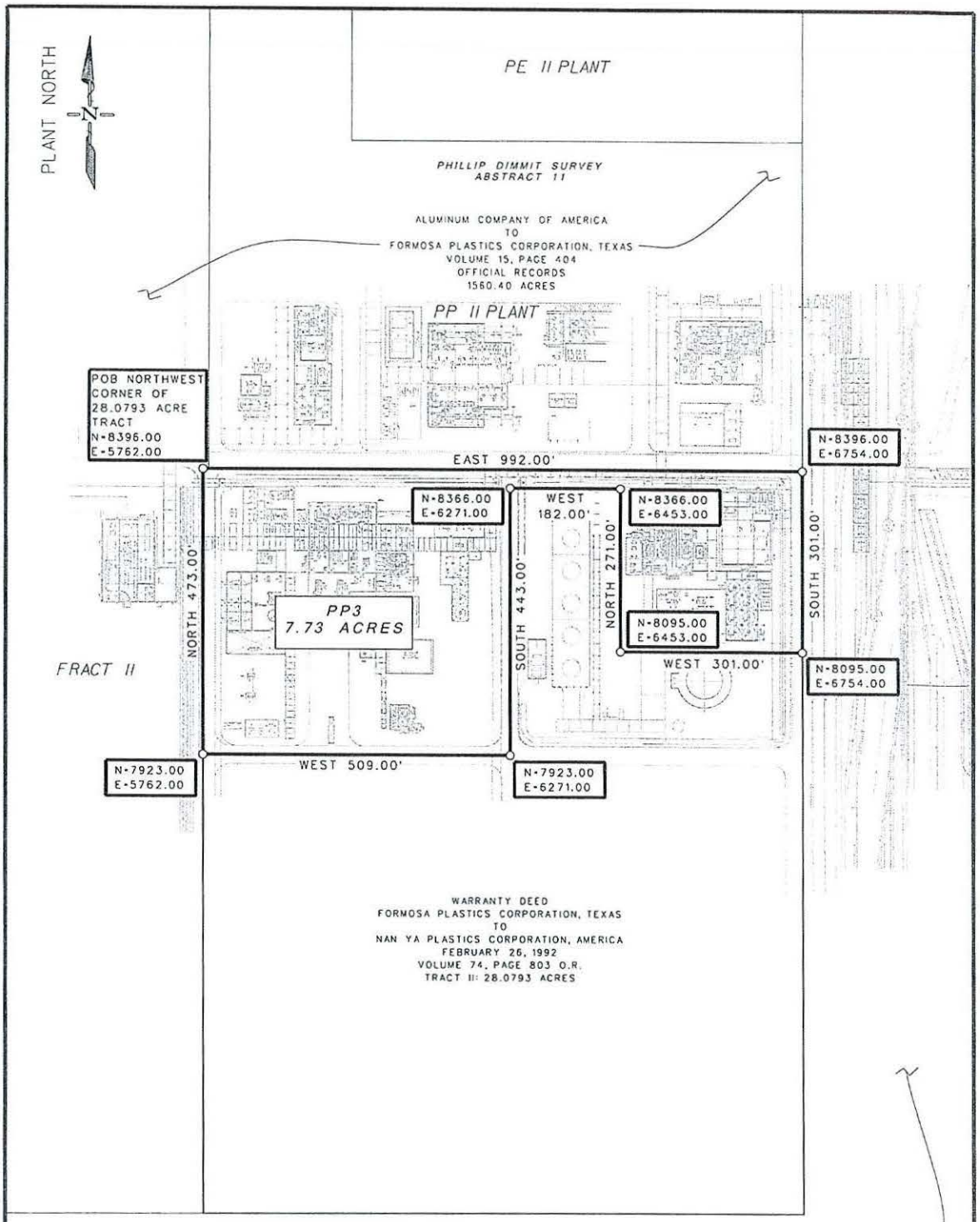
Production of Polypropylene process is a propylene monomer and some ethylene monomer that combine in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping to customers.

Feedstock Sources:

The proposed Polypropylene plant will accept ethylene and propylene from the storage spheres; pipe it into the Reactor system where the Propylene molecules and the Ethylene molecules are form Polypropylene. The plant will consist of piping, instrumentation, reactors, compressors, valves, columns, heat exchangers, mixing/loading tanks and product bagging and loading areas.

Interconnections with neighboring facility:

The connection from the neighboring facility would be the use of steam, water, power from the Utility Unit and Ethylene and Propylene from on-site spheres. Other than the above, the waste water will be sent to the Utilities Department, combined waste water treatment plant, CWTP, for treatment and ensuring compliance with regulations.



O - 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

ALUMINUM COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
1560.40 ACRES

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR

12/19/2017

GEORGE A. GANEM, JR. DATE
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS
201 Formosa Drive, Point Comfort, TX 77978
P.O. Box 700, Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.	REVISION: REV A: 12/19/2017
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET, EDNA, TEXAS 77957, (361) 782-3736 — LAMAR STREET, SUITE 5, POINT COMFORT, TEXAS 77978, (361) 987-2011	SHEET NO. 1 OF 1
APPROVED BY: G.A.G.	JOB NO. PC17-241		

TAB 5

Documentation to assist in determining if limitation is a determining factor

The Applicant is a wholly-owned subsidiary of Formosa Plastics Group, Taiwan. As such, the Applicant competes with other members of the Formosa Plastics Group for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Formosa Plastics Group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world.

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

Formosa Plastics takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The propose new facility could also be constructed at our Louisiana facility. Formosa Plastics has an entire investment plan for multiple stages of development. Point Comfort has already been chosen for two pieces of the final investment plan, but each unit can be located at any site. The PP3 unit does not require any specific materials that would require the plant to locate in Point Comfort.

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Formosa Plastics group. Calhoun County ISD's maintenance and operations (M&O} tax rate represents approximately 40% of the total property tax burden imposed on taxable property located at the Point Comfort location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas.

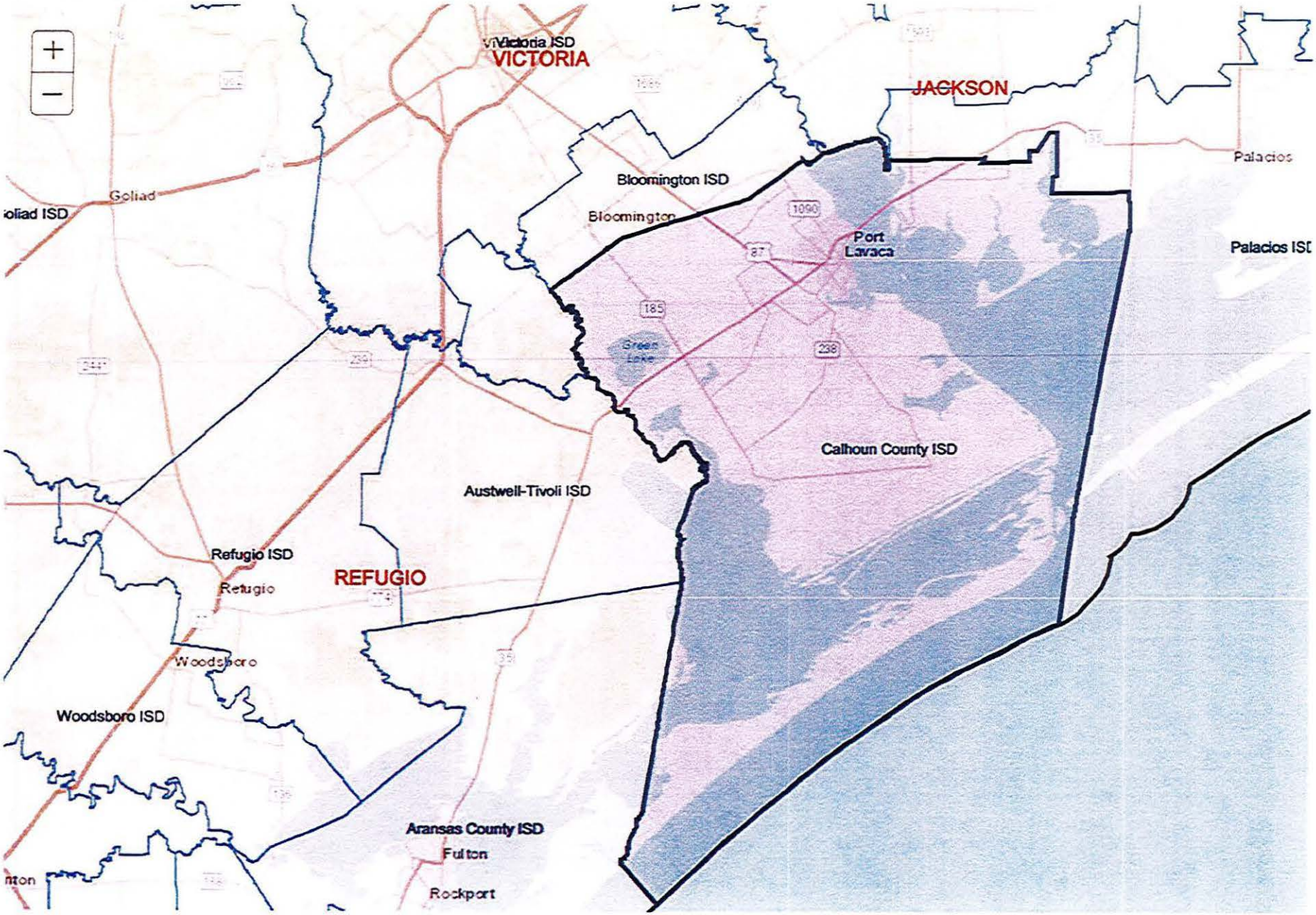
Formosa has made announcements regarding development at the Point Comfort location. These announcements relate to the new projects that have already been approved by Formosa. As stated above, the limitation on appraised value is necessary to the determination to locate at the Point Comfort site.

TAB 6

Names and percentages of additional districts that compromise the entire project:

The project is located 100% in the Calhoun County Independent School District in Calhoun Calhoun County, Texas,

Texas School District Locator



TAB 7

Description of Qualified Investment

The proposed improvements for which the tax limitation is sought will include the PP3 Unit.

PP3 Unit

Propylene monomer and some ethylene monomer are combined in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Automated Storage and Retrieval System
- Form-Fill Seal Packing Equipment

Vicinity Map of Project Depicting School District, County, Project Area/Reinvestment Zone Boundaries

TAB 8

Description of Qualified Property

The proposed improvements for which the tax limitation is sought will include the PP3 Unit.

PP3 Unit

Propylene monomer and some ethylene monomer are combined in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Automated Storage and Retrieval System
- Form-Fill Seal Packing Equipment

PP3 PLANT
7.73 ACRES
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 7.73 acre tract situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas and being out of a 28.0793 acre tract described as Tract II in Warranty Deed dated February 26, 1992 from Formosa Plastics Corporation, Texas to Nan Ya Plastics Corporation, America and recorded in Volume 74, Page 803 of the Official Records of Calhoun County, Texas, and this 7.73 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod at the northwest corner of said 28.0793 acre tract for the northwest corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 5762.00);

THENCE East along the north line of said 28.0793 acre tract a distance of 992.00 feet to a set 5/8 inch iron rod for the northeast corner of said 28.0793 acre tract for the northeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 6754.00);

THENCE South along the east line of said 28.0793 acre tract a distance of 301.00 feet to a set 5/8 inch iron rod for an easterly southeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6754.00);

THENCE West a distance of 301.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6453.00);

THENCE North a distance of 271.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6453.00);

THENCE West a distance of 182.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6271.00);

THENCE South a distance of 443.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 7923.00, East 6271.00);

THENCE West a distance of 509.00 feet to a set 5/8 inch iron in the west line of said 28.0793 acre tract for the southwest corner of the herein described tract; (said iron rod having a plant coordinate of North 7923.00, East 5762.00);

THENCE North along the west line of said 28.0793 acre tract a distance of 473.00 feet to the **POINT OF BEGINNING,** Containing 7.73 acres of land.

Reference is made to that plat accompanying this legal description.

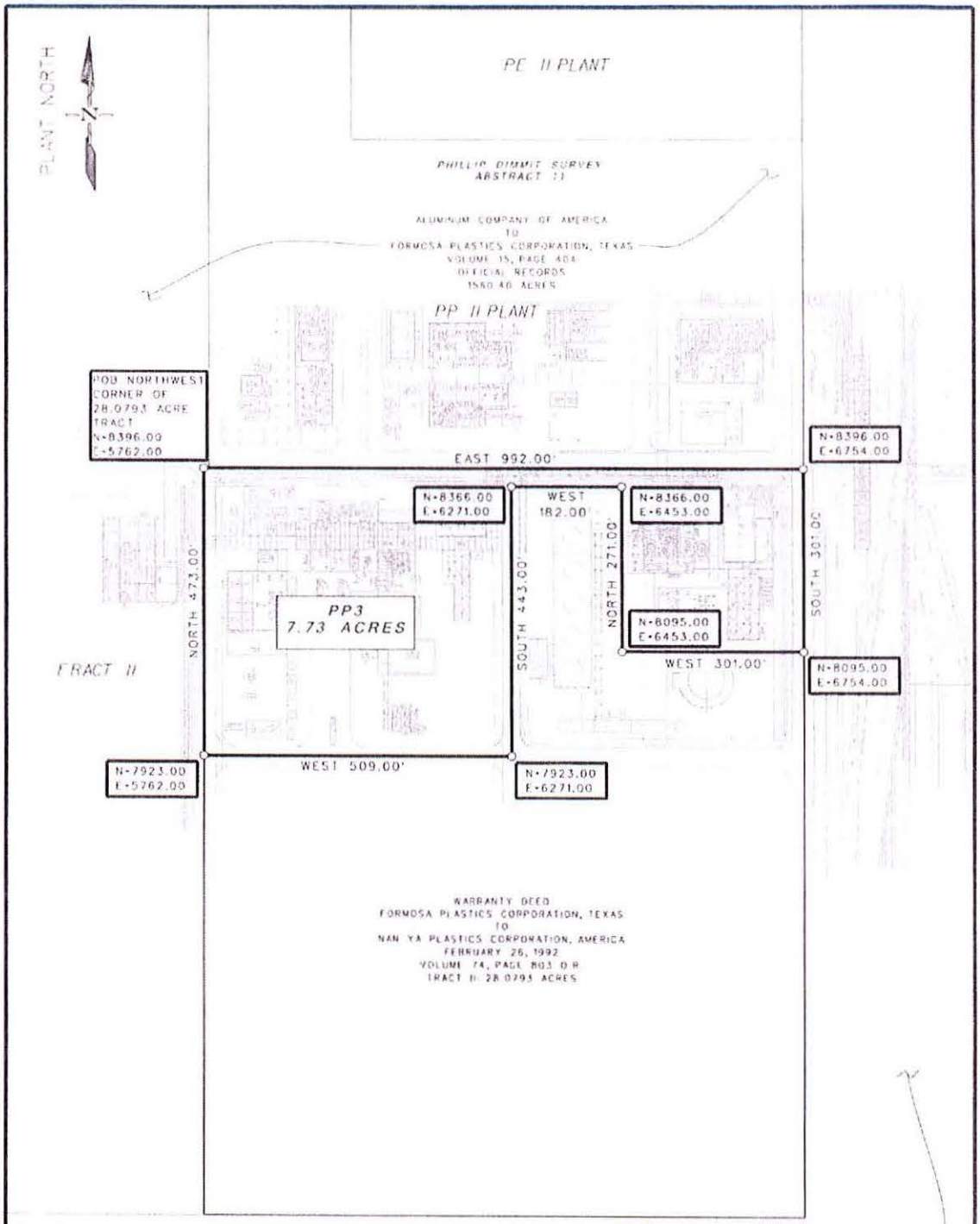
Bearings are based on Formosa Plastics Corporation plant coordinate system.

The above legal description is based on an actual survey made on the ground under my supervision.

Date 12/19/2017

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR



O 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

12/19/2017

GEORGE A. GANEM, JR. DATE
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR

ALUMINUM COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
1560.40 ACRES

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS
201 Formosa Drive
Point Comfort, TX 77978
P.O. Box 700
Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.	REVISION: REV. A: 12/19/2017
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET, EDNA, TEXAS 77957, (361) 782-3736 / LAMAR STREET, SUITE 5, POINT COMFORT, TEXAS 77978, (361) 987-2011	SHEET NO. 1 OF 1
APPROVED BY: G.A.G.	JOB NO. PC17-241		

TAB 9

SITE DESCRIPTION

The project will be constructed on approximately 7.73 acre tract owned by Formosa. The land is listed in the Calhoun County Appraisal Records under account 90761. The Formosa land is valued at $3,000.00 per acre, for a total value of $23,190.00.

Calhoun CAD

Property Search Results > 90761 FORMOSA PLASTICS CORP TEXAS for Year 2018

Property

Account

Property ID:	90761	Legal Description:	A0011 PHILIP DIMMITT, TRACT PT 1, ACRES 7.730
Geographic ID:	A0011-00000-0004-H0	Agent Code:	
Type:	Real		
Property Use Code:			
Property Use Description:			

Location

Address:		Mapsco:	
Neighborhood:	RURAL-ACROSS THE BAY	Map ID:	A0011-00040-0001-G0
Neighborhood CD:	2700		

Owner

Name:	FORMOSA PLASTICS CORP TEXAS	Owner ID:	24153
Mailing Address:	ATTN: BUSINESS DEVELOPMENT PO BOX 700 POINT COMFORT, TX 77978	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	$0		
(+) Improvement Non-Homesite Value:	+	$0		
(+) Land Homesite Value:	+	$0		
(+) Land Non-Homesite Value:	+	$23,190	Ag / Timber Use Value	
(+) Agricultural Market Valuation:	+	$0		$0
(+) Timber Market Valuation:	+	$0		$0
(=) Market Value:	=	$23,190		
(–) Ag or Timber Use Value Reduction:	–	$0		
(=) Appraised Value:	=	$23,190		
(–) HS Cap:	–	$0		
(=) Assessed Value:	=	$23,190		

Taxing Jurisdiction

Owner: FORMOSA PLASTICS CORP TEXAS
% Ownership: 100.0000000000%
Total Value: $23,190

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	CALHOUN COUNTY APPRAISAL DISTRICT	0.000000	$23,190	$23,190	$0.00
FML	FARM TO MARKET & LATERAL ROAD	0.000000	$23,190	$23,190	$0.00
G05	CALHOUN COUNTY	0.490000	$23,190	$23,190	$113.63
GWD	CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT	0.009800	$23,190	$23,190	$2.27
NV6	CALHOUN PORT AUTHORITY	0.001000	$23,190	$23,190	$0.23
S01	CALHOUN COUNTY ISD	1.293600	$23,190	$23,190	$299.99
	Total Tax Rate:	1.794400			
				Taxes w/Current Exemptions:	$416.12
				Taxes w/o Exemptions:	$416.12

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	IA	INDUSTRIAL ACREAGE	7.7300	336718.80	0.00	0.00	$23,190	$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2019	N/A	N/A	N/A	N/A	N/A	N/A
2018	$0	$23,190	0	23,190	$0	$23,190

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	4/9/2018	WDNS	WARRANTY DEED NO SALE	NAN YA PLASTICS CORP AMERICA	FORMOSA PLASTICS CORP TEXAS	2018-01210		
2	2/26/1992	W/D	WARRANTY DEED	FORMOSA PLASTICS CORP TEXAS	NAN YA PLASTICS CORP AMERICA	74	803	

Tax Due

Property Tax Information as of 10/03/2018

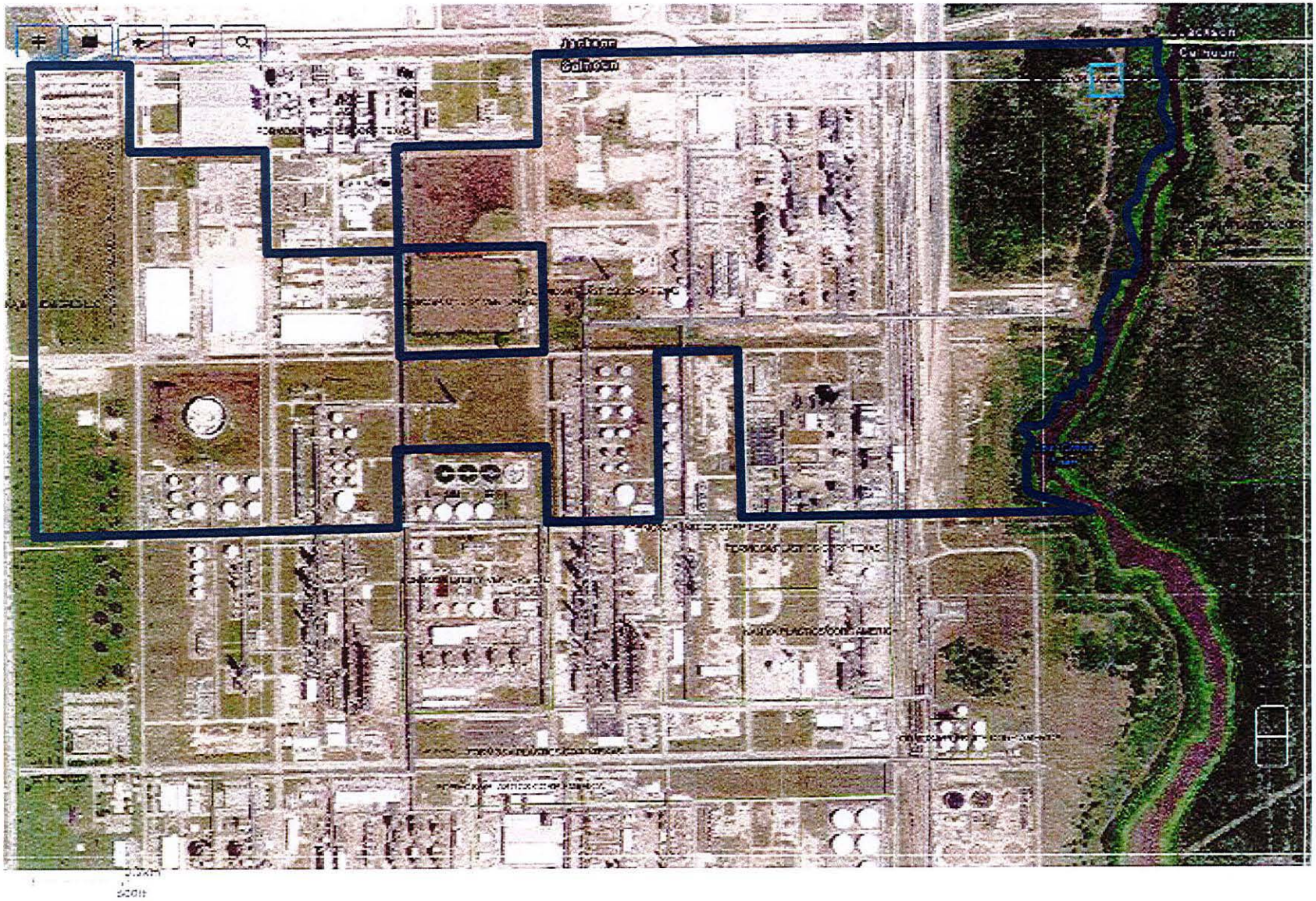
Amount Due if Paid on

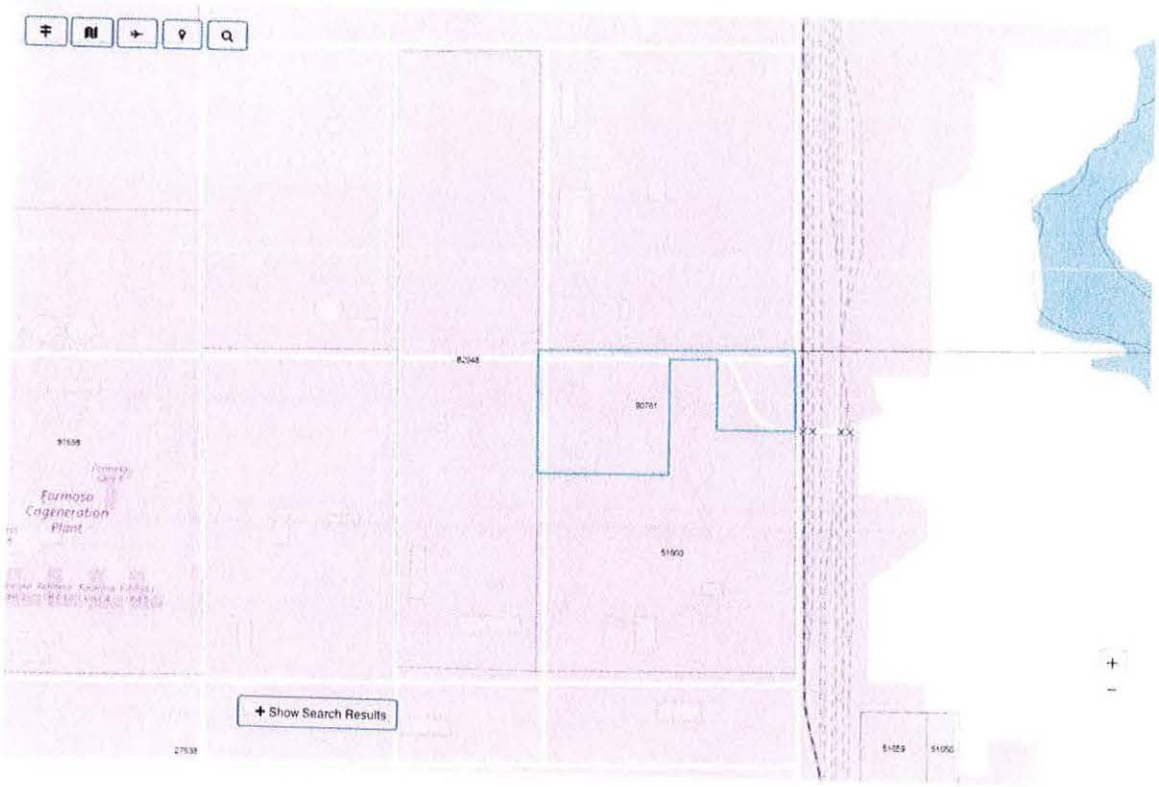
Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
2018	CALHOUN COUNTY	$23,190	$113.63	$0.00	$113.63	-$3.41	$0.00	$110.22
2018	CALHOUN PORT AUTHORITY	$23,190	$0.23	$0.00	$0.23	-$0.01	$0.00	$0.22
2018	CALHOUN COUNTY ISD	$23,190	$299.99	$0.00	$299.99	$0.00	$0.00	$299.99
2018	CALHOUN COUNTY GROUNDWATER CONSERVATION DISTRICT	$23,190	$2.27	$0.00	$2.27	$0.00	$0.00	$2.27
	2018 TOTAL:		**$416.12**	**$0.00**	**$416.12**	**-$3.42**	**$0.00**	**$412.70**

NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (361) 552-4560

Website version: 1.2.2.14 Database last updated on: 10/2/2018 7:05 PM © N. Harris Computer Corporation


Jackson
Calhoun
Jackson
Calhoun


Formosa
Cogeneration
Plant
+ Show Search Results

PP3 PLANT
7.73 ACRES
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 7.73 acre tract situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas and being out of a 28.0793 acre tract described as Tract II in Warranty Deed dated February 26, 1992 from Formosa Plastics Corporation, Texas to Nan Ya Plastics Corporation, America and recorded in Volume 74, Page 803 of the Official Records of Calhoun County, Texas, and this 7.73 acre tract being more particularly described by metes and bounds as follows;

BEGINNING at a set 5/8 inch iron rod at the northwest corner of said 28.0793 acre tract for the northwest corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 5762.00);

THENCE East along the north line of said 28.0793 acre tract a distance of 992.00 feet to a set 5/8 inch iron rod for the northeast corner of said 28.0793 acre tract for the northeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 6754.00);

THENCE South along the east line of said 28.0793 acre tract a distance of 301.00 feet to a set 5/8 inch iron rod for an easterly southeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6754.00);

THENCE West a distance of 301.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6453.00);

THENCE North a distance of 271.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6453.00);

THENCE West a distance of 182.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6271.00);

THENCE South a distance of 443.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 7923.00, East 6271.00);

THENCE West a distance of 509.00 feet to a set 5/8 inch iron in the west line of said 28.0793 acre tract for the southwest corner of the herein described tract; (said iron rod having a plant coordinate of North 7923.00, East 5762.00);

THENCE North along the west line of said 28.0793 acre tract a distance of 473.00 feet to the **POINT OF BEGINNING,** Containing 7.73 acres of land.

Reference is made to that plat accompanying this legal description.

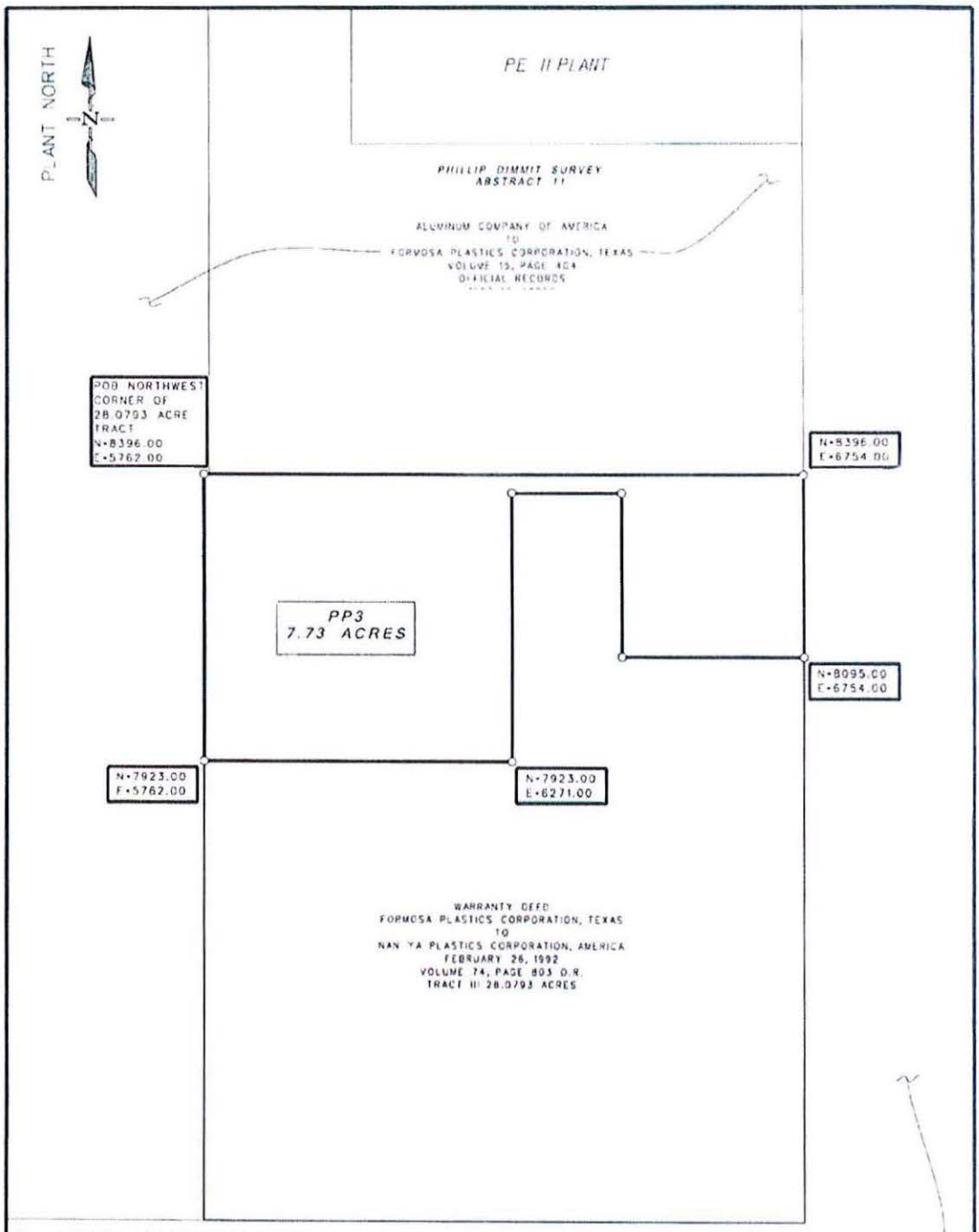
Bearings are based on Formosa Plastics Corporation plant coordinate system.

The above legal description is based on an actual survey made on the ground under my supervision.

Date 12/19/2017

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR



O = 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

12/19/2017

GEORGE A. GANEM, JR. DATE
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

ALUMINUM COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
1560.40 ACRES

STATE OF TEXAS REGISTERED GEORGE A. GANEM JR. 4681 PROFESSIONAL LAND SURVEYOR

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS

201 Formosa Drive
Point Comfort, TX 77978

P.O. Box 700
Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY, ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET, EDNA, TEXAS 77957 (361) 782-3736
APPROVED BY: G.A.G.	JOB NO. PG17-241	LAMAR STREET, SUITE 5, POINT COMFORT, TEXAS 77978 (361) 987-2011

REVISION
REV A 12/19/2017

SHEET NO. 1 OF 1

TAB 10

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

1. N/A There are no improvements located on the land. See attached CAD records.

The Formosa Plastics complex includes 17 plants that produce plastic resins and associated petrochemical products. There are two plants that are not located within the parameters of this facility they are CFB (Power Plant) and Formosa Hydrocarbons (Natural Gas Process).

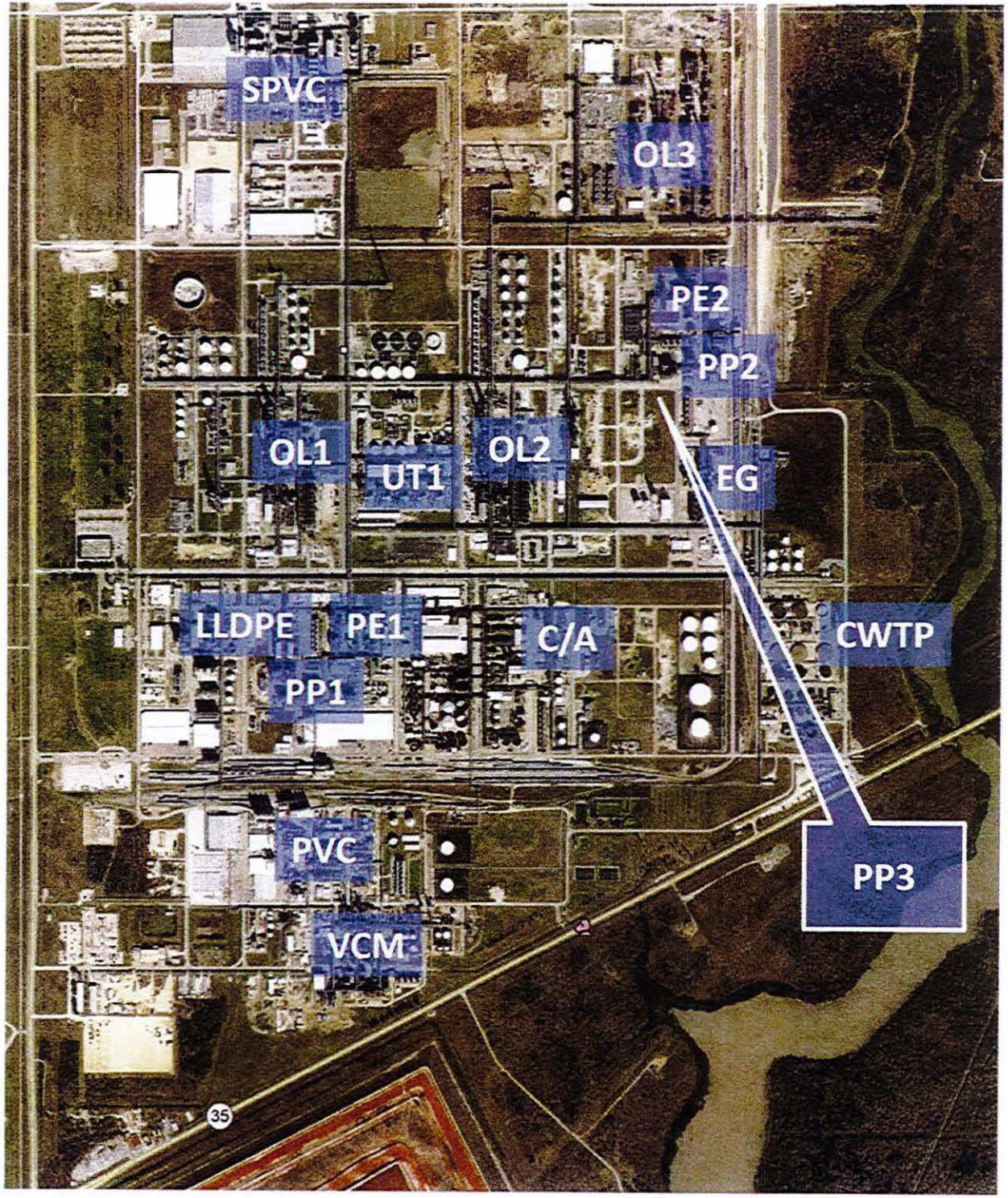
The 15 existing plants include:

1. VCM	Vinyl Chloride Monomer
2. PVC	Polyvinyl Chloride Resin Plant
3. LLDPE	Linear Low Density Polyethylene Resin Plant
4. HDPE-I	High Density Polyethylene Resin Plant
5. HDPE-II	High Density Polyethylene Resin Plant
6. PP-I	Polypropylene Resin Plant
7. PP-II	Polypropylene Resin Plant
8. C/A	Chlor-Alkali
9. EDC	Ethylene Dichloride
10. OL-I	Olefins
11. OL-II	Olefins
12. Frac-II	Fractionation
13. EG	Ethylene Glycol
14. ASP	Air Separation
15. SPVC	Specialty Polyvinyl Chloride Resin Plant

The approximate value and acreage of these 15 plants is:
$1.25 Billion 900 Acres

16. CFB	Power Plant
17. Hydrocarbons	Natural Gas Process

The approximate value and acreage of these 2 plants is:
$24 Million 110 Acres


SPVC
OL3
PE2
PP2
OL1
UT1
OL2
EG
LLDPE
PE1
C/A
CWTP
PP1
PVC
PP3
VCM
35

TAB 11

Maps that clearly show:

- ***Project vicinity, Qualified Investment & property, Existing Property, Land Location and Reinvestment Zone***

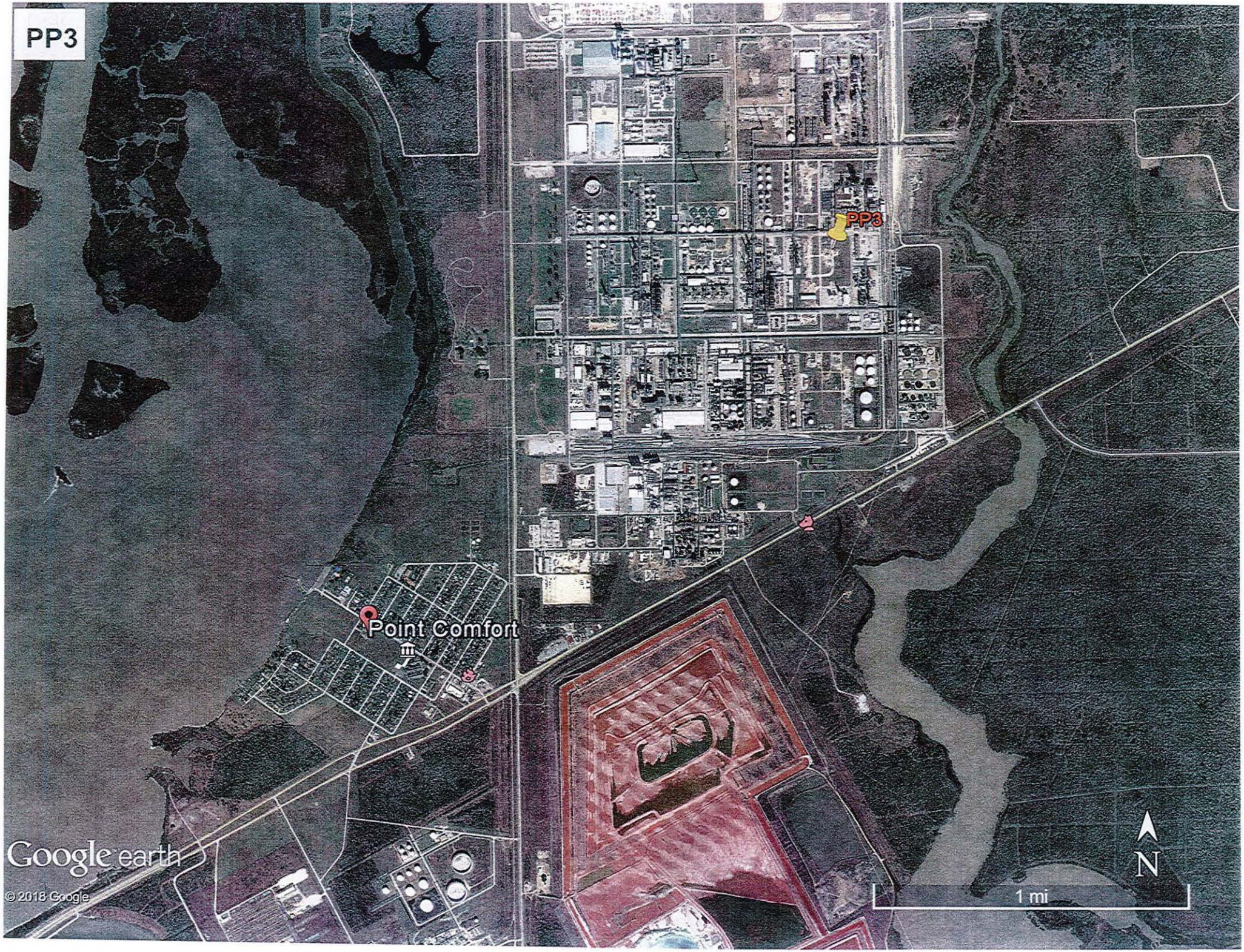
SEE ATTACHED MAPS

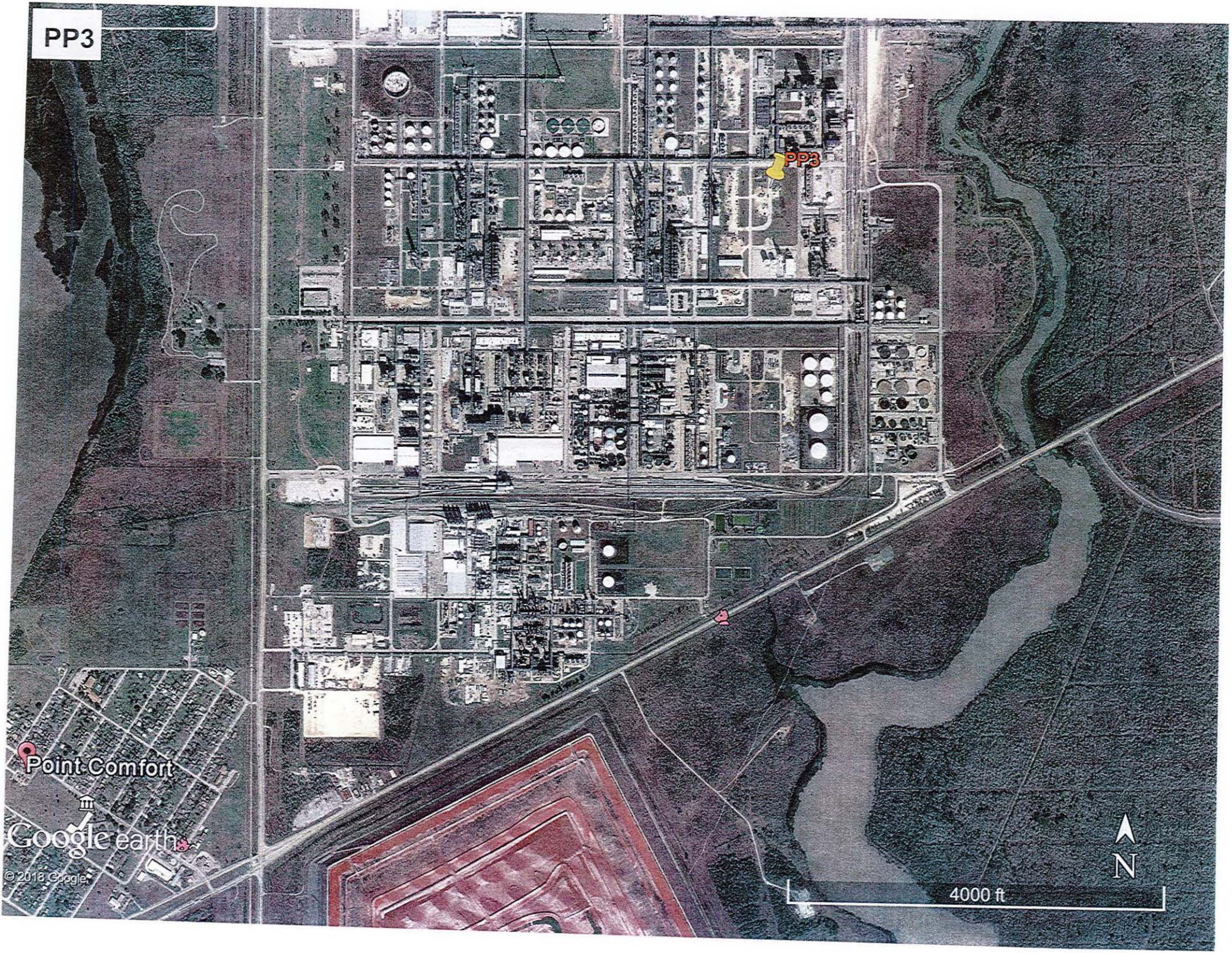
PP3

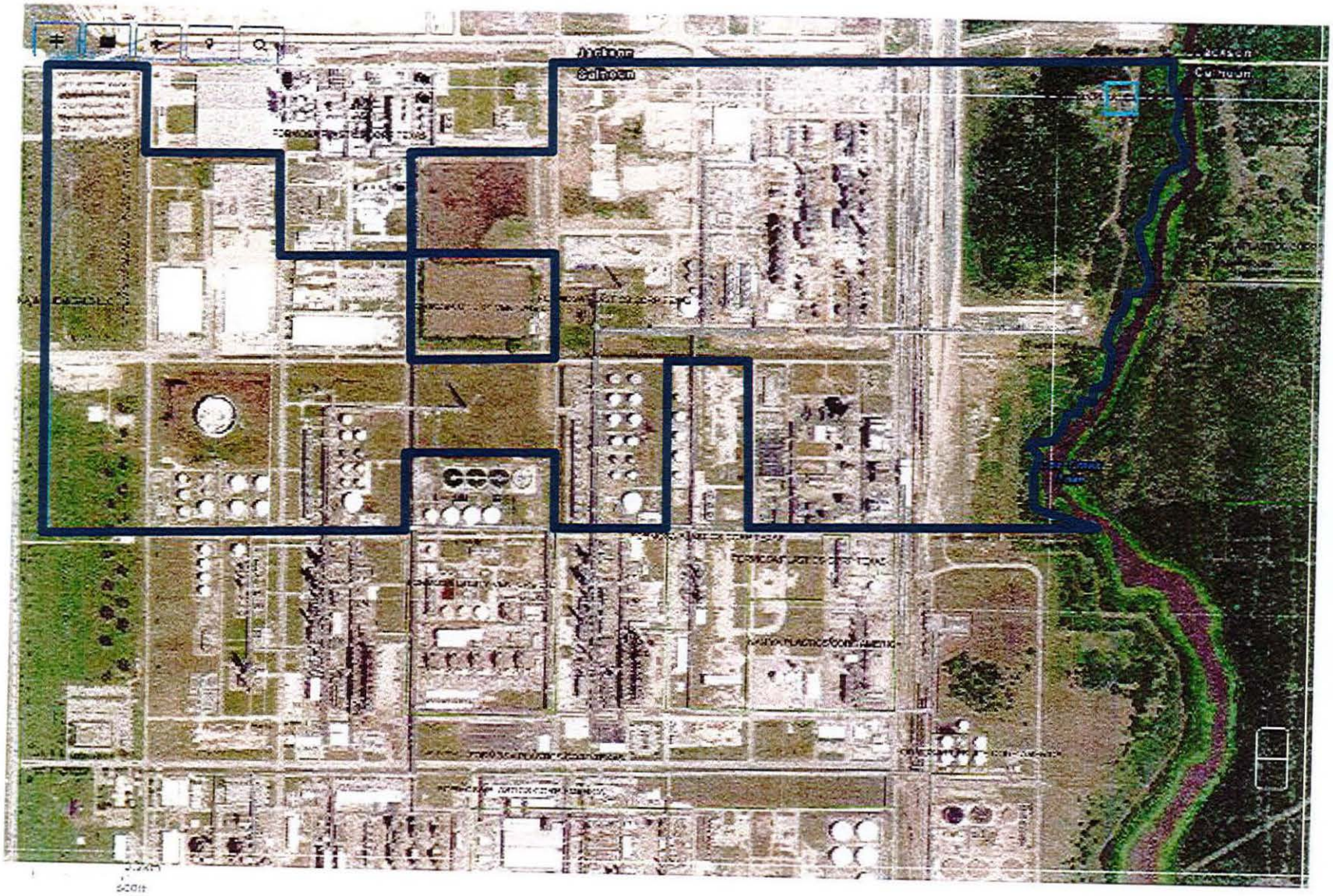
Reinvestment Zone
Boundary
Google Earth
© 2018 Google
200 ft
N

Google Maps

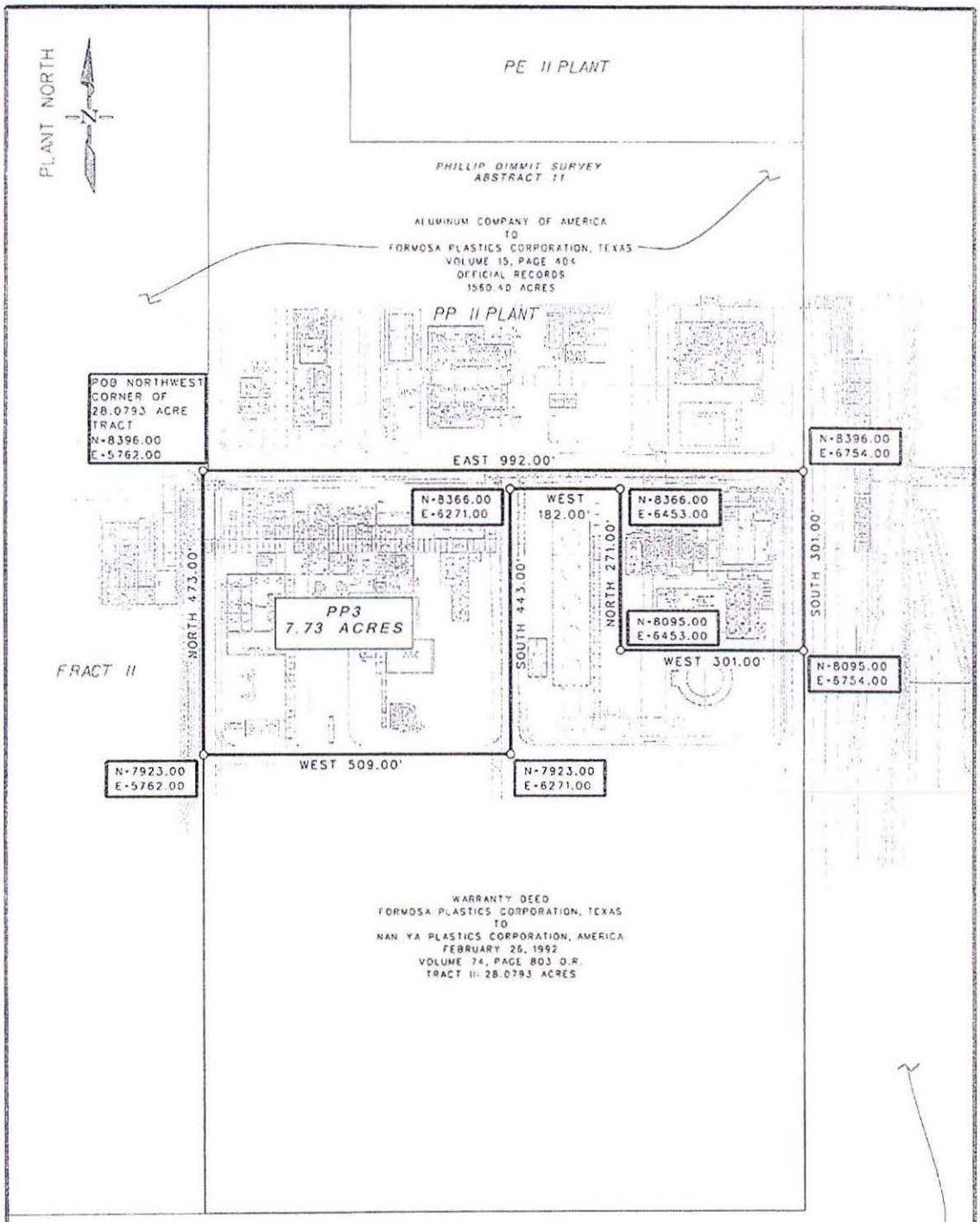
Lavaca River
481
1593
Formosa Plastics
Corporation Texas
35
2143
Point Comfort
Google


PP3
PP3
Point Comfort
Google earth
© 2018 Google
N
1 mi


PP3
PP3
Point Comfort
Google earth
© 2018 Google
N
4000 ft


Jackson
Calhoun
Calhoun

62946
90761
51558
Formosa
Cogeneration
Plant
51560
+ Show Search Results
27538
51559
51556



O 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

ALUMINUM COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
1560.40 ACRES

12/19/2017

GEORGE A. GANEM, JR.
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4681

DATE

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR

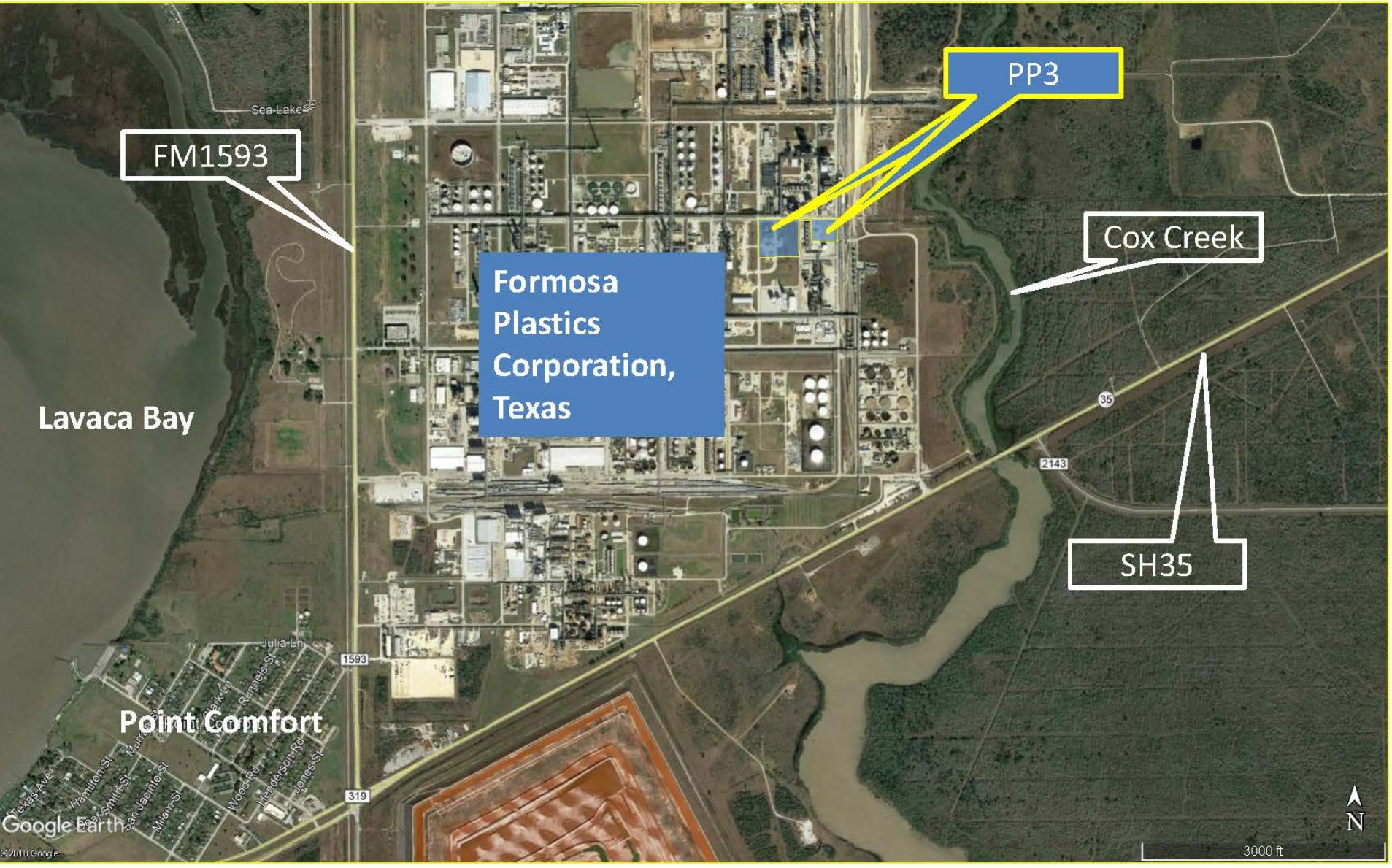
BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS
301 Formosa Drive
Point Comfort, TX 77978
P.O. Box 700
Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY, ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.	REVISION: REV A: 12/19/2017
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET EDNA, TEXAS 77957 (361) 782-3736 / LAMAR STREET, SUITE 5 POINT COMFORT, TEXAS 77978 (361) 987-2011	SHEET NO. 1 OF 1
APPROVED BY: G.A.G.	JOB NO. PC17-241		


PP3
FM1593
Cox Creek
Formosa Plastics Corporation, Texas
Lavaca Bay
SH35
Point Comfort
Sea Lake Rd
Julia Ln
1593
319
35
2143
Google Earth
©2018 Google
N
3000 ft

TAB 12

N/A

TAB 13

Calculation of three possible wage requirements with supporting documentation

AVERAGE WEEKLY WAGES FOR ALL JOBS , ALL INDUSTRIES IN CALHOUN COUNTY

2018	Qtr 1	$1,292.00
2018	Qtr 2	$1,284.00
2017	Qtr 3	$1,204.00
2017	Qtr 4	$1,282.00
Total		$5,062.00
Average		$1,265.50

AVERAGE WEEKLY WAGES FOR AL JOBS , ALL MANUFACTURING IN CALHOUN COUNTY

2018	Qtr 1	$2,213.00
2018	Qtr 2	$2,105.00
2017	Qtr 3	$2,012.00
2017	Qtr 4	$2,002.00
Total		$8,332.00
Average		$2,083.00
110%		$2,291.30

COG - Golden Crescent

Hourly	Annual
$26.94	$ 56,042.00
110%	$ 61,646.20
Weekly Wage	$ 1,185.50

Quarterly Employment and Wages (QCEW)

Back

PN.PERIODNAMESHORT

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	2nd Qtr	Calhoun County	Total All	00	0	10	Total, all industries	$1,284
2018	1st Qtr	Calhoun County	Total All	00	0	10	Total, all industries	$1,292

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	3rd Qtr	Calhoun County	Total All	00	0	10	Total, all industries	$1,204
2017	4th Qtr	Calhoun County	Total All	00	0	10	Total, all industries	$1,282

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2018	1st Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	$2,213
2018	2nd Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	$2,105

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	3rd Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	$2,012
2017	4th Qtr	Calhoun County	Private	31	2	31-33	Manufacturing	$2,002

2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas	**$26.24**	**$54,587**
1. Panhandle Regional Planning Commission	$23.65	$49,190
2. South Plains Association of Governments	$19.36	$40,262
3. NORTEX Regional Planning Commission	$23.46	$48,789
4. North Central Texas Council of Governments	$26.80	$55,747
5. Ark-Tex Council of Governments	$18.59	$38,663
6. East Texas Council of Governments	$21.07	$43,827
7. West Central Texas Council of Governments	$21.24	$44,178
8. Rio Grande Council of Governments	$18.44	$38,351
9. Permian Basin Regional Planning Commission	$26.24	$54,576
10. Concho Valley Council of Governments	$19.67	$40,924
11. Heart of Texas Council of Governments	$21.53	$44,781
12. Capital Area Council of Governments	$31.49	$65,497
13. Brazos Valley Council of Governments	$17.76	$39,931
14. Deep East Texas Council of Governments	$17.99	$37,428
15. South East Texas Regional Planning Commission	$34.98	$72,755
16. Houston-Galveston Area Council	$28.94	$60,202
17. Golden Crescent Regional Planning Commission	$26.94	$56,042
18. Alamo Area Council of Governments	$22.05	$48,869
19. South Texas Development Council	$15.07	$31,343
20. Coastal Bend Council of Governments	$28.98	$60,276
21. Lower Rio Grande Valley Development Council	$17.86	$37,152
22. Texoma Council of Governments	$21.18	$44,060
23. Central Texas Council of Governments	$19.30	$40,146
24. Middle Rio Grande Development Council	$24.07	$50,058

Source: Texas Occupational Employment and Wages
Data published: July 2018
Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

TAB 14

Schedules A1, A2, B, C, and D completed and signed Economic Impact

See attached Excel Spreadsheet

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

Date 10/4/2018
Applicant Name FORMOSA PLASTICS CORPORATION, TX
ISD Name CALHOUN COUNTY

Form 50-296A
Revised May 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	Column B	Column C	Column D	Column E
				New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	**Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	2019-2020	2019	Not e gible to become Qual f ed Property			[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				Qualified Investment	$132,000,000.00	Qualified Investment		$132,000,000.00
Complete tax years of qualifying time period	QTP1	2020-2021	2020	Qualified Investment	$68,000,000.00	Qualified Investment		$68,000,000.00
	QTP2	2021-2022	2021	Qualified Investment	Qualified Investment	Qualified Investment		Qualified Investment
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]					$200,000,000.00			$200,000,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$200,000,000.00				

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)

Date 10/4/2018
Applicant Name: FORMOSA PLASTICS CORPORATION, TX
ISD Name CALHOUN COUNTY

Form 50-296A
Revised May 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)
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		**Enter amounts from TOTAL row in Schedule A1 in the row below**				
Each year prior to start of value limitation period** *Insert as many rows as necessary*		2018-2019	2018					
	0	2019-2020	2019		132000000			132000000
Value limitation period***	1	2020-2021	2020		$68,000,000.00			$68,000,000.00
	2	2021-2022	2021		$0.00			$0.00
	3	2022-2023	2022					
	4	2023-2024	2023					
	5	2024-2025	2024					
	6	2025-2026	2025					
	7	2026-2027	2026					
	8	2027-2028	2027					
	9	2028-2029	2028					
	10	2029-2030	2029					
Total Investment made through limitation					$200,000,000.00			$200,000,000.00
Continue to maintain viable presence	11	2030-2031	2030					
	12	2031-2032	2031					
	13	2032-2033	2032					
	14	2033-2034	2033					
	15	2034-2035	2034					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035					
	17	2036-2037	2036					
	18	2037-2038	2037					
	19	2038-2039	2038					
	20	2039-2040	2039					
	21	2040-2041	2040					
	22	2041-2042	2041					
	23	2042-2043	2042					
	24	2043-2044	2043					
	25	2044-2045	2044					

* 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)

Date: 10/4/18

Applicant Name: FORMOSA PLASTICS CORPORATION, TX

ISD Name: CALHOUN COUNTY

Form 50-296A

Revised May 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 *Insert as many rows as necessary*	0	2018-2019	2018	$23,190.00	$0.00		NA	$23,190.00	$23,190.00
	1	2019-2020	2019	$23,190.00	$0.00		NA	$23,190.00	$23,190.00
Value Limitation Period	1	2020-2021	2020	$23,190.00	$120,000,000.00		NA	$120,023,190.00	$30,000,000.00
	2	2021-2022	2021	$23,190.00	$114,000,000.00		NA	$114,023,190.00	$30,000,000.00
	3	2022-2023	2022	$23,190.00	$108,300,000.00		NA	$108,323,190.00	$30,000,000.00
	4	2023-2024	2023	$23,190.00	$102,885,000.00		NA	$102,908,190.00	$30,000,000.00
	5	2024-2025	2024	$23,190.00	$97,740,750.00		NA	$97,763,940.00	$30,000,000.00
	6	2025-2026	2025	$23,190.00	$92,853,712.50		NA	$92,876,902.50	$30,000,000.00
	7	2026-2027	2026	$23,190.00	$88,211,026.88		NA	$88,234,216.88	$30,000,000.00
	8	2027-2028	2027	$23,190.00	$83,800,475.53		NA	$83,823,665.53	$30,000,000.00
	9	2028-2029	2028	$23,190.00	$79,610,451.75		NA	$79,633,641.75	$30,000,000.00
	10	2029-2030	2029	$23,190.00	$75,629,929.17		NA	$75,653,119.17	$30,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	$23,190.00	$71,848,432.71		NA	$71,871,622.71	$71,871,622.71
	12	2031-2032	2031	$23,190.00	$68,256,011.07		NA	$68,279,201.07	$68,279,201.07
	13	2032-2033	2032	$23,190.00	$64,843,210.52		NA	$64,866,400.52	$64,843,210.52
	14	2033-2034	2033	$23,190.00	$61,601,049.99		NA	$61,624,239.99	$61,601,049.99
	15	2034-2035	2034	$23,190.00	$58,520,997.49		NA	$58,544,187.49	$58,520,997.49
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	$23,190.00	$55,594,947.62		NA	$55,618,137.62	$55,594,947.62
	17	2036-2037	2036	$23,190.00	$52,815,200.24		NA	$52,838,390.24	$52,815,200.24
	18	2037-2038	2037	$23,190.00	$50,174,440.23		NA	$50,197,630.23	$50,174,440.23
	19	2038-2039	2038	$23,190.00	$47,665,718.21		NA	$47,688,908.21	$47,665,718.21
	20	2039-2040	2039	$23,190.00	$45,282,432.30		NA	$45,305,622.30	$45,282,432.30
	21	2040-2041	2040	$23,190.00	$43,018,310.69		NA	$43,041,500.69	$43,018,310.69
	22	2041-2042	2041	$23,190.00	$40,867,395.15		NA	$40,890,585.15	$40,867,395.15
	23	2042-2043	2042	$23,190.00	$38,824,025.40		NA	$38,847,215.40	$38,824,025.40
	24	2043-2044	2043	$23,190.00	$36,882,824.13		NA	$36,906,014.13	$36,882,824.13
	25	2044-2045	2044	$23,190.00	$35,038,682.92		NA	$35,061,872.92	$35,038,682.92

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

Date: 10/4/18

Applicant Name: FORMOSA PLASTICS CORPORATION, TX

ISD Name: CALHOUN COUNTY

Form 50-296A

Revised May 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					
	0	2019-2020	2019	70,000 MH / Month	$67,000.00	0	0	
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2020-2021	2020	38,000 MH / Month	$67,000.00	5	10	$ 62,000
	2	2021-2022	2021			15	10	$ 62,000
	3	2022-2023	2022			15	10	$ 62,000
	4	2023-2024	2023			15	10	$ 62,000
	5	2024-2025	2024			15	10	$ 62,000
	6	2025-2026	2025			15	10	$ 62,000
	7	2026-2027	2026			15	10	$ 62,000
	8	2027-2028	2027			15	10	$ 62,000
	9	2028-2029	2028			15	10	$ 62,000
	10	2028-2029	2028			15	10	$ 62,000
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2044			15	10	$ 62,000

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

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

If yes, answer the following two questions:

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

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

Schedule D: Other Incentives (Estimated)

Date: 10/4/18

Applicant Name: FORMOSA PLASTICS CORPORATION, TX

ISD Name: CALHOUN COUNTY

Form 50-296A

Revised May 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: Calhoun County	2018	10 years	$ 471,998.99	100% Abatement	0
	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			

Additional information on incentives for this project:

TAB 15

Economic Impact

N/A

TAB 16

Description of Reinvestment Zone, including:

- ***A. Evidence that the area qualifies as a reinvestment zone***
- ***B. Legal description of the reinvestment zone***
- ***C. Order, resolution or ordinance establishing the reinvestment zone***
- ***D. Guidelines and criteria for creating the zone***

RESOLUTION OF THE
COMMISSIONERS COURT OF CALHOUN COUNTY, TEXAS
AMENDING FORMOSA PLASTICS CORPORATION, TEXAS
REINVESTMENT ZONE NO. 17-01

WHEREAS, Formosa Plastics Corporation, Texas filed an Application with the Commissioners Court of Calhoun County, Texas for an amendment to the Reinvestment Zone No. 17-01 on August 22, 2018; and

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act (Texas Tax Code, Chapter 312) and the Guidelines and Criteria of the Commissioners Court of Calhoun County for Granting Tax Abatement in Reinvestment Zones Created in Calhoun County, (The Guidelines), the Commissioners Court published a Notice of Public Hearing on the Application of Formosa Plastics Corporation, Texas for an amendment to the Reinvestment Zone No. 17-01 in the Port Lavaca Wave on September 12, 2018; and

WHEREAS, the Commissioners Court convened in open meeting on Wednesday, September 19 2018 at 10:00 o'clock a.m., pursuant to said Notice for the purpose of conducting a Public Hearing on the Application of Formosa Plastics Corporation, Texas for an amendment to the Reinvestment Zone No. 17-01, during which hearing representatives of Formosa Plastics Corporation, Texas presented statements and evidence in support of its Application, and whereupon all interested persons in attendance who requested to do so, were given the opportunity to speak and present evidence for or against the amendment; and

WHEREAS, upon conclusion of the Public Hearing, the members of the Commissioners Court considered the evidence and upon motion and second, adopted the following resolution:

BE IT RESOLVED by the Commissioners Court of Calhoun County, Texas:

1. The Commissioners Court of Calhoun County, Texas makes the following findings:

(a) That the improvements sought are feasible and practical;

(b) The designation and improvements would be a benefit to the land to be included in the zone, and to the County after the expiration of the tax abatement agreement;

(c) The area will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County;

(d) The Commissioners Court further finds that an additional 7.73 acres (more or less) as described herein, shall be included with the 133.40 acre tract previously contained in 17-01, and the entire 141.13 non-contiguous acres (more or less) tracts of land are located entirely in an unincorporated area of Calhoun County, Texas;

2. Based upon its findings, the Commissioners Court of Calhoun County, Texas concludes that Formosa Plastics Corporation, Texas' Application for Amendment to the Reinvestment Zone No. 17-01 dated August 22, 2018 should be and is hereby approved.

3. A metes and bounds description of the amended Reinvestment Zone is contained in Exhibits "1" and "2" are attached hereto, incorporated by reference and made a part hereof

for any and all purposes. Also attached to this Resolution is a plat indicating the boundaries and location of the Reinvestment Zone. The plats are marked Exhibits "3" and "4", incorporated by reference and made a part hereof for any and all purposes.

4. The amended Reinvestment Zone is hereby designated as eligible for tax abatement, subject to approval of any application for tax abatement by the Commissioners Court.

5. The tract of land containing 141.13 acres (more or less) is hereby designated as Formosa Plastics Corporation, Texas Reinvestment Zone 17-01, as amended, and is eligible for tax abatement.

6. This designation of a reinvestment zone shall expire five years from the date of this resolution.

PASSED, ADOPTED AND APPROVED, on this 19th day of September, 2018.

COMMISSIONERS COURT OF
CALHOUN COUNTY, TEXAS

Michael Pfeifer, County Judge

ATTEST:

Anna Goodman, County Clerk

By:_____, Deputy

COMMISSIONERS COURT CALHOUN COUNTY, TEXAS

EXHIBIT A
133.40 ACRE TRACT
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 133.40 acre tract of land situated in the Thomas Cox Survey, Abstract 10, Calhoun County, Texas and being all of a 0.870 acre tract described in Warranty Deed dated June 24, 2009 from Calhoun Port Authority to Formosa Plastics Corporation, Texas as recorded in Document No. 117093 of the Official Records of said county and a part of that certain 80.61 acre tract described in Warranty Deed with Vendor's Lien dated December 12, 2007 from Calhoun Port Authority to Formosa Plastics Corporation, Texas as recorded in Document No. 111496 of the Official Records of said county and a 52.79 acre portion of the remaining portion of a 3,062.40 acre tract described in Special Warranty Deed dated December 30, 1994 from Aluminum Company of America to Alcoa Alumina & Chemicals, L.L.C. and recorded in Volume 139, Page 01 of the Official Records of Calhoun County, Texas, and this 133.40 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at an existing 5/8 inch iron rod at the northwest corner of said 80.61 acre tract and an interior corner of a 23.57 acre tract described in Volume 62, Page 84 of the Official Records of said county for the northwest corner of the herein described tract, said iron rod having a Texas State Plane coordinate NAD 83 Texas South Central Zone of X = 2,756,616.29 and Y = 13,429,189.49;

THENCE North 87° 32' 36" East with the south line of said 23.57 acre tract and the north line of said 80.61 acre tract for a distance of 2816.48 feet to a set 5/8 inch iron rod for the northeast corner of the herein described tract;

THENCE South 02° 25' 45" East for a distance of 2262.33 feet to a set 5/8 inch iron rod for the southeast corner of the herein described tract;

THENCE South 88° 13' 50" West for a distance of 1950.77 feet to an existing 5/8 inch iron rod at the southeast corner of a 0.864 acre tract described in Document No. 117069 of the Official Records of said county and a southwest exterior corner of the herein described tract;

THENCE North 02° 33' 54" West with the east line of said 0.864 acre tract for a distance of 136.30 feet to an existing 5/8 inch iron rod at the northeast corner of said 0.864 acre tract for a southwest interior corner of the herein described tract;

THENCE South 88° 28' 27" West with the north line of said 0.864 acre tract for a distance of 275.07 feet to an existing 5/8 inch iron rod at a southwest exterior corner of the herein described tract;

THENCE North 02° 31' 50" West with a west line of said 80.61 acre tract and the east line of the remaining portion of said 169.965 acre tract for a distance of 734.93 feet to an existing 5/8 inch iron rod at a southwest interior corner of the herein described tract;

THENCE South 87° 33' 16" West and continuing with an interior south line of said 80.61 acre tract and an interior north line of the remaining portion of said 169.965 acre tract for a distance of 617.92 feet to a set 5/8 inch iron rod at the southwest corner of said 0.870 acre tract for a southwest exterior corner of the herein described tract;

THENCE North 02° 28' 56" West with the west line of said 0.870 acre tract and an east line of the remaining portion of said 169.965 acre tract for a distance of 1263.07 feet to a set 5/8 inch iron rod at the northwest corner of said 0.870 acre tract for a northwest exterior corner of the herein described tract;

THENCE North 87° 32' 28" East with the north line of said 0.870 acre tract for a distance of 30.00 feet to a set 5/8 inch iron rod at the northeast corner of said 0.870 acre tract for a northwest interior corner of the herein described tract;

EXHIBIT
1

THENCE North 02° 28' 56" West with a west line of said 80.61 acre tract and the east line of a 1.96 acre tract described in Document No. 117092 of the Official Records of said county for a distance of 100.04 feet to the **POINT OF BEGINNING**, Containing 133.40 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings are based on GPS Observation converted to Texas Coordinate System NAD83 South Central Zone. Coordinates and distances are grid values.

The above legal description is based on an actual survey made on the ground under my supervision.

Date 01/22/2017

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
LAND SURVEYOR

FC16-133
Fairways Nueces Corp., Texas
133.40 Acre Tract

PP3 PLANT
7.73 ACRES
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 7.73 acre tract situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas and being out of a 28.0793 acre tract described as Tract II in Warranty Deed dated February 26, 1992 from Formosa Plastics Corporation, Texas to Nan Ya Plastics Corporation, America and recorded in Volume 74, Page 803 of the Official Records of Calhoun County, Texas, and this 7.73 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod at the northwest corner of said 28.0793 acre tract for the northwest corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 5762.00);

THENCE East along the north line of said 28.0793 acre tract a distance of 992.00 feet to a set 5/8 inch iron rod for the northeast corner of said 28.0793 acre tract for the northeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 6754.00);

THENCE South along the east line of said 28.0793 acre tract a distance of 301.00 feet to a set 5/8 inch iron rod for an easterly southeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6754.00);

THENCE West a distance of 301.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6453.00);

THENCE North a distance of 271.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6453.00);

THENCE West a distance of 182.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6271.00);

THENCE South a distance of 443.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 7923.00, East 6271.00);

THENCE West a distance of 509.00 feet to a set 5/8 inch iron in the west line of said 28.0793 acre tract for the southwest corner of the herein described tract; (said iron rod having a plant coordinate of North 7923.00, East 5762.00);

THENCE North along the west line of said 28.0793 acre tract a distance of 473.00 feet to the **POINT OF BEGINNING,** Containing 7.73 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

The above legal description is based on an actual survey made on the ground under my supervision.

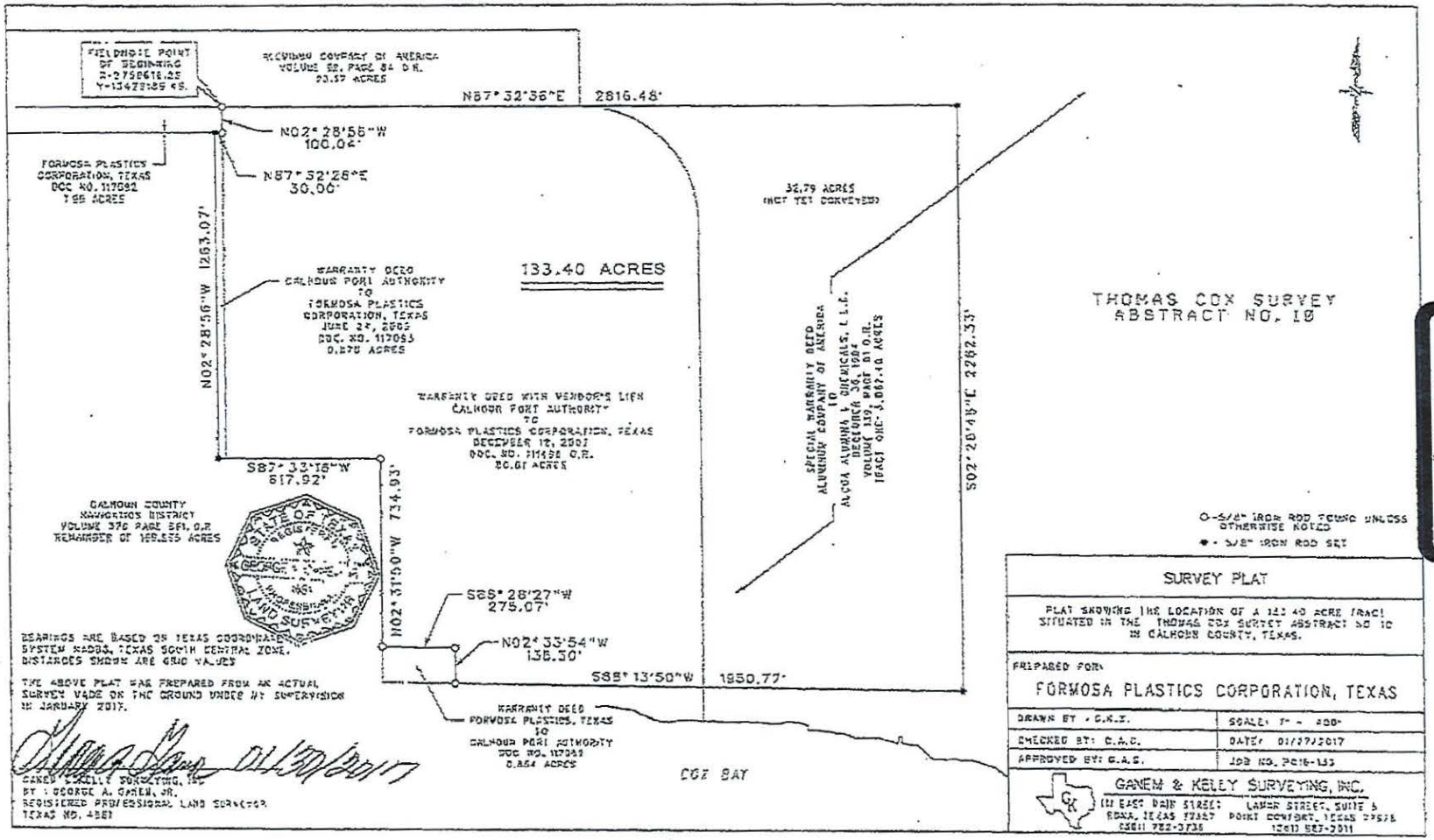
Date 12/19/2017

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4681
PROFESSIONAL
LAND SURVEYOR

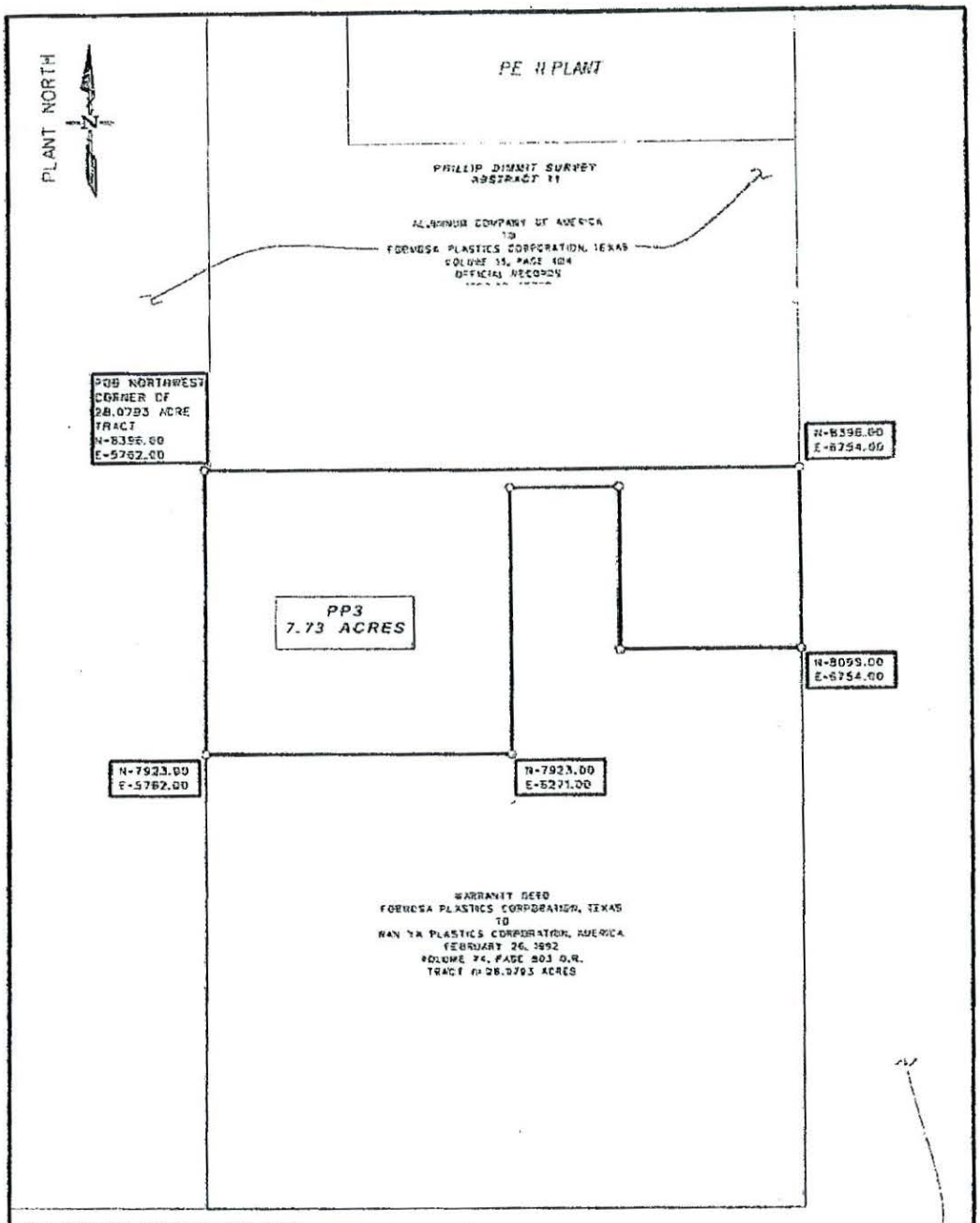
EXHIBIT
2

Plastics Corp.
3 Acres
ReeA12192017


FIELDNOTE POINT OF BEGINNING
X=2758616.25
Y=13473185.45
RECORDING COMPANY OF AMERICA
VOLUME 52, PAGE 84 O.R.
20.37 ACRES
N87°32'36"E 2816.48'
N02°28'56"W 100.04'
N87°32'26"E 30.00'
FORMOSA PLASTICS CORPORATION, TEXAS
DOC NO. 117082
7.88 ACRES
N02°28'56"W 1263.07'
WARRANTY DEED
CALHOUN PORT AUTHORITY
TO
FORMOSA PLASTICS CORPORATION, TEXAS
JUNE 24, 2005
DOC. NO. 117053
0.270 ACRES
133.40 ACRES
32.79 ACRES
(NOT YET CONVEYED)
SPECIAL WARRANTY DEED
ALUMINUM COMPANY OF AMERICA
TO
ALCOA ALUMINA & CHEMICALS, L.L.C.
DECEMBER 30, 1994
VOLUME 1101, PAGE 101 O.R.
TRACT ONE-3,867.10 ACRES
THOMAS COX SURVEY
ABSTRACT NO. 10
S02°28'48"E 2282.33'
WARRANTY DEED WITH VENDOR'S LIEN
CALHOUN PORT AUTHORITY
TO
FORMOSA PLASTICS CORPORATION, TEXAS
DECEMBER 12, 2001
DOC. NO. 115158 O.R.
20.07 ACRES
S87°33'16"W 617.92'
N02°31'50"W 734.93'
CALHOUN COUNTY
NAVIGATION DISTRICT
VOLUME 370 PAGE 571, O.R.
REMAINDER OF 169.55 ACRES
STATE OF TEXAS
REGISTERED
GEORGE A. GANEM, JR.
1661
PROFESSIONAL
LAND SURVEYOR
S88°28'27"W 275.07'
N02°33'54"W 138.30'
S88°13'50"W 1850.77'
WARRANTY DEED
FORMOSA PLASTICS, TEXAS
TO
CALHOUN PORT AUTHORITY
DOC NO. 117083
0.854 ACRES
COX BAY
O-5/8" IRON ROD FOUND UNLESS OTHERWISE NOTED
• - 5/8" IRON ROD SET
BEARINGS ARE BASED ON TEXAS COORDINATE SYSTEM NAD83, TEXAS SOUTH CENTRAL ZONE. DISTANCES SHOWN ARE GRID VALUES
THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION IN JANUARY 2017.
01/30/2017
GANEM & KELLY SURVEYING, INC.
BY: GEORGE A. GANEM, JR.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4661
SURVEY PLAT
PLAT SHOWING THE LOCATION OF A 133.40 ACRE TRACT SITUATED IN THE THOMAS COX SURVEY ABSTRACT NO 10 IN CALHOUN COUNTY, TEXAS.
PREPARED FOR:
FORMOSA PLASTICS CORPORATION, TEXAS
DRAWN BY: C.K.E.
SCALE: 1" = 200'
CHECKED BY: G.A.G.
DATE: 01/27/2017
APPROVED BY: G.A.G.
JOB NO. P016-133
GANEM & KELLY SURVEYING, INC.
110 EAST MAIN STREET
EDNA, TEXAS 77947
(361) 782-3735
LAMAR STREET, SUITE 5
PORT COMFORT, TEXAS 77976
(361) 987-2011

EXHIBIT

3



O = 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

ALGONQUIN COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
ASSED.40 ACRES

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4881
PROFESSIONAL
LAND SURVEYOR

12/19/2017

GEORGE A. GANEM, JR. DATE
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4881

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS
201 Formosa Drive
Point Comfort, TX 77978
P.O. Box 700
Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.	REVISION REV N 12/19/2017
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET EDNA, TEXAS 77957 (361) 782-5739	1 OF 1
APPROVED BY: G.A.G.	JOB NO. P237-241	LAMAR STREET, SUITE 5 POINT COMFORT, TEXAS 77978 (361) 987-2311	

EXHIBIT
4

GUIDELINES AND CRITERIA OF THE COMMISSIONERS' COURT OF CALHOUN COUNTY FOR GRANTING TAX ABATEMENTAS A BUSINESS INCENTIVE IN REINVESTMENT ZONES CREATED IN CALHOUN COUNTY

(For the period June 25, 2017 through June 24, 2019)

PREAMBLE

WHEREAS, the Commissioners' Court of Calhoun County by resolution adopted on March, 18, 1988 declared its eligibility to grant tax abatement; and

WHEREAS, by subsequent resolutions the Commissioners' Court of Calhoun County adopted and extended Guidelines and Criteria for granting tax abatement in reinvestment zones created in Calhoun County; and

WHEREAS, as a direct result of being eligible to grant tax abatement, Calhoun County, the Calhoun County Independent School District, Calhoun County Navigation District and other taxing jurisdictions in the county have been able to compete for and obtain expansion projects of the Union Carbide Corporation Seadrift Plant, with projects exceeding one hundred million dollars, and the Formosa Plastics Corporation, Texas facilities of approximately 1.3 billion dollars; and

WHEREAS, pursuant to the **PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE ANN.** Chapter 312, it is necessary to adopt Guidelines and Criteria for granting tax abatement agreements as a business incentive for the next two year period commencing June 25, 2017 through June 24, 2019, inclusive, said Guidelines and Criteria to be unchanged for the two year period, unless amended by three-quarters vote; and

NOW, THEREFORE, BE IT RESOLVED that the Commissioners' Court of Calhoun County does hereby adopt the following Guidelines and Criteria for granting tax abatement as a business incentive in reinvestment zones created within Calhoun County, Texas for the period June 25, 2017 through June 24, 2019, inclusive.

Section 1

DEFINITIONS

(a) **"ABATEMENT"** means the exemption from ad valorem taxation of a portion or all of the eligible value of the real property or of tangible personal property located on the real property, or both, as limited by these Guidelines and Criteria and the provisions of TEX. TAX CODE ANN. §312.2O4.

(b) **"AGREEMENT"** means a written contractual agreement between a property owner and/or lessee and an eligible taxing jurisdiction for the purposes of a business incentive.

(c) **"AQUACULTURE FACILITY"** means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching or incubation or nursing or maturing or processing to marketable size aquatic culture in commercially marketable quantities.

(d) **"APPLICANT"** means the legal entity seeking tax abatement as a business incentive.

(e) **"APPRAISED VALUE"** means the last certified property value as approved by the Calhoun County Appraisal Review Board.

(f) **"BASE YEAR VALUE"** means the appraised value of all property owned by the Taxpayer/applicant in the reinvestment zone as most recently determined by the Calhoun County Appraisal District immediately preceding the application, plus the agreed upon value of all property improvements made in the reinvestment zone since the last appraisal, but before the execution of the agreement.

(g) **"BUSINESS INCENTIVE"** means an item offered of value to a business that induces the business to locate in a particular jurisdiction.

(h) **"COMMENCEMENT OF CONSTRUCTION"** means the placement or construction of any improvements that are part of the project in the reinvestment zone. The storage of building materials in the reinvestment zone that are to be used in construction of the improvements does not constitute commencement of construction. Engineering, site preparation and similar activity shall not be considered commencement of construction so long as permanent improvements that are part of the project have not been constructed and placed in the reinvestment zone.

(i) **"COMMISSIONERS"** or **"COMMISSIONERS' COURT"** means the Commissioners' Court and governing body of Calhoun County, Texas.

(j) **"COUNTY"** means Calhoun County, Texas, a political subdivision of the State of Texas.

(k) **"DEFERRED MAINTENANCE"** means improvements necessary for continued operations which do not improve the productivity or alter the process technology.

(l) **"DESIGNATING AUTHORITY"** means the taxing unit that has the authority to designate the reinvestment zone in which the proposed project is located.

(m) **"DESIGNEE"** unless otherwise indicated, means any person or entity authorized by the Commissioners' Court to act on behalf of the County.

(n) **"ECONOMIC LIFE"** means the number of years a property improvement is expected to be in service in a facility, and will continue to have value for ad valorem tax purposes throughout such term

(o) **"ELIGIBLE JURISDICTION"** includes Calhoun County and any navigation district, any drainage district, and municipal utility district, any water quality improvement district, any municipality, and the Calhoun County Independent School District, that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.

(p) **"EXPANSION"** means the addition of building, structures, fixed machinery or equipment for purposes of increasing production capacity.

(q) **"FACILITY"** means property improvements proposed, completed, or in the process of construction which together comprise an integral whole.

(r) "**INFRASTRUCTURE**" means a system of public works installed in a residential subdivision, whether public or private, to include, but not be limited to, roadways, utility service including water, sewer and electrical service, and bulk heading.

(s) **"MANUFACTURING FACILITY"** means building and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(t) **"MATERIAL MISREPRESENTATION"** means a false statement about a material matter which induced the Commissioners' Court to take any specific action on

an application for tax abatement as a business incentive, and without such misrepresentation, the Commissioners' Court would either not have designated a reinvestment zone, or granted tax abatement as a business incentive or would have taken some action different than it actually did.

(u) **"MODERNIZATION"** means the replacement or upgrading of existing facilities which increases the productivity input or output, updates the technology, or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

(v) **"NEW FACILITY"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(w) **"OTHER BASIC INDUSTRY"** means buildings and structures including fixed machinery and equipment not elsewhere described, used, or to be used for the production or products, and result in the creation of new permanent jobs within Calhoun County and inject new wealth into Calhoun County.

(x) **"PROJECT"** is a reference to the entire proposal of work and improvements to be accomplished in the reinvestment zone as described in the application and tax abatement as a business incentive agreement.

(y) **"REGIONAL DISTRIBUTION CENTER FACILITY"** means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.

(z) **"REGIONAL ENTERTAINMENT"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission or the general public.

(aa) **"REGIONAL SERVICE FACILITY"** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.

(bb) **"REINVESTMENT ZONE-COUNTY DESIGNATED"** means any area of Calhoun County which has been designated a reinvestment zone for tax abatement as a business incentive and which is not within the taxing jurisdiction of any incorporated municipality. It is the province of the Calhoun County Commissioners' Court to designate Reinvestment Zones - County Designated on a case-by-case basis in order to

maximize the potential incentives for eligible enterprises to locate or expand within Calhoun County.

(cc) **"REINVESTMENT ZONE - MUNICIPALITY DESIGNATED"** means an area of Calhoun County which lies within the taxing jurisdiction of a municipality and has been designated a reinvestment zone by that municipality for tax abatement as a business incentive. It is the province of the City Council of any eligible municipality to designate Reinvestment Zones Municipality Designated on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within the City.

(dd) **"RENOVATION"** is a repair or improvement of an existing facility or structure.

(ee) **"REPAIR"** means any improvement or betterment of an existing facility or structure.

(ff) **"REPLACEMENT"** means the substitution of something new or different for an existing facility or structure, or portion thereof, when the replacement facility or structure is to be used for the same general purpose as the old facility or structure that is being replaced.

(gg) **"RESEARCH FACILITY"** means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop or develop the production processes thereto.

(hh) **"SCHOOL DISTRICT" or "DISTRICT",** unless otherwise indicated, means the Calhoun County Independent School District.

(ii) **"SUBSTANTIAL COMPLIANCE"** means that any estimate or prediction that comes within eighty-five percent of a stated amount shall be construed as compliance, but only when estimates are expressly authorized. Unless expressly authorized, strict compliance with a statement or representation shall be required.

(jj) **"TAXPAYER"** means the legal entity that seeks, or who has been approved for tax abatement as a business incentive. It also is a reference to the owner of the property constituting the reinvestment zone and the improvements and tangible personal property to be located therein.

Section 2

ELIGIBILITY CRITERIA GENERALLY

(a) **General Eligibility** Subject to the limitations and exceptions contained in these Guidelines and Criteria, TEX. TAX CODE ANN. §312.204 shall govern to what extent real property and tangible personal property located in a reinvestment zone are eligible for tax abatement as a business incentives.

(b) **Commencement of Construction.** If the reinvestment zone is designated by a municipality, the applicant shall not commence construction until after it and the municipality have both executed an agreement on similar terms for the same project then under consideration by the County. Any property otherwise eligible for abatement that is placed or constructed in the reinvestment zone before the agreement is executed with the municipality shall not be eligible for tax abatement as a business incentive. However, any eligible improvements made or property placed in the reinvestment zone after executing the agreement with the municipality shall be eligible for abatement with the County, even though such improvements or property are placed in the reinvestment zone prior to filing the application or executing the agreement with the County, provided that a municipality is the designating authority. If the reinvestment zone is County designated, applicant shall not commence construction until the County executes the agreement.

(c) **Property Value Eligible for Abatement** Subject to the limitations and other eligibility requirements contained in these guidelines, the County may abate the value of tangible personal property located on the real property in the reinvestment zone in each year covered by the agreement, other than tangible personal property that was located on the real property at any time before the period covered by the agreement. The value of real property to the extent its value for each year during the agreement exceeds its value for the year in which the agreement was executed is eligible for abatement.

(d) **New and Existing Facilities** A business incentive may be granted for both eligible new facilities and structures, as well as for expansion or modernization of existing facilities and structures.

(e) **Eligible Property to be Described** The application for tax abatement as a business incentive or any other business incentive and any agreement must describe the project and improvements with such detail and certainty as required by the County in order to identify the property that is declared to be eligible for business incentives. Any

property, even though otherwise eligible for business incentives, that is not sufficiently described in the application, as determined by the Commissioners' Court, or their designee, shall not be eligible for business incentives under such agreement.

(f) **Exclusions.**

(1) This policy is mutually exclusive of existing Industrial District Contracts. The real property cannot be in an improvement project financed by tax increment bonds.

(2) Any business incentive agreement granted is subject to the rights of holders of outstanding bonds of the County.

(3) When any project that otherwise satisfies the eligibility criteria for tax abatement as a business incentive is for the purpose of repairing, replacing, modernizing, or upgrading an existing facility, if, prior the commencement of the project, or upon completion of the project the value of the existing facility is reduced or deleted from the tax rolls, then, in such event, the applicant shall only be eligible for tax abatement as a business incentives to the extent of the difference in the last appraised value of the property value that is being dropped or reduced from the tax rolls and the project cost.

Section 3

ELIGIBILITY CRITERIA AND TERMS FOR FACILITIES/INDUSTRY

(a) **Eligible Facilities.** A facility may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:

(1) Manufacturing Facility; or

(2) Research Facility; or

(3) Aquaculture Facility; or

(4) Regional Distribution Center Facility; or

(5) Regional Service Facility; or

(6) Regional Entertainment Facility; and,

(7) Other Basic Industry.

(b) **Economic Qualifications** In addition to satisfying the other eligibility criteria, in order to be eligible for business incentives, the new facility or structure, or the expanded or modernized existing facility or structure must meet the following qualifications:

(1) The project must cost at least Five Million Dollars ($5,000,000.00); and

(2) Be expected to retain or create employment for at least 10 persons of the eligible facility on a full time and permanent basis in Calhoun County; and

(3) Not be expected to solely or primarily have the effect of transferring employment from one part of Calhoun County to another; and

(4) Be expected to attract major investment in the reinvestment zone that would be a benefit to the property to be included in the zone; and

(5) That development anticipated to occur in the proposed reinvestment zone would contribute to the economic development of the County.

(6) The County reserves the right to grant abatements up to the state maximum of 100% for 10 years.

(c) **Term of Abatement.** The term of tax abatement as a business incentive granted by the County shall be six (6) years, and shall be applied commencing January 1 following the effective date of the agreement.

(d) **Effective Date.**

(1) If the County is the designating authority, the effective date of the agreement shall be the date that the County executes the agreement.

(2) If a municipality is the designating authority, the effective date of any agreement that the County approves shall be same date as that of the agreement entered into for the same project by the municipality.

(3) Abatement applies to all eligible improvements placed in the reinvestment zone after the designating authority and Taxpayer execute their agreement. Taxes will be abated on eligible property for the number of years approved by the County, commencing January 1 immediately following the effective date of the agreement. Property otherwise eligible for abatement under the agreement shall be eligible for abatement only if the property is placed or constructed in the reinvestment zone after the effective date of the agreement, but on or before December 31 immediately preceding the beginning of the last full tax year that taxes are to be abated.

(e) **Percent of Tax Abatement as a Business Incentive.** The percent of tax abatement as a business incentive of eligible property value to be granted each year shall be as follows:

Taxable Investment (Millions)		Year 1	2	3	4	5	6
Up to	5.00	—	—	—	—	—	—
5.00 to	9.99	90	50	25	—	—	—
10.00 to	14.99	90	75	50	25	—	—
15.00 to	19.99	90	90	75	50	25	—
20.00 or more		90	90	85	75	50	25

(f) **Taxability.** From the execution of the agreement to the end of the agreement period taxes shall be payable as follows:

(1) the value of ineligible property as provided in Section 2 shall be fully taxable.

(2) the base year value of existing eligible property as determined each year shall be fully taxable; and

(3) the unabated value of eligible property shall be taxable

(g) **Limitations**. If, during the term of the business incentive period the taxpayer should close, cease production, or demolish any or all of a facility that was in existence on the effective date of the business incentives agreement, or take any other similar action that would have the effect of reducing or deleting the value of the facility, or portion thereof from the tax rolls that was in existence on the effective date of the business incentives agreement regardless of the reason, then the eligible value for abatement allowed in the business incentives agreement shall be reduced by the amount of existing property value owned by the taxpayer that is reduced or deleted from the tax roll. Depreciation, agreed to by the Chief Appraiser, or Appraisal Review Board, shall not be construed as a reduction or deletion of value for purposes of this limitation.

Section 4

ELIGIBILITY CRITERIA AND TERMS FOR REAL ESTATE DEVELOPMENT

(a) **Eligible Development**. A development may become eligible for abatement if it is located in a designated Reinvestment Zone, and is a:

(1) New single family residential housing project;

(2) Multi-family housing project; and/or,

(3) Apartment project.

(b) **Duration of Abatement as a Business Incentive.** Any Agreement under this section shall not exceed three (3) years.

(c) **Economic Qualification**. To be eligible to receive tax abatement as a business incentive, the developer must expend a minimum of two million dollars ($2,000,000.00) in infrastructure costs for the development.

(d) **Taxability.** From the initial application to the end of the abatement period, taxes shall be paid as follows:

(1) All ineligible property shall be fully taxable during the term of the abatement.

(2) Any property within the reinvestment zone that is sold, transferred, conveyed, occupied or otherwise no longer part of the developer's inventory shall be taxed at the appraised value determined by the Calhoun County Appraisal District beginning January 1 of the year following the sale, transfer, conveyance, or occupation.

(3) At the end of the abatement period, all property subject to the Agreement shall be subject to full taxation.

APPLICATION

(a) **Filing.** Any property owner of taxable property in Calhoun County located in a designated or proposed reinvestment zone may request tax abatement as a business incentive by filing a written application with the Commissioners' Court, or their designee. When appropriate, the application may combine a request for designation of a reinvestment zone with an application for tax abatement as a business incentive.

(b) **Contents.** The application shall include all information contemplated by these Guidelines and Criteria in order for the Commissioners' Court to evaluate the applicant's eligibility and to determine whether to grant any business incentives. The application

shall be submitted on a form provided by the County, or alternatively, if unavailable, the contents of the application shall be in order of this subsection and respond to each element of this subsection, and shall contain such other information as required by the County, or it representative. Specifically, the application shall include the following:

(1) A list of the kind, number and location of all proposed improvements of the property, including a general written description of the general nature and extent of modernization, expansion or new improvements to be undertaken.

(2) A statement of the current and proposed uses of the property showing that planned usage is consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone during the period that the property tax exemptions are in effect.

(3) A map showing locations of existing and proposed improvements. The map should also show general uses and conditions of the real property in the reinvestment zone.

(4) A legal description of the property.

(5) An estimate of the project cost and new value that will result from the modernization, expansion or new improvements to be undertaken. A statement of the base year value separately stated for land and existing improvements located in the reinvestment zone, plus any improvements or changes in value in the reinvestment zone after the last appraisal and prior to the application. In any case where the value of an existing facility will be deleted or diminished as a result of the project, the application must contain verification from the Chief Appraiser of the last appraised value of any portion or all of a facility whose value will be reduced or removed from the tax rolls.

(6) An estimate of the number of jobs that will be created or retained by the modernization, expansion or new improvements.

(7) Estimated date of start of construction, length of construction, estimated value of new improvements to be completed during each year of construction and estimated date of completion.

(8) An estimate of what the property value subject to abatement will be on January 1 immediately following the end of the abatement period.

(9) In the case of applicants unknown to the Commissioners' Court, a financial statement of the individual or corporation filing the application, complete with letters of credit and other documents which the County may request in order that the Commissioners' Court can appropriately evaluate the financial capacity and other factors of the applicant.

(10) The Taxpayer shall make the following assurances in the application:

(a) That all the information contained in the application is true and correct.

(b) That the person signing the application on behalf of the Taxpayer/Applicant has unrestricted authority to execute the application and the contract documents on behalf of the Taxpayer/Applicant, and has the unrestricted authority to obligate the Taxpayer/Applicant to all the terms, covenants and conditions that will be contained in the agreement.

(c) That construction will not commence on any of the eligible improvements until an agreement has been executed with the designating authority, whether the designating authority is the County, or a municipality.

(d) That the project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and that the Taxpayer will abide by all conditions of the permits, laws and ordinances, rules and regulations governing the operation of the project throughout its economic life.

(e) That the Taxpayer/applicant will abide by all conditions of the agreement and the Guidelines and Criteria adopted by the Commissioners' Court applicable to the agreement.

(f) That the planned use of the property will not constitute a hazard to public health or safety throughout the economic life of the project.

(g) That the applicant will make the specific improvements to the property as described in its application.

(h) That although estimates of the cost of the project and the number of jobs retained or created as a result of the project that are within 85 % of actual cast and/or number of jobs may be construed to be substantial compliance,

the actual total cost of the project and actual number of jobs retained or created shall not be less than the minimum amounts required in the County's Guidelines required to qualify for tax abatement as a business incentive.

(11) The applicant will identify the type of legal entity making the application, such as corporation, partnership, etc. If a corporation, the statement should include the home state of incorporation, the name and address of the registered agent for service in Texas, and a commitment to notify the County within sixty days of any change of the registered agent or status of the corporation. Similar information will be required of a general or limited Partnership or other legal entity.

(12) The application shall contain the name, title and address of the Taxpayer's local and corporate representatives for the purposes of giving notice.

(13) In its application, the applicant shall include a statement that it waives all rights of confidentiality with regard to the contents of its application for tax abatement as a business incentive otherwise granted under TEX. TAX CODE ANN. §312 .003.

(14) The applicant shall agree to reimburse the County for all legal fees and any other expenses that the County incurs in establishing eligibility for granting business incentives and for reviewing, processing and acting on its application. Further, applicant shall agree to pay for the costs of an economic impact assessment, if the County requires one in connection with its application for business incentives. In the event the County determines an economic impact assessment is required, the Taxpayer shall be given notice and the opportunity to withdraw its application prior to commencement of the economic impact assessment, if applicant is unwilling to pay the total cost of the economic impact assessment. In its application, the Taxpayer shall agree to pay for all fees and expenses incurred by the County in establishing eligibility to grant business incentives and processing the application, even though the Commissioners' Court ultimately denies the application.

(15) Any other information that the Commissioners' Court or Applicant may deem appropriate to assist the Commissioners' Court in determining whether to enter into a business incentives agreement with the Applicant.

(16) If a variance from any provision in these Guidelines and Criteria is

requested, a statement describing the variance, and a detailed statement supporting the Applicant's reasons for the requested variance must be included.

(c) **Completed Application.** Upon receipt of a completed application, the Commissioners' Court shall mail written notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the application. Such notice shall be mailed at least seven (7) days before the Commissioners' Court takes any action on the application. The notice shall include a copy of the proposed agreement, if the County is the designating authority. There shall be a $1,000 nonrefundable fee payable the County at the time the application is submitted.

(d) **Economic impact assessment.** After receipt of an application for business incentives, the Commissioners' Court may cause to have prepared an economic impact assessment setting forth the impact of the proposed agreement. The study shall include, but not necessarily be limited to, an assessment of the economic effects of the abatement of taxes. The County shall give at least ten (10) days written notice to the Applicant of its intent to conduct an economic impact assessment, which notice shall include a description of the scope of the study. If the Applicant is unwilling to pay for the economic impact assessment, it may give notice to the County within seven (7) calendar days from the date it received notice of the proposed economic impact assessment that the Applicant is withdrawing its application. The economic impact assessment may include any other issue that the Commissioners' Court determines to be appropriate in considering the application, including, without limitation by enumeration, environmental issues, short term/long term effect on issues of adequacy of existing physical plants, need to increase number of employees in the County, and the impact on the County of any resulting increased costs as a result of the project and the County's ability to pay such costs during the abatement period.

Section 5

DESIGNATION OF REINVESTMENT ZONE

(a) **Authority to Designate Reinvestment Zones.** Reinvestment zones may be designated by either the Commissioners' Court for property located outside the jurisdiction of any municipality in the County, or by a municipality, if the property is

located within the jurisdiction of such municipality.

(b) **Application for County Designated Reinvestment Zone.** An application to the County for designation of a Reinvestment Zone may be combined with the application for business incentives. The application must include information to support the required findings in subsection (c), inclusive of this section. It must also include a map showing the boundaries of the proposed reinvestment zone and a legal description of the proposed reinvestment zone. Any information contained in the application for business incentives that answers the requirements for designation of a reinvestment zone does not need to be duplicated, if the application for designation of a reinvestment zone and business incentives are combined in one application.

(c) **Designation.** The Commissioners' Court may not designate an area as a reinvestment zone until:

(1) The Commissioners' Court has held a public hearing on the designation at which time interested persons shall be entitled to speak and present evidence for or against the designation; and

(2) The Commissioners' Court must make the following findings in order to designate an area as a reinvestment zone:

(a) The designation would contribute to the retention or expansion of primary employment; or,

(b) The designation would attract major investment in the zone that would be a benefit to the property to be included in the zone; and,

(c) The designation would contribute to the economic development of the county.

(d) **Notice of Hearing.** Notice of the hearing shall be clearly identified on the Commissioners' Court agenda. In addition, notice shall issue as follows:

(1) Notice of the hearing must be published in a newspaper of general circulation in the County not later than the 7th day before the date of the hearing; and

(2) Written notice of the hearing shall be delivered to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the proposed reinvestment zone. Such notice

shall be delivered at least 7 days before the hearing. Pursuant to Tex Tax Code Ann. §312.2O1(e) this notice shall be presumed delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(e) **Municipa1ity Designated Reinvestment Zones.** If the reinvestment zone is designated by a municipality, to be eligible for tax abatement as a business incentive with the County, the property must be located in a reinvestment zone and the municipality must have entered into an agreement for the same project with the applicant no more than ninety days before the County enters into an agreement with the same applicant for the same project.

(f) **Date of Expiration.** The designation of a reinvestment zone shall expire five (5) years after the date of designation. However, the designation of a reinvestment zone that has expired may be renewed by the County or municipality for periods not to exceed five (5) years. The expiration of the designation of a reinvestment zone shall not affect existing agreements made under these Guidelines and Criteria.

Section 6

AGREEMENTS

(a) **Resolution of Commissioners' Court.** After approval, the Commissioners' Court shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required, which shall include those matters contained in Texas Tax Code §312.205 and any other terms and conditions in the best interests of the County.

(b) **Notice to Other Taxing Jurisdictions.** If the County is the designating authority, it shall deliver written notice to the presiding officer of the governing body of each other taxing unit in which the property that is the subject of the agreement is located that the County intends to enter into an agreement. The notice must be delivered at least 7 days before the County enters into the agreement. The notice must also include a copy of the proposed agreement. The notice shall be presumed to be delivered when placed in the mail postage paid and properly addressed to the appropriate presiding officer.

(c) **Execution/Effective Date.** After giving the notices required above, and after making

the necessary findings, the County may, in its discretion, approve and execute the agreement. The effective date of the agreement shall be the date that the County's designated representative or official executes the agreement if the County is the designating authority. If a municipality is the designating authority, the effective date of the agreement shall be the date that the City's designated representative or official executes the agreement.

Section 7

RECAPTURE

(a) **Conditions of Default. Cure and Termination.** Should the Commissioners' Court determine that the Taxpayer is in default according to the terms and conditions of its agreement, the Commissioners' Court shall notify the Taxpayer in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated by the Commissioners' Court. Provided, that upon proof of a curative effort commencing within sixty (60) days, if construction is required, the Commissioners' Court may extend the time to complete the curative work, based upon reasonable construction requirements.

(b) **Elements of Default.** The following shall be considered elements of default, in the event that the Taxpayer:

(1) Allows its ad valorem taxes owed to Calhoun County to become delinquent without timely and proper protest and/or contest; or

(2) Violates any of the terms and conditions of the abatement agreement, or any prior or subsequent agreement with the County, or any other taxing jurisdiction that has granted an agreement to the Taxpayer for any project that the Commissioners' Court has also granted business incentives; or

(3) Discontinues producing product or service at the improvements subject to abatement and described in the application, for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period after the facility is completed and begins producing product or service.

(4) Violates any written term, covenant, condition, agreement, or promise of a gift or donation made by the taxpayer to the County, although such may be extraneous to the agreement, and even though same might be otherwise legally unenforceable; or

(5) Makes any material misrepresentations, either in the application or agreement.

(c) **Termination.** If, after written notice, the Taxpayer fails to cure within the prescribed period any specified default, such failure shall be grounds for termination for cause. Termination of the agreement for cause shall be retroactive to the beginning of the agreement. Termination shall be effected by resolution of the Commissioners' Court and written notice mailed to the Taxpayer.

(d) **Non Waiver.** In the event the County fails to act on or enforce any element or breach that is identified as a default, such failure to act shall not be a waiver of the County's right to subsequently enforce the same default or any other prior or subsequent default.

(e) **Recapture.** On termination for cause, the Taxpayer shall then become liable for the payment of all taxes that would have otherwise become due but for the abatement agreement for all calendar years during which the abatement agreement was in effect. Said taxes shall be paid to the Calhoun County Consolidated Tax Office for the credit of Calhoun County within sixty (60) days from the date of receipt of notice of termination. All such taxes due shall include statutory penalty and interest from the date they would otherwise have become delinquent but for the agreement, until the date they are actually paid.

Section 8

ADMINISTRATION

(a) **Duties of Chief Appraiser.** The Chief Appraiser of the County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, on or before April 1, the Taxpayer receiving abatement shall furnish the Chief Appraiser with such information as may be

reasonably requested. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions, which have granted tax abatement as a business incentive in the reinvestment zone, of the amount of the appraisal.

(b) **Compliance Inspections.** All compliance inspections will be made only after giving twenty-four (24) hours notice and will only be conducted in such manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) **Annual Evaluations** Upon completion of construction, the Commissioners' Court of Calhoun County, or their designees, shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

(d) **Notice Requirements.** Any notice required to be given to Calhoun County hereunder shall be in writing, and mailed or personally delivered to the County Judge. Notices to the Taxpayer shall be in writing, and addressed to its designated representative at the address provided in its application or the agreement.

Section 9

MISCELLANEOUS

(a) **Variance.** An application for a variance from the provisions of these Guidelines and Criteria may be made in written form to the Commissioners' Court. The total duration of abatement shall in no instance exceed ten (10) consecutive tax years commencing January 1 following the effective date of the agreement, including any extension. Such request shall include a complete description of the circumstances explaining why the applicant should be granted such variance. Approval of a request for variance requires at least a three-fourths (3/4) vote of the Commissioners' Court.

(b) **Assignments.** An abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility, subject to obtaining written approval by resolution of the Commissioners' Court. Approval shall be conditioned upon the assignee providing whatever proof the Commissioners' Court may require to show the assignee's financial capability to carry out all the terms and conditions of the agreement.

The County reserves the right to require such additional information as it may deem appropriate to determine not only the assignee's financial capability to carry out the terms and conditions of the agreement, but also its experience and historical record to determine that it is in fact capable of operating the project subject to the abatement in such a manner that it can reasonably be expected to strictly comply with every term, covenant, condition and assurance contained in the agreement Further, the assignee shall agree in writing by amendment to the original agreement that it shall be bound by all the terms, covenants and conditions contained in the original agreement. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to Calhoun County or any other taxing unit affected by the agreement for delinquent taxes, or otherwise in default of any of the terms, covenants or conditions contained in the agreement. Subject to the foregoing conditions, the Commissioners' Court shall not unreasonably withhold approval of any proposed assignment. Any approval of assignment of the agreement shall not release any previous Taxpayer who has been a party to the agreement from its obligations under the agreement.

(c) **Application for Exemption.** It shall be the responsibility of the Taxpayer to perfect any right of exemption as a result of any agreements entered into with the County. For each year in which abatement has been authorized by the County under the agreement, it shall be the responsibility of the Taxpayer to file its annual application with the Calhoun County Appraisal District for property exemption in accordance with the Texas Tax Code and related administrative regulations.

(d) **Effective Date.** These Guidelines and Criteria shall be effective for two (2) years, from June 25, 2017 through June 24, 2019, inclusive.

(e) **Sunset Provision.** At the end of the two year effective period of these Guidelines and Criteria, all agreements created pursuant to these provisions will be reviewed by the Calhoun County Commissioners' Court to determine whether the goals have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated. In the event that these Guidelines and Criteria are not modified or renewed, they shall automatically terminate effective June 24, 2019.

(f) **Effect of Modification or Termination.** The modification or termination of these Guidelines and Criteria shall have no effect upon existing agreements entered into while these Guidelines and Criteria are in effect.

(g) **Subtitles.** The use of subtitles in these Guidelines and Criteria is strictly for convenience, and shall have no legal significance whatsoever. The use of the singular shall include the plural and the use of plural shall include the singular when appropriate. The use of any reference to gender shall include any and all other genders when appropriate.

(h) **Severability.** In the event any paragraph, clause, phrase or other provision of these Guidelines and Criteria should be declared to be unconstitutional, void or otherwise unenforceable the remaining provisions shall remain in full force and effect as if the unconstitutional, void or otherwise unenforceable provisions had not been included.

Section 10

ADOPTION

Upon motion by Commissioner Lyssy, seconded by Commissioner Hall, the foregoing resolution to amend these Guidelines and Criteria of the Commissioners' Court of Calhoun County for Granting Business incentives in Reinvestment Zones Created in Calhoun County was approved by a vote of 5 for and 0 against.

PASSED, ADOPTED AND APPROVED on this 25th day of May, 2017.

COMMISSIONERS' COURT OF
CALHOUN COUNTY, TEXAS

Michael J. Pfeifer, County Judge

ATTEST:
Anna Goodman, County Clerk

By: Catherine Blevins
Deputy

TAB 17

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

See Attached

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 Larry W. Nichols — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here Larry W. Nichols — Signature *(Authorized School District Representative)*

October 5, 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 Jack Wu — Print Name *(Authorized Company Representative (Applicant))*

Vice President — Title

sign here Jack Wu — Signature *(Authorized Company Representative (Applicant))*

10/8/18 — Date

NOTARY PUBLIC STATE OF TEXAS
NANCY L. MAYER
My Notary ID # 2173374
Expires January 28, 2022

(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of October, 2018

Nancy L. Mayer
Notary Public in and for the State of Texas

My Commission expires: 1/28/2022

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 AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

January 11, 2019

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

RE: (1319) Amended application to the Calhoun County Independent School District from Formosa Plastics Corporation, Tx

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 to Calhoun County Independent School District from Formosa Plastics Corporation. The following changes have been made:

1. Application page 4, section 8
   - Explanation of permit has been added to final paragraph of Tab 5. Formosa received approval from TCEQ to construct with Amendment 1 of Permit 91780 as PP2 Train 3.
2. Application 5, Section 9
   - Question 2 has been updated to February 2019
   - Question 5 remains the same. Company has already begun hiring employees.
3. Tab 11 – Maps
   - Vicinity map now shows County Border, ISD Border and Reinvestment Location
   - PP3 map has been updated showing qualified property and Reinvestment Boundary Labeled
4. Tab 14 Schedules – Schedule C
   - Schedule C has corrected wage
   - Column A still explained in Man Hours. Construction employees our contractors and will not be full time employees of Formosa.
5. New Signature page has been attached

A copy of the application will be submitted to the Calhoun County Appraisal District.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Calhoun County Appraisal District
Formosa Plastics Corp., Tx

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 1

Pages 1-9 of Application

SECTION 9: Projected Timeline

1. Application approval by school board ..... April 2019
2. Commencement of construction ..... February 2019
3. Beginning of qualifying time period ..... April 1, 2019
4. First year of limitation 2022
5. Begin hiring new employees 2018
6. Commencement of commercial operations 2020
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? 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Calhoun
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Calhoun County
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:	Calhoun 100%, .49 *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	N/A *(Name, tax rate and percent of project)*	Water District:	Ground Water District 100%, .0098 *(Name, tax rate and percent of project)*
Other *(describe)*:	Calhoun Port Authority 100% .001 *(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

TAB 5

Documentation to assist in determining if limitation is a determining factor

The Applicant is a wholly-owned subsidiary of Formosa Plastics Group,aTaiwan. As such, the Applicant competes with other members ofthe Formosa Plastics Groupafor approval of a portion of the group's capital investment budget to fund theacapital investment necessary to construct the Project.aMoreover, the Formosa Plastics Group has the ability to invest, locate and develop newaprojects, such asthe oneathat is the subject of this application, in numerous locations throughout the world.

The Applicantaowns andaoperates the Point Comfort Complex where the Project would be sited on unimproved landif the Point Comfort locationwere chosen as the siteafor theaProject.

Formosaa Plastics takes a disciplined,a long-term approachatoa investing, regardlessa of the economic cycleaandathe geographicalocationa We consistently seek new global investment opportunities thatacreateavalueafor ourashareholders. Ourabusiness model is toaconductaan extensive evaluation beforea weamake any final investment decisiona A projectateamais evaluatingathese opportunitiesawithaa focusaonaglobal logistic capabilities, efficiency, scale and siteaintegration. The proposeanew facility couldaalso beaconstructedaataouraLouisiana facility. Formosaa Plastics hasaanaentireainvestment planaforamultipleastages ofadevelopment.a Point Comfort has already beenachosen for twoapieces of theafinal investment plan,abut eachaunit can bealocatedaataany site.a TheaPP3 unitadoesanot require any specificamaterialsathatawould require the plantato locate inaPointaComfort.

Competitive abatement programsaforatheaproposedanewafacility exist inaalternative locations. Theaimpact of theaproperty taxaburden on the economicareturn ofthe proposedanew facility is a critical factor in theaApplicant's siteaselection evaluationaandadecision,aas well as in obtaining approval for the Projectainternally within theaFormosaaPlasticsagroup. Calhoun County ISD's maintenance and operationsa (M&O) tax rate represents approximatelya 40% of thea total property tax burdenaimposed onataxable propertyalocatedaat theaPointaComfortalocation. Consequently, a limitation onaappraisedavalue underaChaptera313 of theaTexasaTax Code is a determining factor inatheaApplicant's decisionatoainvest capital and constructatheaProjectainathe State ofaTexas.

Formosa has made announcements regarding development atathe PointaComfortalocation. Theseaannouncementsarelateatoathe newaprojectsathatahaveaalreadyabeen approved byaFormosa. As statedaabove, the limitation on appraisedavalue isanecessary to theadeterminationato locate at the PointaComfort site.a

Formosaa hasa receivedaapprovalafromathea Texasa Commissionaona Environmentala Quality (TCEQ) toaconstructawitha Amendmenta 1a ofa Permita 91780a asa PP2 Traina 3.a

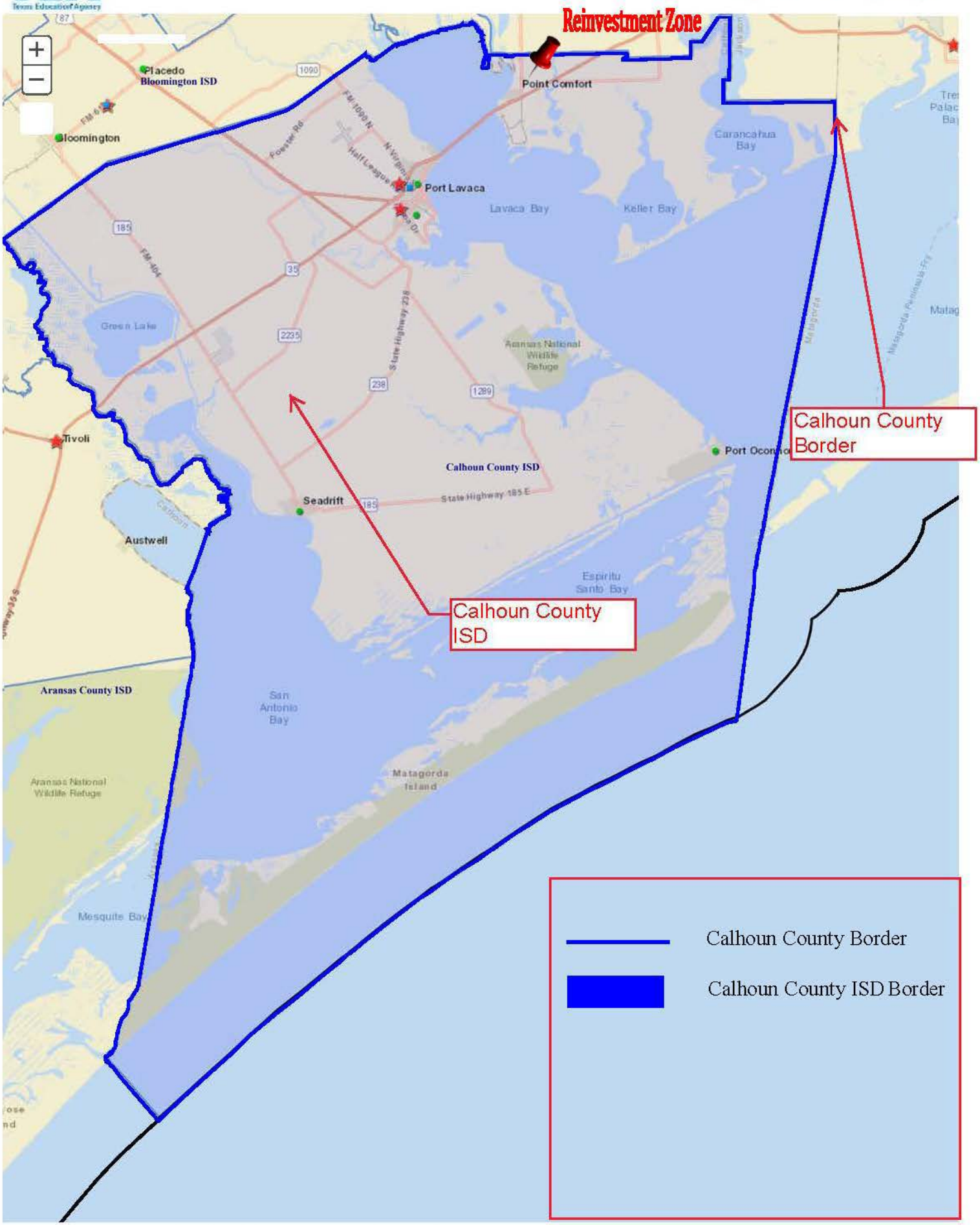
TAB 11

Maps that clearly show:

- ***Project vicinity, Qualified Investment & property, Existing Property, Land Location and Reinvestment Zone***

SEE ATTACHED MAPS

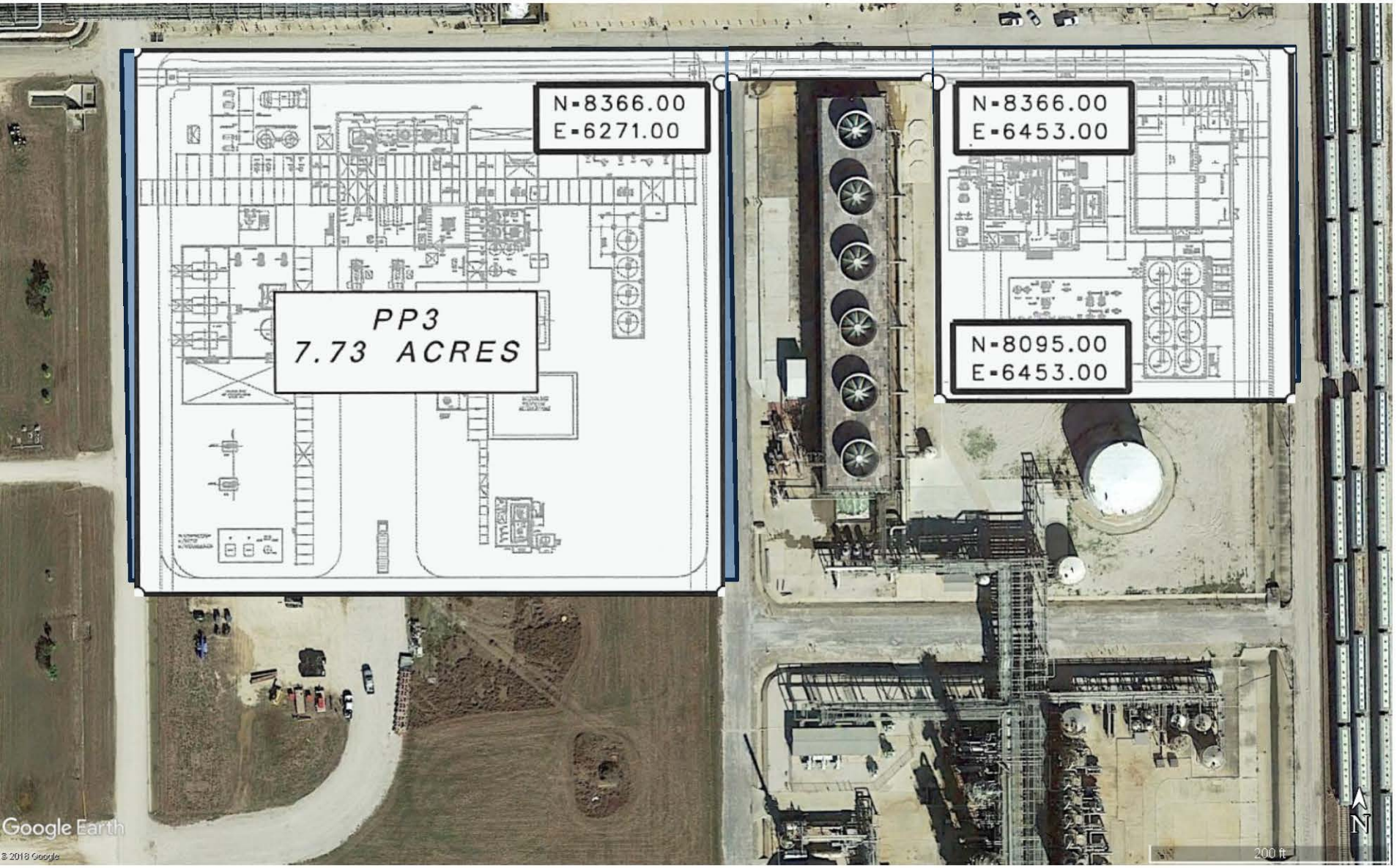
Texas School District Locator



Reinvestment Zone Boundary

Project Boundary

PP3



TAB 14

Schedules A1, A2, B, C, and D completed and signed Economic Impact

See attached Excel Spreadsheet

Schedule C: Employment Information

Date: 10/4/18
Applicant Name: FORMOSA PLASTICS CORPORATION, TX
ISD Name: CALHOUN COUNTY

Form 50-296A
Revised May 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					
	0	2019-2020	2019	70,000 man-hours/ Month	$67,000.00	0	0	
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2020-2021	2020	38,000 man-hours / Month	$67,000.00	5	10	$ 61,646.20
	2	2021-2022	2021			15	10	$ 61,646.20
	3	2022-2023	2022			15	10	$ 61,646.20
	4	2023-2024	2023			15	10	$ 61,646.20
	5	2024-2025	2024			15	10	$ 61,646.20
	6	2025-2026	2025			15	10	$ 61,646.20
	7	2026-2027	2026			15	10	$ 61,646.20
	8	2027-2028	2027			15	10	$ 61,646.20
	9	2028-2029	2028			15	10	$ 61,646.20
	10	2028-2029	2028			15	10	$ 61,646.20
Years Following Value Limitation Period	11 through 25	2029-2044	2029-2044			15	10	$ 61,646.20

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

TAB 17

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

See Attached

Texas Comptroller of Public Accounts

Data Analysis and Transparency
Form 50-296-A

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 Larry Nichols
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here Larry W. Nichols
Signature *(Authorized School District Representative)*

1/11/2019
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 Jack Wu
Print Name *(Authorized Company Representative (Applicant))*

Vice President
Title

sign here Jack Wu
Signature *(Authorized Company Representative (Applicant))*

1/11/2019
Date

NANCY L. MAYER
My Notary ID # 2173374
Expires January 28, 2022

(Notary Seal)

GIVEN under my hand and seal of office this, the

11 day of January, 2019

Nancy L. Mayer
Notary Public in and for the State of Texas

My Commission expires: 1/28/2022

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 AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

February 22, 2019

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

RE: (1319) Supplement001 to the Calhoun County Independent School District from Formosa Plastics Corporation, Tx

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Supplement001 to Calhoun County Independent School District from Formosa Plastics Corporation. The following changes have been made:

1. Application page 5, section 9
   - Question 4: First year of limitation was changed to 2020
2. Tab 11 – Maps
   - Map of existing 313s in relation to Application #1319
   - Map of existing 313s in relation to Applicatoin #1319 – Project #1227 EG2
   - Map of Qualified Property/Investment of 1319

A copy of Supplement001 will be submitted to the Calhoun County Appraisal District.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Calhoun County Appraisal District
Formosa Plastics Corp., Tx

SECTION 9: Projected Timeline

1. Application approval by school board ..... April 2019
2. Commencement of construction ..... February 2019
3. Beginning of qualifying time period ..... April 1, 2019
4. First year of limitation 2020
5. Begin hiring new employees 2018
6. Commencement of commercial operations 2020
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? 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Calhoun
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Calhoun County
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: Calhoun 100%, .49 *(Name, tax rate and percent of project)*

   City: N/A *(Name, tax rate and percent of project)*

   Hospital District: N/A *(Name, tax rate and percent of project)*

   Water District: Ground Water District 100%, .0098 *(Name, tax rate and percent of project)*

   Other *(describe)*: Calhoun Port Authority 100%, .001 *(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

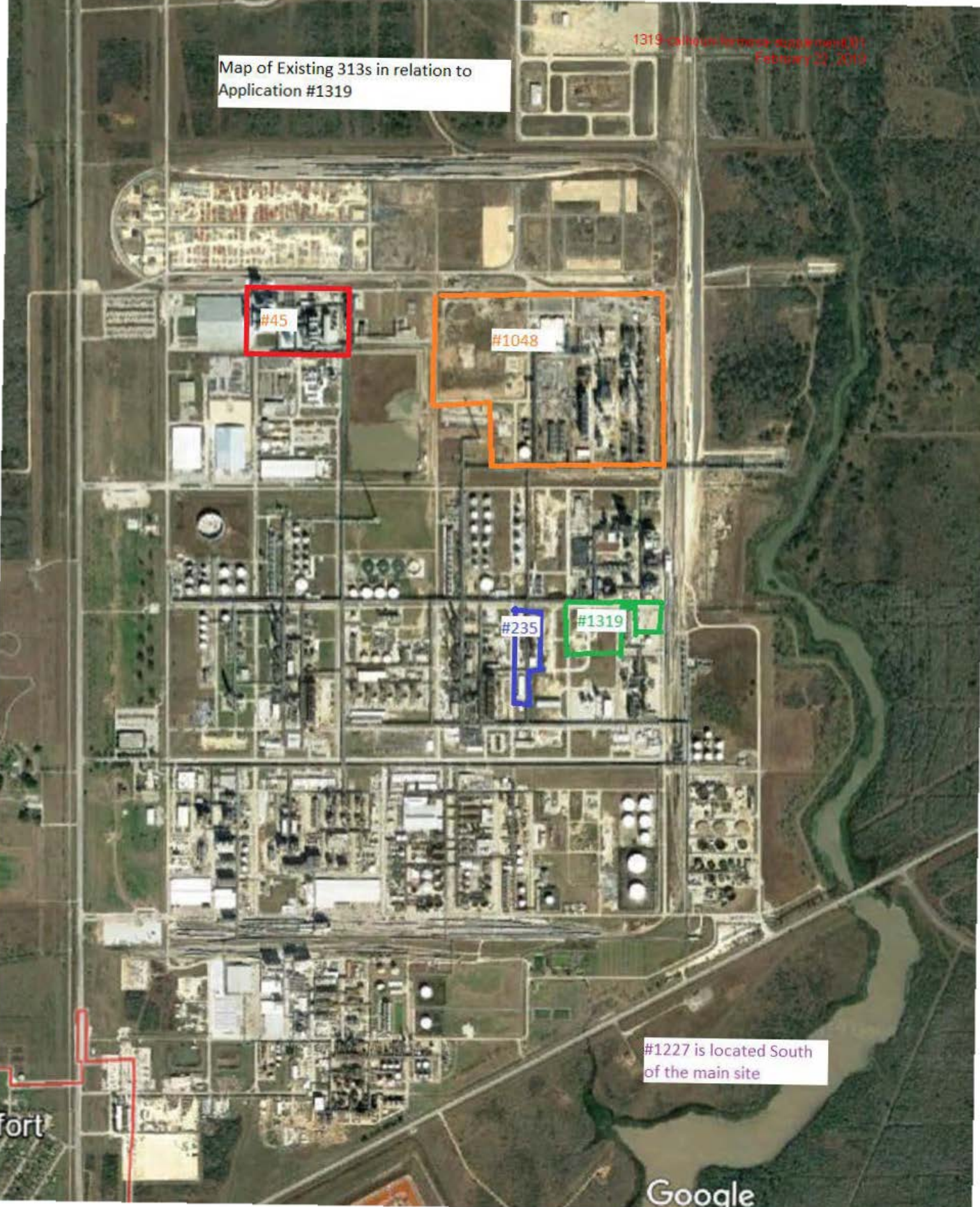
   6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

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

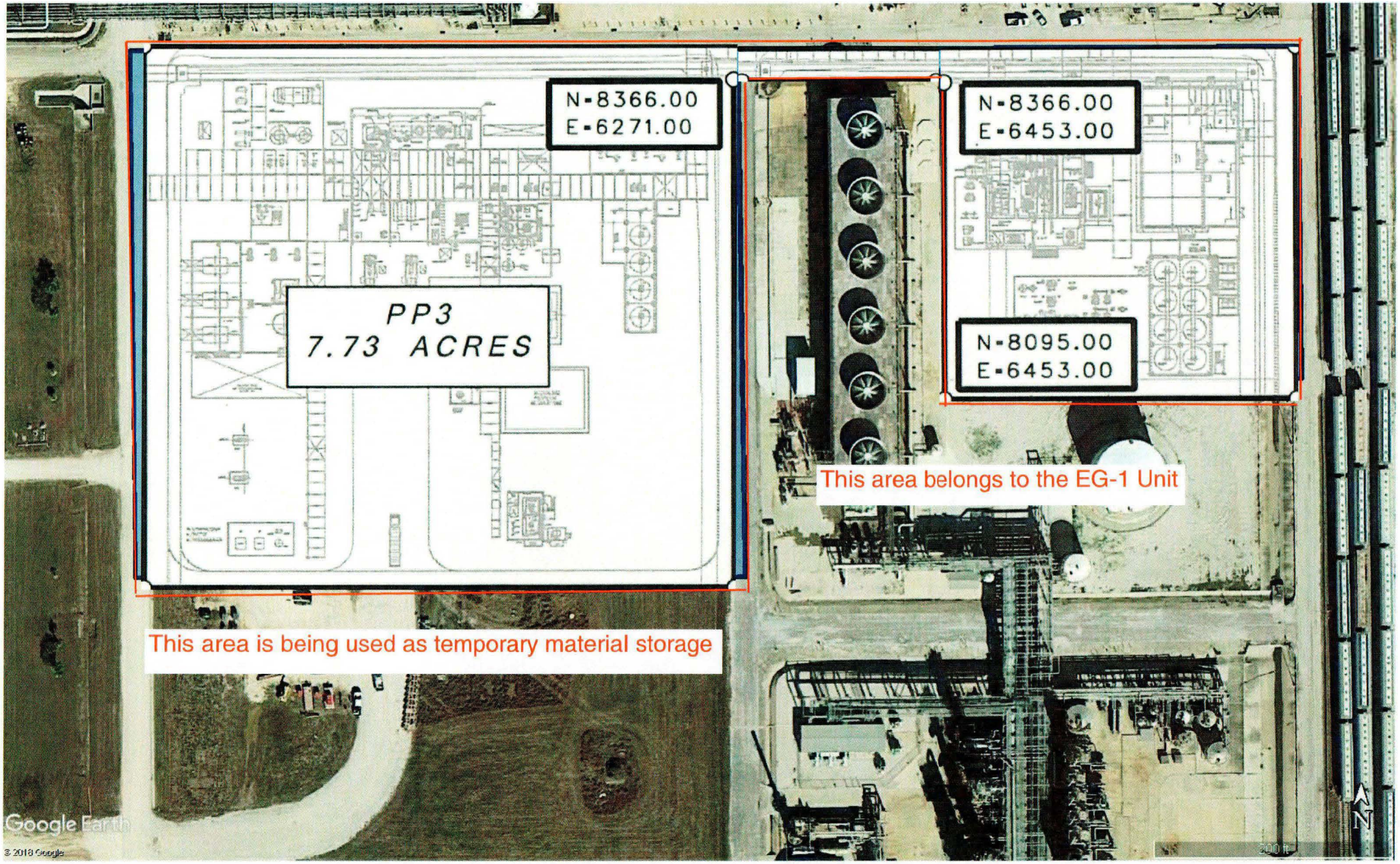

1319-calhoun-bernick-assessment(3)
February 22, 2019
Map of Existing 313s in relation to Application #1319
#45
#1048
#235
#1319
#1227 is located South of the main site
fort
Google

Point Comfort
#1227 EG2
Google earth
© 2018 Google
N

Reinvestment Zone Boundary

Project Boundary

PP3



O'HANLON, DEMERATH & CASTILLO
ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

March 19, 2019

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

RE: (1319) Supplement002 to the Calhoun County Independent School District from Formosa Plastics Corporation, Tx

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Supplement002 to Calhoun County Independent School District from Formosa Plastics Corporation. The following changes have been made:

1. Tabs 7 & 8: Removed Automated Storage and Retrieval System
2. Updated schedule B

A copy of Supplement002 will be submitted to the Calhoun County Appraisal District.

Sincerely,

Kevin O'Hanlon
School District Consultant

Cc: Calhoun County Appraisal District
Formosa Plastics Corp., Tx

TAB 7

Description of Qualified Investment

The proposed improvements for which the tax limitation is sought will include the PP3 Unit.

PP3 Unit

Propylene monomer and some ethylene monomer are combined in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Form-Fill Seal Packing Equipment

TAB 8

Description of Qualified Property

The proposed improvements for which the tax limitation is sought will include the PP3 Unit.

PP3 Unit

Propylene monomer and some ethylene monomer are combined in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Form-Fill Seal Packing Equipment

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

1519-calhouncounty-formosa-supplement002
March 19, 2019

Date: 10/4/18

Applicant Name: FORMOSA PLASTICS CORPORATION, TX

ISD Name: CALHOUN COUNTY

Form 50-296A

Revised May 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 *Insert as many rows as necessary*	0	2018-2019	2018	$23,190.00	$0.00		$23,190.00	$23,190.00	$23,190.00
	0	2019-2020	2019	$23,190.00	$0.00		$23,190.00	$23,190.00	$23,190.00
Value Limitation Period	1	2020-2021	2020	$23,190.00	$80,000,000.00		$80,023,190.00	$80,023,190.00	$30,000,000.00
	2	2021-2022	2021	$23,190.00	$120,000,000.00		$120,023,190.00	$120,023,190.00	$30,000,000.00
	3	2022-2023	2022	$23,190.00	$114,000,000.00		$114,023,190.00	$114,023,190.00	$30,000,000.00
	4	2023-2024	2023	$23,190.00	$108,300,000.00		$108,323,190.00	$108,323,190.00	$30,000,000.00
	5	2024-2025	2024	$23,190.00	$102,885,000.00		$102,908,190.00	$102,908,190.00	$30,000,000.00
	6	2025-2026	2025	$23,190.00	$97,740,750.00		$97,763,940.00	$97,763,940.00	$30,000,000.00
	7	2026-2027	2026	$23,190.00	$92,853,712.50		$92,876,902.50	$92,876,902.50	$30,000,000.00
	8	2027-2028	2027	$23,190.00	$88,211,026.88		$88,234,216.88	$88,234,216.88	$30,000,000.00
	9	2028-2029	2028	$23,190.00	$83,800,475.53		$83,823,665.53	$83,823,665.53	$30,000,000.00
	10	2029-2030	2029	$23,190.00	$79,610,451.75		$79,633,641.75	$79,633,641.75	$30,000,000.00
Continue to maintain viable presence	11	2030-2031	2030	$23,190.00	$75,629,929.17		$75,653,119.17	$75,653,119.17	$75,653,119.17
	12	2031-2032	2031	$23,190.00	$71,848,432.71		$71,871,622.71	$71,871,622.71	$71,871,622.71
	13	2032-2033	2032	$23,190.00	$68,256,011.07		$68,279,201.07	$68,279,201.07	$68,279,201.07
	14	2033-2034	2033	$23,190.00	$64,843,210.52		$64,866,400.52	$64,866,400.52	$64,866,400.52
	15	2034-2035	2034	$23,190.00	$61,601,049.99		$61,624,239.99	$61,624,239.99	$61,624,239.99
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2035-2036	2035	$23,190.00	$58,520,997.49		$58,544,187.49	$58,544,187.49	$58,544,187.49
	17	2036-2037	2036	$23,190.00	$55,594,947.62		$55,618,137.62	$55,618,137.62	$55,618,137.62
	18	2037-2038	2037	$23,190.00	$52,815,200.24		$52,838,390.24	$52,838,390.24	$52,838,390.24
	19	2038-2039	2038	$23,190.00	$50,174,440.23		$50,197,630.23	$50,197,630.23	$50,197,630.23
	20	2039-2040	2039	$23,190.00	$47,665,718.21		$47,688,908.21	$47,688,908.21	$47,688,908.21
	21	2040-2041	2040	$23,190.00	$45,282,432.30		$45,305,622.30	$45,305,622.30	$45,305,622.30
	22	2041-2042	2041	$23,190.00	$43,018,310.69		$43,041,500.69	$43,041,500.69	$43,041,500.69
	23	2042-2043	2042	$23,190.00	$40,867,395.15		$40,890,585.15	$40,890,585.15	$40,890,585.15
	24	2043-2044	2043	$23,190.00	$38,824,025.40		$38,847,215.40	$38,847,215.40	$38,847,215.40
	25	2044-2045	2044	$23,190.00	$36,882,824.13		$36,906,014.13	$36,906,014.13	$36,906,014.13

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.

Attachment B

Franchise Tax Account Status

Franchise Tax Account Status

As of : 08/30/2019 12:26:56

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

FORMOSA PLASTICS CORPORATION, TEXAS

Texas Taxpayer Number	12223554648
Mailing Address	9 PEACH TREE HILL RD LIVINGSTON, NJ 07039-5702
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	05/15/1981
Texas SOS File Number	0005107506
Registered Agent Name	CORPORATION SERVICE COMPANY D B A +
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

April 9, 2019

Larry Nichols
Superintendent
Calhoun County Independent School District
525 North Commerce Street
Port Lavaca, Texas 77979

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Calhoun County Independent School District and Formosa Plastics Corporation, TX, Application 1319

Dear Superintendent Nichols:

On January 29, 2019, the Comptroller issued written notice that Formosa Plastics Corporation (applicant) submitted a completed application (Application 1319) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on October 5, 2018, to the Calhoun County 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 1319.

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, 2019.

Note that any building or improvement existing as of the application review start date of January 29, 2019, 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,

Lisa Craven

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Formosa Plastics Corporation, TX (project) applying to Calhoun County 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 Formosa Plastics Corporation, TX.

Applicant	Formosa Plastics Corporation, TX
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Calhoun County ISD
2017-2018 Average Daily Attendance	3,593
County	Calhoun County
Proposed Total Investment in District	$200,000,000
Proposed Qualified Investment	$200,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	15
Average weekly wage of qualifying jobs committed to by applicant	$1,185.50
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,185.50
Minimum annual wage committed to by applicant for qualified jobs	$61,646
Minimum weekly wage required for non-qualifying jobs	$1,266
Minimum annual wage required for non-qualifying jobs	$65,807
Investment per Qualifying Job	$20,000,000
Estimated M&O levy without any limit (15 years)	$13,623,250
Estimated M&O levy with Limitation (15 years)	$6,679,864
Estimated gross M&O tax benefit (15 years)	$6,943,386

Table 2 is the estimated statewide economic impact of Formosa Plastics Corporation, TX (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	34	49	83	$2,278,000	$4,068,000	$6,346,000
2020	33	84	117.367	$2,151,497	$7,020,503	$9,172,000
2021	25	101	126	$1,603,567	$8,741,433	$10,345,000
2022	25	104	129	$1,603,567	$9,704,433	$11,308,000
2023	25	104	129	$1,603,567	$10,366,433	$11,970,000
2024	25	102	127	$1,603,567	$10,814,433	$12,418,000
2025	25	99	124	$1,603,567	$11,202,433	$12,806,000
2026	25	97	122	$1,603,567	$11,549,433	$13,153,000
2027	25	96	121	$1,603,567	$11,923,433	$13,527,000
2028	25	95	120	$1,603,567	$12,341,433	$13,945,000
2029	25	94	119	$1,603,567	$12,824,433	$14,428,000
2030	25	93	118	$1,603,567	$13,276,433	$14,880,000
2031	25	94	119	$1,603,567	$13,856,433	$15,460,000
2032	25	95	120	$1,603,567	$14,563,433	$16,167,000
2033	25	96	121	$1,603,567	$15,325,433	$16,929,000
2034	25	97	122	$1,603,567	$16,188,433	$17,792,000

Source: CPA REMI, Formosa Plastics Corporation, TX

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		Calhoun County ISD I&S Tax Levy	Calhoun County ISD M&O Tax Levy	Calhoun County ISD M&O and I&S Tax Levies	Calhoun County Tax Levy	Calhoun County Port Authority Tax Levy	Calhoun County Groundwater District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.2535**	**1.0400**		**0.4900**	**0.0010**	**0.0098**	
2020	$80,023,190	$80,023,190		$202,859	$832,241	$1,035,100	$392,114	$800	$7,842	$1,435,856
2021	$120,023,190	$120,023,190		$304,259	$1,248,241	$1,552,500	$588,114	$1,200	$11,762	$2,153,576
2022	$114,023,190	$114,023,190		$289,049	$1,185,841	$1,474,890	$558,714	$1,140	$11,174	$2,045,918
2023	$108,323,190	$108,323,190		$274,599	$1,126,561	$1,401,160	$530,784	$1,083	$10,616	$1,943,643
2024	$102,908,190	$102,908,190		$260,872	$1,070,245	$1,331,117	$504,250	$1,029	$10,085	$1,846,482
2025	$97,763,940	$97,763,940		$247,832	$1,016,745	$1,264,577	$479,043	$978	$9,581	$1,754,178
2026	$92,876,903	$92,876,903		$235,443	$965,920	$1,201,363	$455,097	$929	$9,102	$1,666,490
2027	$88,234,217	$88,234,217		$223,674	$917,636	$1,141,310	$432,348	$882	$8,647	$1,583,187
2028	$83,823,666	$83,823,666		$212,493	$871,766	$1,084,259	$410,736	$838	$8,215	$1,504,048
2029	$79,633,642	$79,633,642		$201,871	$828,190	$1,030,061	$390,205	$796	$7,804	$1,428,866
2030	$75,653,119	$75,653,119		$191,781	$786,792	$978,573	$370,700	$757	$7,414	$1,357,444
2031	$71,871,623	$71,871,623		$182,195	$747,465	$929,659	$352,171	$719	$7,043	$1,289,593
2032	$68,279,201	$68,279,201		$173,088	$710,104	$883,191	$334,568	$683	$6,691	$1,225,134
2033	$64,866,401	$64,866,401		$164,436	$674,611	$839,047	$317,845	$649	$6,357	$1,163,898
2034	$61,624,240	$61,624,240		$156,217	$640,892	$797,110	$301,959	$616	$6,039	$1,105,724
			Total	**$3,320,667**	**$13,623,250**	**$16,943,917**	**$6,418,647**	**$13,099**	**$128,373**	**$23,504,036**

Source: CPA, Formosa Plastics Corporation, TX
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Calhoun 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		Calhoun County ISD I&S Tax Levy	Calhoun County ISD M&O Tax Levy	Calhoun County ISD M&O and I&S Tax Levies	Calhoun County Tax Levy	Calhoun County Port Authority Tax Levy	Calhoun County Groundwater District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.2535**	**1.0400**		**0.4900**	**0.0010**	**0.0098**	
2020	$80,023,190	$30,000,000		$202,859	$312,000	$514,859	$0	$800	$7,842	$523,501
2021	$120,023,190	$30,000,000		$304,259	$312,000	$616,259	$0	$1,200	$11,762	$629,221
2022	$114,023,190	$30,000,000		$289,049	$312,000	$601,049	$0	$1,140	$11,174	$613,363
2023	$108,323,190	$30,000,000		$274,599	$312,000	$586,599	$0	$1,083	$10,616	$598,298
2024	$102,908,190	$30,000,000		$260,872	$312,000	$572,872	$0	$1,029	$10,085	$583,986
2025	$97,763,940	$30,000,000		$247,832	$312,000	$559,832	$0	$978	$9,581	$570,390
2026	$92,876,903	$30,000,000		$235,443	$312,000	$547,443	$0	$929	$9,102	$557,474
2027	$88,234,217	$30,000,000		$223,674	$312,000	$535,674	$0	$882	$8,647	$545,203
2028	$83,823,666	$30,000,000		$212,493	$312,000	$524,493	$410,736	$838	$8,215	$944,282
2029	$79,633,642	$30,000,000		$201,871	$312,000	$513,871	$390,205	$796	$7,804	$912,677
2030	$75,653,119	$75,653,119		$191,781	$786,792	$978,573	$370,700	$757	$7,414	$1,357,444
2031	$71,871,623	$71,871,623		$182,195	$747,465	$929,659	$352,171	$719	$7,043	$1,289,593
2032	$68,279,201	$68,279,201		$173,088	$710,104	$883,191	$334,568	$683	$6,691	$1,225,134
2033	$64,866,401	$64,866,401		$164,436	$674,611	$839,047	$317,845	$649	$6,357	$1,163,898
2034	$61,624,240	$61,624,240		$156,217	$640,892	$797,110	$301,959	$616	$6,039	$1,105,724
			Total	**$3,320,667**	**$6,679,864**	**$10,000,531**	**$2,478,184**	**$13,099**	**$128,373**	**$12,620,187**
			Diff	**$0**	**$6,943,386**	**$6,943,386**	**$3,940,462**	**$0**	**$0**	**$10,883,849**

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Formosa Plastics Corporation, TX

*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 Formosa Plastics Corporation, TX (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	2017	$0	$0	$0	$0
	2018	$241	$241	$0	$0
	2019	$241	$482	$0	$0
Limitation Period (10 Years)	2020	$312,000	$312,482	$520,241	$520,241
	2021	$312,000	$624,482	$936,241	$1,456,482
	2022	$312,000	$936,482	$873,841	$2,330,324
	2023	$312,000	$1,248,482	$814,561	$3,144,885
	2024	$312,000	$1,560,482	$758,245	$3,903,130
	2025	$312,000	$1,872,482	$704,745	$4,607,875
	2026	$312,000	$2,184,482	$653,920	$5,261,795
	2027	$312,000	$2,496,482	$605,636	$5,867,430
	2028	$312,000	$2,808,482	$559,766	$6,427,197
	2029	$312,000	$3,120,482	$516,190	$6,943,386
Maintain Viable Presence (5 Years)	2030	$786,792	$3,907,275	$0	$6,943,386
	2031	$747,465	$4,654,740	$0	$6,943,386
	2032	$710,104	$5,364,843	$0	$6,943,386
	2033	$674,611	$6,039,454	$0	$6,943,386
	2034	$640,892	$6,680,346	$0	$6,943,386
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	$608,860	$7,289,206	$0	$6,943,386
	2036	$578,429	$7,867,634	$0	$6,943,386
	2037	$549,519	$8,417,153	$0	$6,943,386
	2038	$522,055	$8,939,209	$0	$6,943,386
	2039	$495,965	$9,435,173	$0	$6,943,386
	2040	$471,178	$9,906,352	$0	$6,943,386
	2041	$447,632	$10,353,984	$0	$6,943,386
	2042	$425,262	$10,779,246	$0	$6,943,386
	2043	$404,011	$11,183,257	$0	$6,943,386
	2044	$383,823	$11,567,079	$0	$6,943,386

$11,567,079 is greater than **$6,943,386**

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, Formosa Plastics Corporation, TX

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 Formosa Plastics Corporation, TX'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 Formosa Plastics Corporation, TX in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "The Applicant is a wholly-owned subsidiary of Formosa Plastics Group, Taiwan. As such, the Applicant competes with other members of the Formosa Plastics Group for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Formosa Plastics Group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world."
  B. "The Applicant owns and operates the Point Comfort Complex where the Project would be sited on unimproved land if the Point Comfort location were chosen as the site for the Project."
  C. "Formosa Plastics takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location."
  D. "We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The propose new facility could also be constructed at our Louisiana facility. Formosa Plastics has an entire investment plan for multiple stages of development. Point Comfort has already been chosen for two pieces of the final investment plan, but each unit can be located at any site. The PP3 unit does not require any specific materials that would require the plant to locate in Point Comfort."
  E. "Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Formosa Plastics group. Calhoun County ISD's

maintenance and operations (M&O} tax rate represents approximately 40% of the total property tax burden imposed on taxable property located at the Point Comfort location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas."

F. "Formosa has made announcements regarding development at the Point Comfort location. These announcements relate to the new projects that have already been approved by Formosa."

G. "As stated above, the limitation on appraised value is necessary to the determination to locate at the Point Comfort site. Formosa has received approval from the Texas Commission on Environmental Quality (TCEQ) to construct with Amendment 1 of Permit 91780 as PP2 Train 3."

- According to an April 23, 2018, article in the *Chemical Week* website, "FPCC, a member of the Formosa Plastics Group (FPG), plans to build the complex in two phases over 10 years. During the first phase, the company will build a 1.2 million metric tons/year (MMt/y) ethylene plant and downstream facilities for the production of polyethylene (PE) and ethylene glycol (EG), as well and propylene and polypropylene (PP). The second phase will include an additional ethyene plant, as well as PE and EG plants. Another FPG company, Formosa Plastics Corp. USA, is currently building a 1.25 MMt/y plant at Point Comfort, Texas, that is slated to begin operation in 2019. The Point Comfort project also includes a propane dehydrogenation (PDH) unit, a low-density PE resin plant, and additional high-density PE and PP lines at the site."
- According to the Formosa Plastics Corporation, U.S.A. news release dated May 7, 2018, "Formosa Plastics Corporation, U.S.A. is announcing the process technologies being used for the polyethylene and polypropylene production expansions in Point Comfort, Texas. The new polypropylene (PP) plant's technology has been licensed from Japan Polypropylene Corporation (JPP); the plant will add 250,000 MT/year of capacity to the site's current PP production."
- According to a Regular Meeting of the Board of Trustees of Calhoun County ISD dated October 8, 2018, "Discussion and possible action to accept the application of Formosa Plastics Corporation, Texas for Limitation on Maintenance and Operations Taxable Value; authorize the Superintendent to review the application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 Days."
- According to the Formosa Plastics Corporation, U.S.A. news release dated December 26, 2018, "Formosa Plastics Corporation, U.S.A. continues its progress on the construction and startup of many production expansion plans at our Point Comfort, Texas, and Baton Rouge, Louisiana sites. These expansion plans and their current schedules are as follows; Cryogenic Plant debottleneck: Complete, Second Fractionator Plant: Complete, Third Olefins Plant – New: Under construction - Gas Feed - 2H 2019, LDPE Plant – New: Under construction - Steady state commercial operation – 2H 2019, HDPE III Plant – New: Under construction - Steady state commercial operation – 2H 2019, PP III Plant - New: Under construction Steady state commercial operation – 2H 2020, PVC Plant – Expansion: Under construction - Steady state commercial operation – 4Q2021."
- On the (Point Comfort, Texas) Formosa Plastics website : "Meanwhile, we've begun our next major production capacity expansion, which will add a third olefins unit, a propane dehydrogenation (PDH) unit, a LDPE resin plant, another HDPE resin plant and an additional polypropylene (PP) line."
- "The connection from the neighboring facility would be the use of steam, water, power from the Utility Unit and Ethylene and Propylene from on-site spheres. Other than the above, the waste water will be sent to the Utilities Department, combined waste water treatment plant, CWTP, for treatment and ensuring compliance with regulations."

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

Documentation to assist in determining if limitation is a determining factor

The Applicant is a wholly-owned subsidiary of Formosa Plastics Group, Taiwan. As such, the Applicant competes with other members of the Formosa Plastics Group for approval of a portion of the group's capital investment budget to fund the capital investment necessary to construct the Project. Moreover, the Formosa Plastics Group has the ability to invest, locate and develop new projects, such as the one that is the subject of this application, in numerous locations throughout the world.

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

Formosa Plastics takes a disciplined, long-term approach to investing, regardless of the economic cycle and the geographic location. We consistently seek new global investment opportunities that create value for our shareholders. Our business model is to conduct an extensive evaluation before we make any final investment decision. A project team is evaluating these opportunities with a focus on global logistic capabilities, efficiency, scale and site integration. The propose new facility could also be constructed at our Louisiana facility. Formosa Plastics has an entire investment plan for multiple stages of development. Point Comfort has already been chosen for two pieces of the final investment plan, but each unit can be located at any site. The PP3 unit does not require any specific materials that would require the plant to locate in Point Comfort.

Competitive abatement programs for the proposed new facility exist in alternative locations. The impact of the property tax burden on the economic return of the proposed new facility is a critical factor in the Applicant's site selection evaluation and decision, as well as in obtaining approval for the Project internally within the Formosa Plastics group. Calhoun County ISD's maintenance and operations (M&O) tax rate represents approximately 40% of the total property tax burden imposed on taxable property located at the Point Comfort location. Consequently, a limitation on appraised value under Chapter 313 of the Texas Tax Code is a determining factor in the Applicant's decision to invest capital and construct the Project in the State of Texas.

Formosa has made announcements regarding development at the Point Comfort location. These announcements relate to the new projects that have already been approved by Formosa. As stated above, the limitation on appraised value is necessary to the determination to locate at the Point Comfort site.

Formosa has received approval from the Texas Commission on Environmental Quality (TCEQ) to construct with Amendment 1 of Permit 91780 as PP2 Train 3.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Chemical Week

Search... Subscribe Login

Formosa Petrochemical to proceed with $9.4-billion Louisiana cracker project

17:30 PM | April 23, 2018 | Clay Boswell

Formosa Petrochemical Corp. (FPCC; Taipei, Taiwan) has purchased a 2,400-acre site at St. James Parish, Louisiana, to build a $9.4-billion petrochemical complex that will include two ethane crackers. Depending on the permitting process, construction of the so-called "Sunshine Project" could begin as soon as 2019, says the company.

FPCC, a member of the Formosa Plastics Group (FPG), plans to build the complex in two phases over 10 years. During the first phase, the company will build a 1.2 million metric tons/year (MMt/y) ethylene plant and downstream facilities for the production of polyethylene (PE) and ethylene glycol (EG), as well and propylene and polypropylene (PP). The second phase will include an addtional ethyene plant, as well as PE and EG plants.

FPCC, which announced the project in late 2015, has formed a subsidiary, FG LA LLC, to operate the complex.

Another FPG company, Formosa Plastics Corp. USA, is currently building a 1.25 MMt/y plant at Point Comfort, Texas, that is slated to begin operation in 2019. The Point Comfort project also includes a propane dehydrogenation (PDH) unit, a low-density PE resin plant, and additional high-density PE and PP lines at the site.

More Stories

TPC completes initial CC4 upgrade, begins engineering for second phase

Fluor, TechnipFMC complete construction of Sasol's Lake Charles complex

Ineos signs agreement to acquire Cristal's North American titanium dioxide business for $700 million

Wacker forecasts drop in 2019 EBITDA on lower prices, rising energy costs (Update)

DIC to build its first PPS compounding line in the US

Formosa Plastics

Formosa Plastics Corporation, U.S.A.
9 Peach Tree Hill Road
Livingston, NJ 07039
Telephone: (973)-992-2090

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Steve Rice
Corporate Communications
Phone: (973) 994-7688

FORMOSA PLASTICS ANNOUNCES PROCESS TECHNOLOGIES FOR TEXAS PE & PP PRODUCTION EXPANSIONS

You expect more. And Formosa delivers. ®

LIVINGSTON, NJ (*May 7, 2018; 10:30 EDT*) – Formosa Plastics Corporation, U.S.A. is announcing the process technologies being used for the polyethylene and polypropylene production expansions in Point Comfort, Texas.

- The new tubular low density polyethylene (LDPE) plant's technology has been licensed from ExxonMobil Catalysts and Licensing, LLC; the plant will have a production capacity of 400,000 MT/year.
- The new dual-purpose polyethylene (PE) plant's technology will use UNIPOL™ PE Process technology, licensed from Univation Technologies, LLC. The plant will be able to produce both high density polyethylene (HDPE) and linear low density polyethylene (LLDPE), with a combined production capacity of 400,000 MT/year.
- The new polypropylene (PP) plant's technology has been licensed from Japan Polypropylene Corporation (JPP); the plant will add 250,000 MT/year of capacity to the site's current PP production.

The addition of these three process technologies and plants at Point Comfort will expand the company's product offerings and increase production flexibility. The LDPE plant will initiate the company's entry into the North American LDPE market. The ExxonMobil technology is recognized for producing high quality resins safely and reliably. Univation Technologies' UNIPOL™ PE Process is world-renowned for producing outstanding HDPE and LLDPE resins. Since our first JPP license in 2001, our PP product offerings have expanded to include high impact copolymer and random copolymer resins.

"We look forward to introducing our new line of Formolene® LDPE resins and expanding our current Formolene® HDPE and LLDPE product lines," states Ken Mounger, Vice President & General Manager, Polyolefins. "Our additional supply of Formolene® polypropylene will enable us to grow in key strategic markets, too."

About Formosa Plastics Corporation, U.S.A.

Formosa Plastics Corporation, U.S.A. is a vertically integrated producer of plastic resins and chemicals. Its polyethylene and polypropylene resins are marketed under the *Formolene*® trade name; its polyvinyl chloride resins are marketed under the *Formolon*® trade name. The company is headquartered in Livingston, NJ, has over 2,700 employees and is certified to the ISO 9001 quality management system and the ISO 14001 environmental management system. See *www.fpcusa.com* for additional information.

About ExxonMobil Catalysts and Licensing LLC

ExxonMobil's cutting-edge proprietary catalysts and advantaged process technologies help refiners and petrochemical manufacturers increase capacity, lower costs, improve margins, reduce emissions and operate safe, reliable and efficient facilities. Ready for better results across your refining, gas and chemical needs? Visit https://www.exxonmobilchemical.com/en/products-and-services/technology-licensing-and-services.

Agenda of Regular Meeting

The Board of Trustees
Calhoun County ISD

A Regular Meeting of the Board of Trustees of Calhoun County ISD will be held October 8, 2018, beginning at 5:30 PM in the Boardroom at 525 N. Commerce St., Port Lavaca, TX 77979.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. Call to Order
2. Roll Call, Establish Quorum
3. Invocation
4. Pledge of Allegiance to the American and Texas Flags
5. Special Recognition
   A. Campus Spotlight - Travis Middle School
   B. Governor Abbott's Proclamation for Principals Month
6. Audience With Individuals Making a Report or Request
7. Consent Agenda
   A. Minutes of September 10, 2018 Board Meeting
   B. Financial Statement for August 2018
   C. Budget Amendments for 2018-2019
   D. Purchases from Child Nutrition Department's Fund Balance
8. Regular Agenda
   A. Approve 2018-2019 District and Campus Improvement Plans
   B. Discussionand Possible Action to Accept the Application of Formosa Plastics Corporation,Texas for Limitation on Maintenance and Operations Taxable Value; authorize the Superintendent to Review the Application for Completeness and Submit to the Comptroller; and Authorize the Superintendent to Enter into any Agreement to Extend the Deadline for Board Action Beyond 150 Days
   C. Discussion and Possible Board Action to Retain Consultants to Assist District with Tax Limitation Application from Formosa Plastics Corporation, Texas
   D. Consider/Approve Policy Changes, Affecting (LOCAL) Policy DEC
   E. Discuss and Take Possible Action on Bond Projects Status and Bond Budget Update

Formosa Plastics®

Formosa Plastics Corporation, U.S.A.
9 Peach Tree Hill Road
Livingston, NJ 07039
Telephone: (973)-992-2090

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Steve Rice
Corporate Communications
Phone: (973) 994-7688

FORMOSA PLASTICS UPDATES EXPANSION PLANS SCHEDULE

You expect more. And Formosa delivers.®

LIVINGSTON, NJ (*December 26, 2018; 12:00PM EST*) – Formosa Plastics Corporation, U.S.A. continues its progress on the construction and startup of many production expansion plans at our Point Comfort, Texas and Baton Rouge, Louisiana sites. These expansion plans and their current schedules are as follows:

• Cryogenic Plant debottleneck:	Complete
• Second Fractionator Plant:	Complete
• Third Olefins Plant – New:	Under construction Gas Feed - 2H 2019
• LDPE Plant – New:	Under construction Steady state commercial operation – 2H 2019
• HDPE III Plant – New:	Under construction Steady state commercial operation – 2H 2019
• PP III Plant – New:	Under construction Steady state commercial operation – 2H 2020
• PVC Plant – Expansion:	Under construction Steady state commercial operation – 4Q2021

Prior news releases, as well as this one, are posted at http://www.fpcusa.com/company/news/.

Formosa Plastics Corporation, U.S.A. is a vertically integrated producer of plastic resins and chemicals. Its polyethylene and polypropylene resins are marketed under the *Formolene*® trade name; its polyvinyl chloride resins are marketed under the *Formolon*® trade name. The company is headquartered in Livingston, NJ, has nearly 2,900 employees and is certified to the ISO 9001 quality management system and the ISO 14001 environmental management system. See *www.fpcusa.com* for additional information.

###

ur Operations - Point Comfort, Texas

Our Operations

Our Point Comfort site consists of sixteen production units and a variety of support facilities at its nearly 2,500-acre petrochemical complex.

The site's initial VCM/PVC plant went online in 1983. An additional investment of $1.5 billion in 1994 added several more operating units -- Olefins, LLDPE, HDPE, Polypropylene, Chlor-alkali, Ethylene Dichloride, power co-generation (steam and electricity) and a new wastewater treatment facility. At the time, this expansion was the largest one-time, private investment in the state of Texas.

In 1998, the site initiated a second major expansion project. That $900 million investment added a second Olefins plant, a second HDPE plant and a second polypropylene plant. Environmental protection was an important factor in equipment design. While increasing production capacity by 60%, the site was able to continue operating under the same water permit restrictions granted in 1993. In addition, significant production expansions and upgrades were added in 2002. The site operates an extensive water-reuse program.

The new Specialty PVC production plant has started up and is being optimized. Also, the new Circulating Fluidized Bed (CFB) energy unit has started up and has been fully converted to clean-burning natural gas. The CFB plant is providing reliable, highly energy-efficiency steam and electricity.

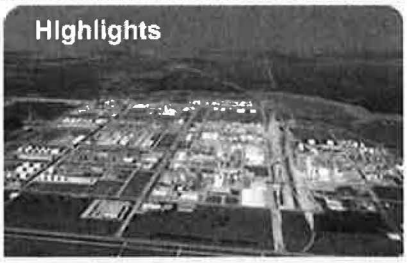
Meanwhile, we've begun our next major production capacity expansion, which will add a third olefins unit, a propane dehydrogenation (PDH) unit, a LDPE resin plant, another HDPE resin plant and an additional polypropylene (PP) line.

In The Community

Formosa Plastics' Point Comfort site's employees contribute their time and resources to local education and community events, including school, civic, cultural, municipal, and youth programs. Some of these programs include: Boy Scouts, Calhoun County Chamber of Commerce, Calhoun County ISDPartners in Education, Girl Scouts, Lions Club, Rotary, South Texas Blood and Tissue Center, United Way and the YMCA.

Each fall the site sponsors the Formosa Plastics United Way Golf Tournament. In 2015, the tournament raised $120,000 (photo at left) to support United Way efforts and programs in both Victoria and Calhoun Counties.

Highlights



Our Point Comfort, Texas site employs 1,910 company employees and 795 contractors. We're proceeding with our next major site expansion, involving capital investments of several billion dollars!

© 2006-2019 Formosa Plastics Corporation, U.S.A. All rights reserved. Site Map | Privacy Policy | Notices/Disclaimer

Attachment D

Summary of Financial Impact

Chapter 313 Property Value Limitation Financial Impact of the Proposed Formosa Plastics Corporation, TX Project in the Calhoun County Independent School District (Project # 1319)

Prepared by

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

February 16, 2019

Executive Summary

The Formosa Plastics Corporation, TX (Company) has requested that the Calhoun County Independent School District (CCISD) 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 CCISD on November 5, 2018 the Company plans to invest $120 million to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Formosa 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, CCISD may offer a minimum value limitation of $30 million. This value limitation, under the proposed application, will begin in the 2020-21 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 in 2017. 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 CCISD	$786,663
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	$6.1 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. At the time the application is determined complete—typically 4-6 weeks after receipt—the Comptroller will deliver a Completeness Letter to the company and the school district.

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

is received, the district has until the 150th day from the receipt of the Completeness Letter to adopt an agreement.

After the Comptroller's certificate is received, O'Hanlon, Demerath & Castillo will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

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 remained at $5,140 and the Tier II Austin yield increased to $106.28 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: 3,730
Local Tax Base: $4,048.9 million
M&O Tax Rate: $1.0401 per $100
I&S Tax Rate: $0.2535 per $100
Wealth per WADA: $655,375

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 Formosa 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	2019-20	3,729.62	5,201.27	$1.0401	$0.2535	$3,554,627,570	$3,554,627,570	$4,024,604,817	$4,024,604,817	$773,774	$773,774
QTP1/VL1	2020-21	3,729.62	5,201.27	$1.0401	$0.2535	$3,703,910,147	$3,613,886,957	$3,530,372,639	$3,530,372,639	$678,753	$678,753
QTP2/VL2	2021-22	3,729.62	5,201.27	$1.0401	$0.2535	$3,697,910,147	$3,613,886,957	$3,679,655,216	$3,589,632,026	$707,454	$690,146
VL3	2022-23	3,729.62	5,201.27	$1.0401	$0.2535	$3,722,210,147	$3,643,886,957	$3,673,655,216	$3,589,632,026	$706,300	$690,146
VL4	2023-24	3,729.62	5,201.27	$1.0401	$0.2535	$3,771,521,534	$3,698,613,344	$3,697,955,216	$3,619,632,026	$710,972	$695,914
VL5	2024-25	3,729.62	5,201.27	$1.0401	$0.2535	$3,764,682,756	$3,696,918,816	$3,747,266,603	$3,674,358,413	$720,453	$706,436
VL6	2025-26	3,729.62	5,201.27	$1.0401	$0.2535	$3,758,135,082	$3,695,258,179	$3,740,427,825	$3,672,663,885	$719,138	$706,110
VL7	2026-27	3,729.62	5,201.27	$1.0401	$0.2535	$3,753,492,396	$3,695,258,179	$3,733,880,151	$3,671,003,248	$717,879	$705,790
VL8	2027-28	3,729.62	5,201.27	$1.0401	$0.2535	$3,749,081,845	$3,695,258,179	$3,729,237,465	$3,671,003,248	$716,987	$705,790
VL9	2028-29	3,729.62	5,201.27	$1.0401	$0.2535	$4,056,668,076	$4,007,034,434	$3,724,826,914	$3,671,003,248	$716,139	$705,790
VL10	2029-30	3,729.62	5,201.27	$1.0401	$0.2535	$4,074,387,536	$4,028,734,417	$4,032,413,145	$3,982,779,503	$775,275	$765,733
VP1	2030-31	3,729.62	5,201.27	$1.0401	$0.2535	$4,321,350,975	$4,321,350,975	$4,050,132,605	$4,004,479,486	$778,682	$769,905
VP2	2031-32	3,729.62	5,201.27	$1.0401	$0.2535	$4,284,842,883	$4,284,842,883	$4,297,096,044	$4,297,096,044	$826,164	$826,164
VP3	2032-33	3,729.62	5,201.27	$1.0401	$0.2535	$4,432,875,229	$4,432,875,229	$4,260,587,952	$4,260,587,952	$819,145	$819,145
VP4	2033-34	3,729.62	5,201.27	$1.0401	$0.2535	$4,391,803,441	$4,391,803,441	$4,408,620,298	$4,408,620,298	$847,605	$847,605
VP5	2034-35	3,729.62	5,201.27	$1.0401	$0.2535	$4,352,669,848	$4,352,669,848	$4,367,548,510	$4,367,548,510	$839,709	$839,709

***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 Formosa Project on CCISD

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 $786,663 over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2020-21). Nearly all 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	2019-20	$33,561,841	$1,080,002	-$10,440,974	$2,054,597	$768,186	$0	$0	$120,021	$27,143,672
QTP1/VL1	2020-21	$35,013,343	$1,652,251	-$7,678,399	$2,143,455	$1,212,502	$0	$0	$120,021	$32,463,172
QTP2/VL2	2021-22	$34,954,537	$1,080,002	-$8,717,302	$2,139,855	$1,075,681	$0	$0	$120,021	$30,652,793
VL3	2022-23	$35,186,821	$1,652,251	-$8,734,361	$2,154,075	$1,086,590	$0	$0	$120,021	$31,465,396
VL4	2023-24	$35,659,395	$1,080,002	-$9,018,573	$2,183,005	$1,079,670	$0	$0	$120,021	$31,103,519
VL5	2024-25	$35,592,700	$1,652,251	-$9,333,029	$2,178,923	$1,034,550	$0	$0	$120,021	$31,245,415
VL6	2025-26	$35,528,852	$1,080,002	-$9,270,948	$2,175,014	$1,038,523	$0	$0	$120,021	$30,671,463
VL7	2026-27	$35,483,349	$1,652,251	-$9,215,564	$2,172,228	$1,044,122	$0	$0	$120,021	$31,256,407
VL8	2027-28	$35,440,121	$1,080,002	-$9,173,428	$2,169,582	$1,046,824	$0	$0	$120,021	$30,683,121
VL9	2028-29	$38,393,659	$1,652,251	-$9,907,287	$2,350,392	$1,137,742	$0	$0	$120,021	$33,746,777
VL10	2029-30	$38,563,074	$1,080,002	-$12,125,323	$2,360,764	$874,862	$0	$0	$120,021	$30,873,399
VP1	2030-31	$40,926,204	$1,652,251	-$13,022,213	$2,505,430	$914,741	$0	$0	$120,021	$33,096,433
VP2	2031-32	$40,575,544	$1,080,002	-$14,486,574	$2,483,964	$711,407	$0	$0	$120,021	$30,484,364
VP3	2032-33	$41,997,392	$1,652,251	-$14,782,725	$2,571,007	$764,191	$0	$0	$120,021	$32,322,136
VP4	2033-34	$41,602,898	$1,080,002	-$15,538,035	$2,546,856	$646,946	$0	$0	$120,021	$30,458,687
VP5	2034-35	$41,227,021	$1,652,251	-$15,151,892	$2,523,846	$670,686	$0	$0	$120,021	$31,041,933

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	2019-20	$33,561,841	$1,080,002	-$10,440,974	$2,054,597	$768,186	$0	$0	$120,021	$27,143,672
QTP1/VL1	2020-21	$34,131,026	$1,652,251	-$7,484,907	$2,089,441	$1,182,538	$0	$0	$120,021	$31,690,369
QTP2/VL2	2021-22	$34,131,026	$1,080,002	-$7,902,976	$2,089,441	$1,128,074	$0	$0	$120,021	$30,645,587
VL3	2022-23	$34,419,176	$1,652,251	-$7,969,697	$2,107,081	$1,137,766	$0	$0	$120,021	$31,466,597
VL4	2023-24	$34,944,821	$1,080,002	-$8,302,677	$2,139,261	$1,127,789	$0	$0	$120,021	$31,109,216
VL5	2024-25	$34,928,545	$1,652,251	-$8,675,012	$2,138,264	$1,078,763	$0	$0	$120,021	$31,242,832
VL6	2025-26	$34,912,595	$1,080,002	-$8,659,578	$2,137,288	$1,079,750	$0	$0	$120,021	$30,670,078
VL7	2026-27	$34,912,595	$1,652,251	-$8,648,324	$2,137,288	$1,080,716	$0	$0	$120,021	$31,254,546
VL8	2027-28	$34,912,595	$1,080,002	-$8,648,324	$2,137,288	$1,080,716	$0	$0	$120,021	$30,682,297
VL9	2028-29	$37,907,200	$1,652,251	-$9,390,129	$2,320,612	$1,173,562	$0	$0	$120,021	$33,783,517
VL10	2029-30	$38,115,628	$1,080,002	-$11,654,925	$2,333,372	$905,443	$0	$0	$120,021	$30,899,541
VP1	2030-31	$40,926,204	$1,652,251	-$12,705,711	$2,505,430	$953,664	$0	$0	$120,021	$33,451,858
VP2	2031-32	$40,575,544	$1,080,002	-$14,486,574	$2,483,964	$711,407	$0	$0	$120,021	$30,484,364
VP3	2032-33	$41,997,392	$1,652,251	-$14,782,725	$2,571,007	$764,191	$0	$0	$120,021	$32,322,136
VP4	2033-34	$41,602,898	$1,080,002	-$15,538,035	$2,546,856	$646,946	$0	$0	$120,021	$30,458,687
VP5	2034-35	$41,227,021	$1,652,251	-$15,151,892	$2,523,846	$670,686	$0	$0	$120,021	$31,041,933

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	2019-20	$0	$0	$0	$0	$0	$0	$0	$0	$0
QTP1/VL1	2020-21	-$882,317	$0	$193,491	-$54,014	-$29,964	$0	$0	$0	-$772,804
QTP2/VL2	2021-22	-$823,511	$0	$814,326	-$50,414	$52,393	$0	$0	$0	-$7,206
VL3	2022-23	-$767,645	$0	$764,664	-$46,994	$51,176	$0	$0	$0	$1,201
VL4	2023-24	-$714,574	$0	$715,896	-$43,744	$48,119	$0	$0	$0	$5,697
VL5	2024-25	-$664,155	$0	$658,018	-$40,659	$44,213	$0	$0	$0	-$2,583
VL6	2025-26	-$616,257	$0	$611,371	-$37,726	$41,227	$0	$0	$0	-$1,385
VL7	2026-27	-$570,754	$0	$567,239	-$34,940	$36,594	$0	$0	$0	-$1,861
VL8	2027-28	-$527,526	$0	$525,104	-$32,294	$33,892	$0	$0	$0	-$824
VL9	2028-29	-$486,459	$0	$517,158	-$29,780	$35,820	$0	$0	$0	$36,739
VL10	2029-30	-$447,446	$0	$470,398	-$27,392	$30,581	$0	$0	$0	$26,141
VP1	2030-31	$0	$0	$316,502	$0	$38,923	$0	$0	$0	$355,425
VP2	2031-32	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP3	2032-33	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP4	2033-34	$0	$0	$0	$0	$0	$0	$0	$0	$0
VP5	2034-35	$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 $6.9 million over the life of the agreement. The CCISD revenue losses are expected to total approximately $786,663 over the course of the agreement. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach$6.1 million, prior to any negotiations with Formosa on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CCISD currently levying a $0.2535 per $100 I&S tax 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 Formosa 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 Formosa Project Property Value Limitation Request Submitted to CCISD at $1.0401 per $100 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	2019-20	$0	$0	$0	$1.040	$0	$0	$0	$0	$0
QTP1/VL1	2020-21	$120,023,190	$30,000,000	$90,023,190	$1.040	$1,248,361	$312,030	$936,331	-$772,804	$163,528
QTP2/VL2	2021-22	$114,023,190	$30,000,000	$84,023,190	$1.040	$1,185,955	$312,030	$873,925	-$7,206	$866,719
VL3	2022-23	$108,323,190	$30,000,000	$78,323,190	$1.040	$1,126,669	$312,030	$814,639	$0	$814,639
VL4	2023-24	$102,908,190	$30,000,000	$72,908,190	$1.040	$1,070,348	$312,030	$758,318	$0	$758,318
VL5	2024-25	$97,763,940	$30,000,000	$67,763,940	$1.040	$1,016,843	$312,030	$704,813	-$2,583	$702,229
VL6	2025-26	$92,876,903	$30,000,000	$62,876,903	$1.040	$966,013	$312,030	$653,983	-$1,385	$652,597
VL7	2026-27	$88,234,217	$30,000,000	$58,234,217	$1.040	$917,724	$312,030	$605,694	-$1,861	$603,833
VL8	2027-28	$83,823,666	$30,000,000	$53,823,666	$1.040	$871,850	$312,030	$559,820	-$824	$558,996
VL9	2028-29	$79,633,642	$30,000,000	$49,633,642	$1.040	$828,270	$312,030	$516,240	$0	$516,240
VL10	2029-30	$75,653,119	$30,000,000	$45,653,119	$1.040	$786,868	$312,030	$474,838	$0	$474,838
VP1	2030-31	$71,871,623	$71,871,623	$0	$1.040	$747,537	$747,537	$0	$0	$0
VP2	2031-32	$68,279,201	$68,279,201	$0	$1.040	$710,172	$710,172	$0	$0	$0
VP3	2032-33	$64,866,401	$64,866,401	$0	$1.040	$674,675	$674,675	$0	$0	$0
VP4	2033-34	$61,624,240	$61,624,240	$0	$1.040	$640,954	$640,954	$0	$0	$0
VP5	2034-35	$58,544,187	$58,544,187	$0	$1.040	$608,918	$608,918	$0	$0	$0
						$13,401,157	**$6,502,556**	**$6,898,601**	**-$786,663**	**$6,111,938**

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.**

MOAK, CASEY & ASSOCIATES
TEXAS SCHOOL FINANCE EXPERTS

Estimated Financial Impact of the #1319 - Formosa Chapter 313 Property Value Limitation Request Submitted to CALHOUN CO ISD

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O With Limitation	Assumed M&O Tax Rate	Tax Savings To Company	Total School District Estimated Loss of Revenue	Estimated Net Tax Benefits	School District Tax Benefit Lesser of $100 per ADA or 45%	Potential Company Tax Benefit
QTP0	2019-20	$23,190	$23,190	$0.97000	$0	$0	$0	$0	$0
QTP1	2020-21	$80,023,190	$30,000,000	$0.95650	$478,471	-$478,471	$0	$0	$0
QTP2/VL2	2021-22	$120,023,190	$30,000,000	$0.95650	$861,070	-$394,143	$466,927	$210,117	$256,810
VL3	2022-23	$114,023,190	$30,000,000	$0.95650	$803,680	$0	$803,680	$361,656	$442,024
VL4	2023-24	$108,323,190	$30,000,000	$0.95650	$749,160	$0	$749,160	$337,122	$412,038
VL5	2024-25	$102,908,190	$30,000,000	$0.95650	$697,366	$0	$697,366	$313,815	$383,551
VL6	2025-26	$97,763,940	$30,000,000	$0.95650	$648,161	$0	$648,161	$291,672	$356,488
VL7	2026-27	$97,876,903	$30,000,000	$0.95650	$649,241	$0	$649,241	$292,159	$357,083
VL8	2027-28	$88,234,217	$30,000,000	$0.95650	$557,009	$0	$557,009	$250,654	$306,355
VL9	2028-29	$83,823,666	$30,000,000	$0.95650	$514,822	$0	$514,822	$231,670	$283,152
VL10	2029-30	$79,633,642	$30,000,000	$0.95650	$474,745	$0	$474,745	$213,635	$261,110
VP1	2030-31	$75,653,119	$75,653,119	$0.95650	$0	$0	$0	$0	$0
VP2	2031-32	$71,871,623	$71,871,623	$0.95650	$0	$0	$0	$0	$0
VP3	2032-33	$68,279,201	$68,279,201	$0.95650	$0	$0	$0	$0	$0
VP4	2033-34	$64,866,401	$64,866,401	$0.95650	$0	$0	$0		$0
VP5	2034-35	$61,624,240	$61,624,240	$0.95650	$0	$0	$0		$0
					$6,433,726	-$872,614	$5,561,112	$2,502,500	$3,058,611

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

Fully Taxable for I&S

Loss of M&O taxes plus Tier II state aid would have earned on those taxes

Actual Amount and when paid is negotiated during Agreement proce

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

Attachment E

Taxable Value of Property

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax Assistance

2017 ISD Summary Worksheet

029/Calhoun

029-901/Calhoun County ISD

Category	Local Tax Roll Value	2017 WTD Mean Ratio	2017 PTAD Value Estimate	2017 Value Assigned
A. Single-Family Residences	1,046,877,903	.9615	1,088,796,571	1,046,877,903
B. Multi-Family Residences	27,561,259	N/A	27,561,259	27,561,259
C1. Vacant Lots	133,244,634	.9894	134,672,159	133,244,634
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	27,645,183	1.4038	19,692,751	27,645,183
D2. Real Prop Farm & Ranch	4,861,762	N/A	4,861,762	4,861,762
E. Real Prop NonQual Acres	72,869,505	N/A	72,869,505	72,869,505
F1. Commercial Real	174,439,980	.9211	189,382,239	174,439,980
F2. Industrial Real	1,668,030,760	N/A	1,668,030,760	1,668,030,760
G. Oil, Gas, Minerals	15,970,660	N/A	15,970,660	15,970,660
J. Utilities	104,351,470	.9818	106,285,873	104,351,470
L1. Commercial Personal	134,866,520	1.0551	127,823,448	134,866,520
L2. Industrial Personal	394,764,660	N/A	394,764,660	394,764,660
M. Other Personal	5,475,830	N/A	5,475,830	5,475,830
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	14,275,340	N/A	14,275,340	14,275,340
S. Special Inventory	13,044,850	N/A	13,044,850	13,044,850
Subtotal	3,838,280,316		3,883,507,667	3,838,280,316
Less Total Deductions	374,938,349		385,213,643	374,938,349
Total Taxable Value	3,463,341,967		3,498,294,024	3,463,341,967 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
3,505,398,371	3,463,341,967	3,450,836,586	3,408,780,182

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
42,056,404	54,561,785

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
3,542,843,281	3,500,786,877	3,488,281,496	3,446,225,092

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

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

---

by and between

CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT

and

FORMOSA PLASTICS CORPORATION, TEXAS

(Texas Taxpayer ID # 12223554648)

Comptroller Application # 1319

Dated

September 16, 2019

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

STATE OF TEXAS §

COUNTY OF CALHOUN §

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 **CALHOUN COUNTY 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 **FORMOSA PLASTICS CORPORATION, TEXAS** Texas Taxpayer Identification Number *12223554648* 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 October 5, 2018, the Superintendent of Schools of the Calhoun County 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 October 5, 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, on November 28, 2018 the Application was determined to be complete by the Superintendent and 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 January 29, 2019, 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 Calhoun County Appraisal District established in Calhoun County, Texas (the "Calhoun 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 April 9, 2019, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the

District;

WHEREAS, the District's Board of Trustees, voted by Board dated July 29th, 2019, extended the statutory deadline by which the District must consider the Application until September 30, 2019 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 16, 2019, 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 16, 2019, 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 July 17, 2019, 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 16, 2019 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 **FORMOSA PLASTICS CORPORATION, TEXAS,** *(Texas Taxpayer ID # 12223554648)* 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 October 5, 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 Calhoun County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Calhoun County 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 Calhoun County, Texas.

"*District*" *or* "*School District*" means the Calhoun County 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, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during

the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI.

"*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 in the amount of 3,652 for the 18-19 school year as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, times 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 2020, the start of the Qualifying Time Period is set forth in Section 2.3(C)(i), below.

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

"*Applicant's Stipulated Supplemental Payment Amount*" means, for purposes of Article VI, for any Tax Year during the term of this Agreement, an amount equal to forty percent (40%) of the "Net Tax Benefit," as such term is defined in this Section 1.2, for such Tax Year.

"*Commercial Operation*" means the production by the newly constructed PP3 Unit [See Exhibit 4] of polypropylene powder in sufficient quantities and of sufficient quality so as to enable the production of various glycol products by Applicant for delivery to end-customers.

"*Cumulative Payments*" means for any Tax Year during the term of this Agreement, the total of all payments, calculated under Article IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by or owed by the Applicant for all previous Tax Years during the term of this Agreement.

"*Cumulative Unadjusted Tax Benefit*" means for any Tax Year during the term of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit for all previous Tax Years during the term of this Agreement.

"*Maintenance and Operations Revenue*" or "*M&O Revenue*" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS

CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace the District's M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

"*M&O Amount*" has the meaning given such term in Section 4.2.

"*New M&O Revenue*" has the meaning given such term in Section 4.2. A. ii.

"*Net Tax Benefit*" means, for any Tax Year during the term of this Agreement, 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 such Tax Year and all previous 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 such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any payments due to the District under Articles IV, V and VI under this Agreement for such Tax Year and all previous Tax Years during the term of this Agreement.

"*Original M&O Revenue*" has the meaning given such term in Section 4.2. A. i.

"*Supplemental Payments*" has the meaning given such term in Section 6.1(a).

"*Unadjusted Tax Benefit*" means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant's Qualified Property used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Thirty Million Dollars ($30,000,000.00), by (ii) the District's maintenance and operations tax rate for such Tax Year.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 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 January 29, 2019, 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 16, 2019.

C. The Qualifying Time Period for this Agreement:

i. Starts on September 16, 2019, the Application Approval Date;

ii. Ends on December 31, 2021, 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, 2020, the first complete Tax Year that begins after the Application Review Start Date; and

ii. Ends on December 31, 2029 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, 2034, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

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

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

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

B. Thirty Million Dollars ($30,000,000), based on Section 313.054 of the TEXAS TAX CODE.

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 $1,266 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, the Applicant shall:

A. 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;

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 to the limitations contained in this Agreement (including Sections 7.1 and 4.10), 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 the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a producing cause, or which resulted, at least in part, because of, or on account of, the execution of this Agreement~~.~~, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, such other payments as set forth in Articles V and VI of this Agreement. Subject to the limitations contained in this Agreement (including Sections 7.1 and 4.10), it is the intent of the Parties that the risk of any negative financial consequence to the District's Maintenance and Operations Revenue, to which the execution of this Agreement contributed in any manner, will be borne solely by the Applicant and not by the District.

The Parties expressly understand and agree that, for all Tax Years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable Tax Year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may periodically change in accordance with changes in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: (i) for illustrative purposes only, and are not intended to be relied upon, and have not been relied upon, by the Parties as a prediction of future consequences to either Party; (ii) based upon the current Applicable School Finance Law, which is subject to change by

statute, by administrative regulation, or by judicial decision at any time; and (iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Sections 4.10, 7.1, and 7.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. Notwithstanding any other provision in this Agreement, the M&O Amount owed by the Applicant to the District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions, where:

   i. *"Original M&O Revenue"* means the total State and local Maintenance and Operations Revenue that District would have received for the Tax Year, under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property been subject to the 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 the prior school 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 for the prior school year subject to this Agreement. In this calculation, the total appraised value of the Qualified Property subject to this Agreement will be used for the Qualified Property in lieu of the property's M&O taxable value. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)

   ii. "*New M&O Revenue*" means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

B. 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 the 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, results in a negative number, the negative number will be considered to be zero.

iv. All calculations made for any year during the Tax Limitation Period under Subsection *ii* of Section 4.2.A will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 4.2 shall be made using a methodology which isolates only the 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 any other factor 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") jointly selected and appointed each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by a mediator selected in accordance with the procedures set forth in Section 9.3A.

Section 4.4. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District 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 and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, and/or Article VI 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, offices, personnel, books, 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 calculations until the Final Termination Date. The Applicant shall not be liable for any of the Third Party's costs resulting from a review or audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.6, if such fee is timely paid.

Section 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.5, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. Notwithstanding the foregoing, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.6 and Section 4.5 which exceeds Fifteen Thousand Dollars ($15,000.00).

Section 4.7. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected and appointed 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 Investment and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment, respectively, 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 required by this Agreement for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. 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 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Sections 7.1 and 4.10, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, the 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, the Applicant shall make payments to District, up to but not to exceed the amount of the limits set forth in this Agreement

(including Sections 7.1 and 4.10), that are necessary to offset any such negative impact on the District as a result of its participation in this Agreement. The calculation of any such payments to the District shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on District.

Section 4.9 RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification containing the calculations prepared and/or delivered pursuant to Section 4.5, 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 containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the Board of Trustees. Any such appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the Applicant's receipt of the Third Party's final determination of the 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 4.10. CUMULATIVE PAYMENT LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments calculated for a Tax Year of this Agreement during the period from 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 (i.e. the Tax Year 2020), and ending with the Tax Year 2029, which is the last Tax Year of the Tax Limitation Period exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10. Any of the Cumulative Payments which cannot be paid to the District prior to the end of the first Tax Year following the end of the Tax Limitation Period (i.e. the Tax Year 2029) because such payment would exceed the Applicant's Cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

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, the Applicant on an annual basis shall also indemnify and reimburse the District for all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project described in the Application 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 such project. The Applicant shall have the right to contest the findings of the District's external auditor in accordance with the procedures set forth in Section 4.9.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

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

(a) Amounts Exclusive of Indemnity Amounts

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 and this Article VI are subject to the limitations contained in Sections 7.1 and 4.10, and that all payments under this Article VI are subject to the separate limitations contained in Sections 6.2, 6.3, and 6.4.

(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 either (i) 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, (ii) or the amount described in Section 6.4.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article VI 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 of 3,652 for the 2018-2019 school year.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION.

A. During the entire term of this Agreement, District shall, subject to the limitations set forth in Subsection 6.3(B) and Section7.1, below, be entitled to receive supplemental payments equal to the Annual Limit, as defined in Section 6.2(C), above.

B. Beginning with the first year of the Tax Limitation Period, as defined in Section 2.3(D)(1), above, and continuing thereafter until December 31 of the third year following the end of the Tax Limitation Period, Applicant's Supplemental Payment Obligation, set forth in Subsection 6.3.(A) shall be further limited to an amount not to exceed Forty-Five Percent (45%) of Applicant's Net Tax Benefit, as that term is defined in Section 6.1(C)(iii), above.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.

The Parties agree that for each Tax Year of this Agreement, beginning with Tax Year 2019, the first year of the qualifying time period specified in Section 2.3(c)(1) of this Agreement, the Stipulated Supplemental Payment amount, described in Section 6.2 and 6.3, above will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas,-for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Minus,

Any amounts previously paid to the District under Article IV for such Tax Year;

Multiplied by,

The number 0.45;

Minus,

Any amounts previously paid to the District under Sections 6.2, 6.3, and 6.4, above, with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party selected pursuant to Section 4.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS. All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.4.

(a) 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.

(b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.7.

Section 6.6. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT. For each Tax Year during the term of this Agreement beginning with the Tax Year 2019, 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, and

ending with Tax Year 2032, which is the third Tax Year following the end of the Tax Limitation Period, the District, or its successor beneficiary should one be designated under Section 6.7 below shall not be entitled to receive Supplemental Payments, computed under Sections 6.2, 6.3, and 6.4 above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 6.2, 6.3, and 6.4 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article VI, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third full Tax Year following the end of the Tax Limitation Period, as defined in Section 2.3(D)(ii), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.7. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

(a) All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

(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.

(c) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.7.

Section 6.8. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during the term of this Agreement, the Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, 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 action of the Board of Trustees, 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 6.8 shall not alter the limits on Supplemental Payments described in this Article IV, including Sections 6.2, 6.3, and 6.4, above.

Notwithstanding the foregoing, any payments made by the Applicant shall be made in the manner and to the Party designated in this Agreement unless the 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; and
iv. whether or not any such breach has been cured.

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 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 Calhoun 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 Calhoun 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
Calhoun County Independent School District
525 N. Commerce St.
Port Lavaca, Texas 77979
Phone: (361) 552-9728
Facsimile: (361) 551-2648
Email: nicholsl@calcoisd.org

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.

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

Jack Wu
Vice President
Formosa Plastics Corporation, Texas
201 Formosa Drive
P.O. Box 700
Point Comfort, Texas 77978
Phone: (361) 987-7700
Facsimile: (361) 987-2729
Email: jackwu@ftpc.fpcusa.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

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

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller; and

c. 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; and

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

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.

Section10.3. 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 Calhoun 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 Agreement has been executed by the Parties in multiple originals on this 16th day of September 2019.

FORMOSA PLASTICS CORPORATION, TEXAS

By:_____
Name:
Title:

CALHOUN COUNTY INDEPENDENT SCHOOL DISTRICT

By:_____
President
Board of Trustees

ATTEST:_____
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On August 22, 2018, pursuant to Chapter 312 of the Texas Tax Code, the Commissioners Court of Calhoun County, Texas adopted an amendment Calhoun County *Reinvestment Zone No. 17.01*. The legal description of the aforesaid *Reinvestment Zone No. 17.01*. is attached as **ATTACHMENT A** to **EXHIBIT 1** of this Agreement. A Map of *Reinvestment Zone No. 17.01* is also attached as **ATTACHMENT B** to **EXHIBIT 1** of this Agreement.

PP3 PLANT
7.73 ACRES
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 7.73 acre tract situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas and being out of a 28.0793 acre tract described as Tract II in Warranty Deed dated February 26, 1992 from Formosa Plastics Corporation, Texas to Nan Ya Plastics Corporation, America and recorded in Volume 74, Page 803 of the Official Records of Calhoun County, Texas, and this 7.73 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod at the northwest corner of said 28.0793 acre tract for the northwest corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 5762.00);

THENCE East along the north line of said 28.0793 acre tract a distance of 992.00 feet to a set 5/8 inch iron rod for the northeast corner of said 28.0793 acre tract for the northeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 6754.00).

THENCE South along the east line of said 28.0793 acre tract a distance of 301.00 feet to a set 5/8 inch iron rod for an easterly southeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6754.00).

THENCE West a distance of 301.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6453.00);

THENCE North a distance of 271.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6453.00);

THENCE West a distance of 182.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6271.00).

THENCE South a distance of 443.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 7923.00, East 6271.00);

THENCE West a distance of 509.00 feet to a set 5/8 inch iron in the west line of said 28.0793 acre tract for the southwest corner of the herein described tract; (said iron rod having a plant coordinate of North 7923.00, East 5762.00);

THENCE North along the west line of said 28.0793 acre tract a distance of 473.00 feet to the **POINT OF BEGINNING,** Containing 7.73 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

The above legal description is based on an actual survey made on the ground under my supervision.

Date 12/19/2017

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

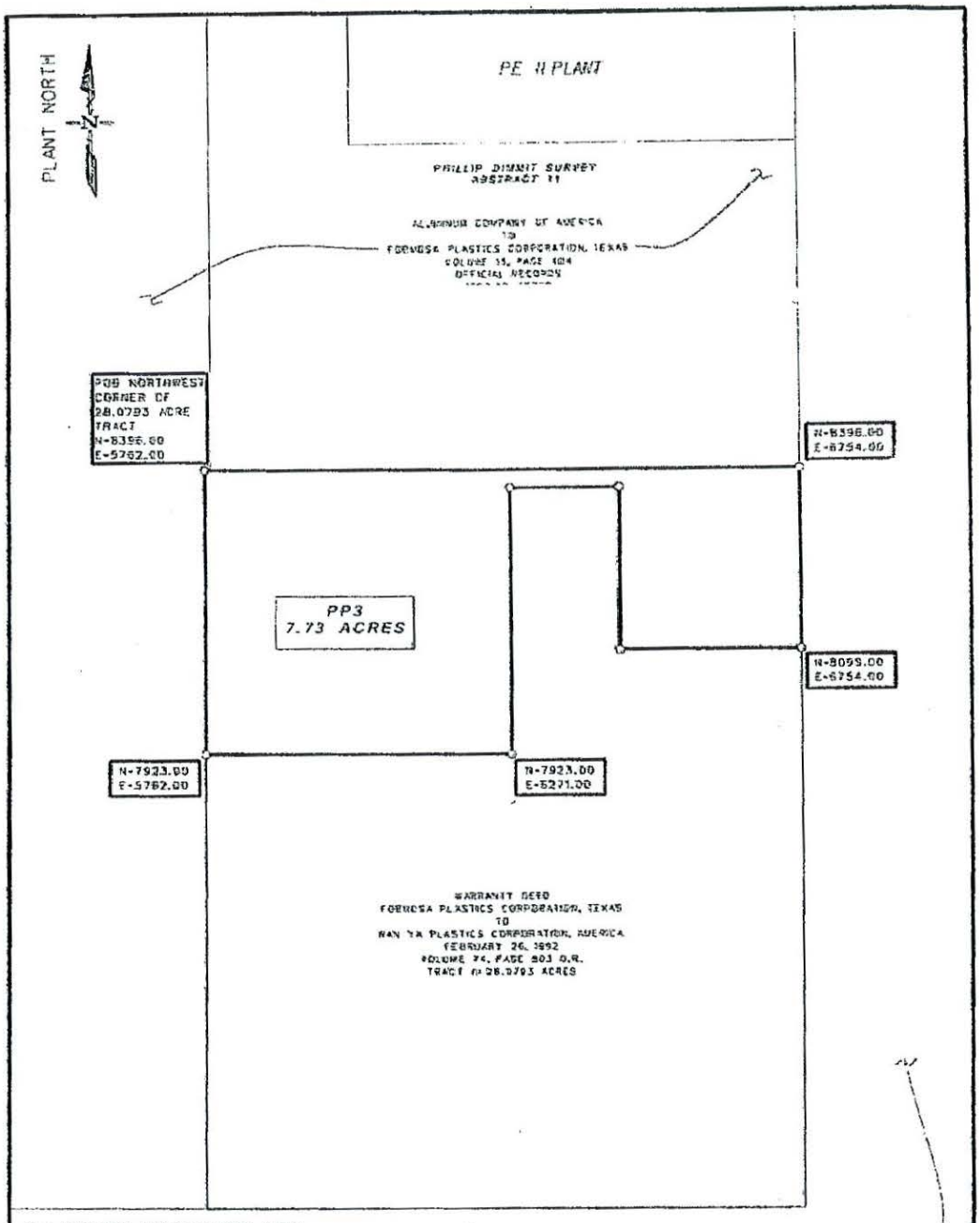
STATE OF TEXAS REGISTERED GEORGE A. GANEM JR. 4681 PROFESSIONAL LAND SURVEYOR

Formosa Plastics Corp.
PP3 - 7.73 Acres
ISCT241 RGSA12192017

B to **EXHIBIT 1** of this Agreement .

Agreement for Limitation on Appraised Value
Between Calhoun County ISD and Formosa Plastics Corporation, Texas
September 16, 2019

Texas Economic Development Act Agreement
Comptroller Form 50-826 (January 2016)



O = 5/8" IRON ROD SET UNLESS NOTED

THIS SURVEY WAS COMPLETED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE. THERE MAY BE EASEMENTS OR OTHER MATTERS OF RECORD NOT SHOWN.

THE ABOVE PLAT WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION.

ALGONQUIN COMPANY OF AMERICA
TO
FORMOSA PLASTICS CORPORATION, TEXAS
VOLUME 15, PAGE 404
OFFICIAL RECORDS
ASSED.40 ACRES

STATE OF TEXAS
REGISTERED
GEORGE A. GANEM JR.
4881
PROFESSIONAL
LAND SURVEYOR

12/19/2017

GEORGE A. GANEM, JR. DATE
GANEM & KELLY SURVEYING, INC.
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS NO. 4881

BEARINGS AND COORDINATES BASED ON FORMOSA PLASTICS CORPORATION EXPANSION PLANT DATUM

FORMOSA PLASTICS CORPORATION, TEXAS
201 Formosa Drive
Point Comfort, TX 77978
P.O. Box 700
Point Comfort, TX 77978

PP3 TRACT
7.73 ACRES

PHILLIP DIMMIT SURVEY ABSTRACT NO. 11
CALHOUN COUNTY, TEXAS

DRAWN BY: GKS	SCALE: 1" = 200'	GANEM & KELLY SURVEYING, INC.	REVISION REV N 12/19/2017
CHECKED BY: G.A.G.	DATE: 12/18/2017	111 EAST MAIN STREET EDNA, TEXAS 77957 (361) 782-5739	1 OF 1
APPROVED BY: G.A.G.	JOB NO. P237-241	LAMAR STREET, SUITE 5 POINT COMFORT, TEXAS 77978 (361) 987-2311	

EXHIBIT
4

EXHIBIT 2
DESCRIPTION AND LOCATION OF LAND

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 Calhoun County *Reinvestment Zone No. 17.01* which is located within the boundaries of the Calhoun County Independent School District. The legal description of the aforesaid *Reinvestment Zone No. 17.01* is attached as **ATTACHMENT A** to **EXHIBIT 1** of this Agreement. A Map of *Reinvestment Zone No. 17.01* is attached as **ATTACHMENT B** to **EXHIBIT 1** of this Agreement follows:

PP3 PLANT
7.73 ACRES
LEGAL DESCRIPTION

STATE OF TEXAS
COUNTY OF CALHOUN

BEING a 7.73 acre tract situated in the Phillip Dimmit Survey, Abstract No. 11, Calhoun County, Texas and being out of a 28.0793 acre tract described as Tract II in Warranty Deed dated February 26, 1992 from Formosa Plastics Corporation, Texas to Nan Ya Plastics Corporation, America and recorded in Volume 74, Page 803 of the Official Records of Calhoun County, Texas, and this 7.73 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a set 5/8 inch iron rod at the northwest corner of said 28.0793 acre tract for the northwest corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 5762.00);

THENCE East along the north line of said 28.0793 acre tract a distance of 992.00 feet to a set 5/8 inch iron rod for the northeast corner of said 28.0793 acre tract for the northeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8396.00, East 6754.00);

THENCE South along the east line of said 28.0793 acre tract a distance of 301.00 feet to a set 5/8 inch iron rod for an easterly southeast corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6754.00);

THENCE West a distance of 301.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 8095.00, East 6453.00);

THENCE North a distance of 271.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6453.00);

THENCE West a distance of 182.00 feet to a set 5/8 inch iron rod for an interior corner of the herein described tract, (said iron rod having a plant coordinate of North 8366.00, East 6271.00);

THENCE South a distance of 443.00 feet to a set 5/8 inch iron rod for a corner of the herein described tract, (said iron rod having a plant coordinate of North 7923.00, East 6271.00);

THENCE West a distance of 509.00 feet to a set 5/8 inch iron in the west line of said 28.0793 acre tract for the southwest corner of the herein described tract; (said iron rod having a plant coordinate of North 7923.00, East 5762.00);

THENCE North along the west line of said 28.0793 acre tract a distance of 473.00 feet to the **POINT OF BEGINNING,** Containing 7.73 acres of land.

Reference is made to that plat accompanying this legal description.

Bearings are based on Formosa Plastics Corporation plant coordinate system.

The above legal description is based on an actual survey made on the ground under my supervision.

Ganem & Kelly Surveying, Inc.
By: George A. Ganem, Jr.
Registered Professional Land Surveyor
Texas No. 4681

Date 12/19/2017

STATE OF TEXAS REGISTERED GEORGE A. GANEM JR. 4681 PROFESSIONAL LAND SURVEYOR

Formosa Plastics Corp.
PP3 - 7.73 Acres
PCF7241 Rev A12192017

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Description

This Agreement covers Qualified Investment located within the reinvestment zone and Calhoun County ISD in an amount of not less than $30 Million made during the Qualifying Time Period property necessary for the commercial operations of the PP3 Unit:

PP3 Unit

The PP3 Unit combines propylene monomer and some ethylene monomer in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Form-Fill Seal Packing Equipment

All Qualified Investment will be located within the boundaries of the land described in **EXHIBIT 1**, as further indicated on the legal description and map attached on the last page of **EXHIBIT 1**.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Description

All Qualified Property located within the reinvestment zone and the Calhoun County ISD necessary for the commercial operations of a new PP3 Unit as more fully described in Tab 8 of the Application.

Project Description:

PP3 Unit

The PP3 Unit combines propylene monomer and some ethylene monomer in the presence of catalyst in two horizontal agitated reactors in series to create polypropylene powder. The powder is then fed into an extruder along with a specific additive recipe which gives the polymer its required properties. The polymer is melted and extruded into strands, and then cut into small pellets. These pellets are transported to holding silos to prepare for loading and shipping to customers. The pellets will be transferred to other silos after quality control evaluations then to bagging, boxing or transferred to bulk truck or Seabulk shipping. These pellets are for domestic and export shipping.

The major components of this unit include:

- Propylene and Ethylene Feed Stock Piping
- Reactor Vessels
- Extrusion System
- Blending and Loading Silos
- Product Loading Area
- Compressors
- Pumps
- Instrumentation
- Utility Steam, Electricity, Nitrogen, Water
- Form-Fill Seal Packing Equipment

All Qualified Property will be located within the boundaries of the land described in **EXHIBIT 1**, as further indicated on thelegal description and map attached on the last page of **EXHIBIT 1**.

Reinvestment Zone Boundary

Project Boundary

PP3

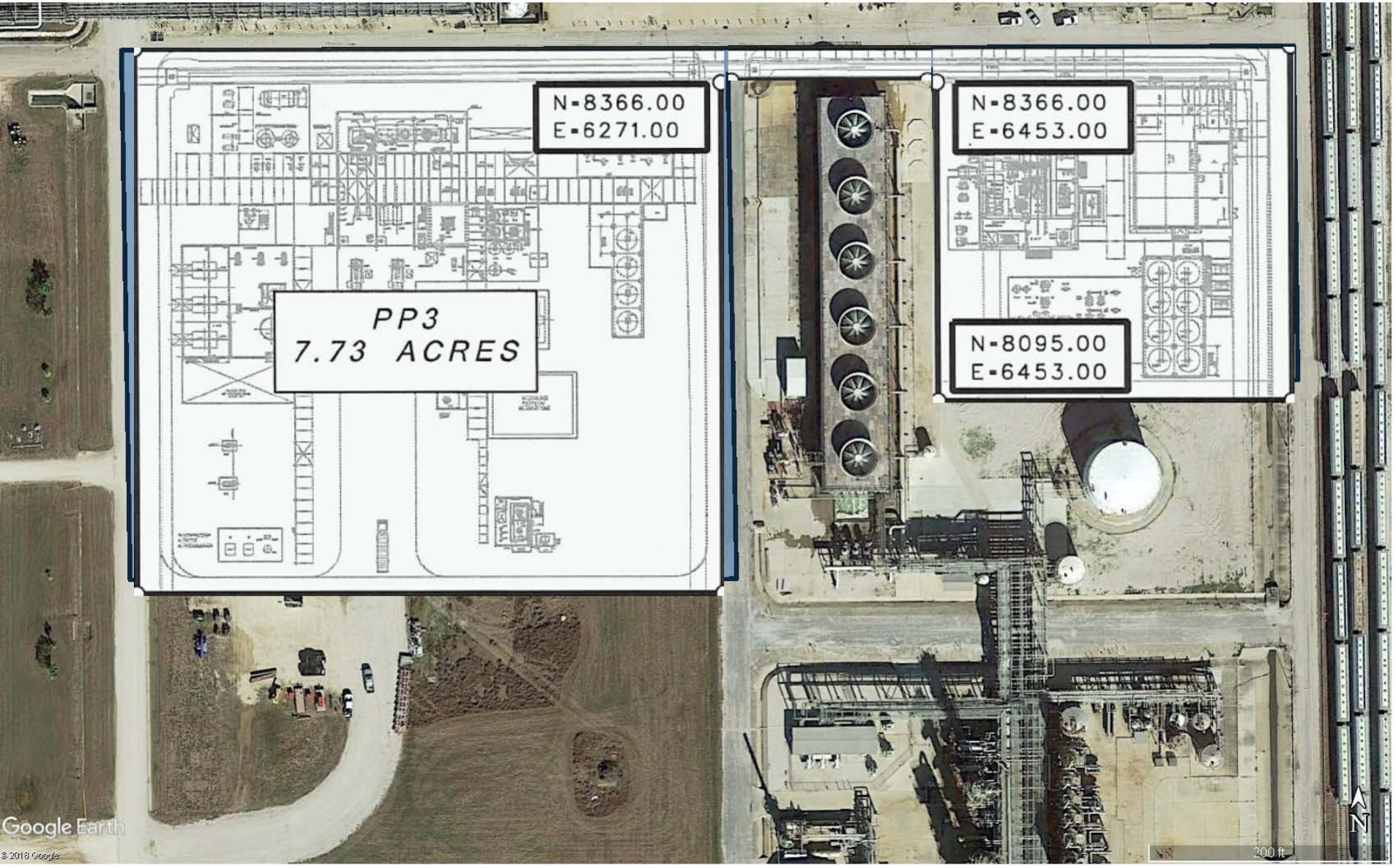


EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Partial Year Beginning on the Application Approval Date (07/29/2019)	January 1, 2019	2019-2020	2019	Start of Qualifying Time Period beginning with the Application Approval Date (07/29/2019). No limitation on appraised value. First year for computation of Annual Limit.
Limitation Period	1	January 1, 2020	2020-2021	2020	Qualifying Time Period starts. $30 million appraised value limitation.
	2	January 1, 2021	2021-2022	2021	$30 million appraised value limitation.
	3	January 1, 2022	2022-2023	2022	$30 million appraised value limitation.
	4	January 1, 2023	2023-2024	2023	$30 million appraised value limitation.
	5	January 1, 2024	2024-2025	2024	$30 million appraised value limitation.
	6	January 1, 2025	2025-2026	2025	$30 million appraised value limitation.
	7	January 1, 2026	2026-2027	2026	$30 million appraised value limitation.
	8	January 1, 2027	2027-2028	2027	$30 million appraised value limitation.
	9	January 1, 2028	2028-2029	2028	$30 million appraised value limitation.
	10	January 1, 2029	2029-2030	2029	$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	1	January 1, 2030	2030-2031	2030	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	2	January 1, 2031	2031-2032	2031	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	3	January 1, 2032	2032-2033	2032	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	4	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
	5	January 1, 2034	2034-35	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

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

September 16, 2019

President and Members
Board of Trustees
Calhoun County Independent School District
525 North Commerce Street
Port Lavaca, Texas 77979

Re: Recommendations and Findings of the Firm Concerning the Application of Formosa Plastics Corporation, TX (#1319) for a 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 Calhoun County Independent School District, with respect to the pending Application of Formosa Plastics Corporation, TX for a 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.

Because of the foregoing, it is our recommendation that the Board of Trustees approve the Application of Formosa Plastics Corporation, TX for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey
Partner

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 16, 2019

President and Members
Board of Trustees
Calhoun County Independent School District
525 North Commerce Street
Port Lavaca, Texas 77979

Re: Recommendations and Findings of the Firm Concerning Application of Formosa Plastics Corporation, TX (#1319) for a 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 Calhoun County Independent School District, with respect to the pending Application of Formosa Plastics Corporation, LLC for a 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. We have also negotiated an Agreement between the District and Formosa Plastics Corporation, TX. 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 legal provisions 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 Formosa Plastics Corporation, TX for a 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

July 17, 2019

Larry Nichols
Superintendent
Calhoun County Independent School District
525 North Commerce Street
Port Lavaca, Texas 77979

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Calhoun County Independent School District and Formosa Plastics Corporation, Texas, Application 1319

Dear Superintendent Nichols:

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 Calhoun County Independent School District and Formosa Plastics Corporation, Texas (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 Deisy Perez with our office. She can be reached by email at deisy.perez@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-2410, or at 512-475-2410.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Kevin O'Hanlon, O'Hanlon, Demerath & Castillo, PC
Jack Wu, Formosa Plastics Corp., TX

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.