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SARA LEON  
& ASSOCIATES, LLC

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May 6, 2019

Michelle Leura, CTCM  
Senior Research Analyst  
Data Analysis and Transparency Division  
Texas Comptroller of Public Accounts  
111 E. 17<sup>th</sup> Street  
Austin, Texas 78774

Re: Application #1327 from Hailiang Copper Texas, Inc. to Sealy Independent  
School District – Amendment #003 Transmittal Letter

Dear Ms. Leura:

This letter is in response to your email dated April 15, 2019. Per your request, Hailiang Copper Texas, Inc. has made the following changes to Application #1327. Enumerated below are the changes contained in Amendment #003:

1. **Tab 4: Detailed Description of the Project**  
"Hailiang Copper Texas, INC plans to retrofit the current facility and utilize existing buildings and equipment to meet their needs in the copper tubing manufacturing process."
2. **Tab 8: Detailed Description of Qualified Property**  
"Please note: the applicant is not requesting that any existing equipment be classified as "qualified property"

If you have any questions, or would like to discuss this matter further, please contact me at 512.637.4298.

Respectfully submitted,



Sara Hardner Leon

Enclosures



## Tab 4

### *Detailed Description of the Project*

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Hailiang Copper Texas, INC requests an appraised value limitation from Sealy Independent School District. Hailiang Copper Texas, INC is proposing to construct a copper tubing manufacturing facility. The facility, which will encompass approximately 57 acres of the former 5 Star Industrial Park will be located in the southern portion of Austin County. Additionally, the entirety of the project will be within Sealy Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

Construction is anticipated to commence in April 2019, and is projected to be complete by January 2020. The plant is expected to be fully operational by January 2020.

The facility at which Hailiang Copper Texas, INC will be established was priorly used as a testing facility for BAE systems plant. The facility served as a production site for FMTV (Family of Medium Tactical Vehicles) and JLTV (Joint Light Tactical Vehicles) for projects in conjunction with contracts for Lockheed Martin. The plant closed in June of 2014 and has remained vacant since. Hailiang Copper Texas, INC plans to retrofit the current facility and utilize existing buildings and equipment to meet their needs in the copper tubing manufacturing process.

Hailiang Copper Texas, INC will be managed and developed by Hailiang America Corporation. Hailiang America Corporation serves as the U.S. Division of the China Hailiang Group—a national supplier of copper and brass tubular and fitting products. Founded in 1989, Hailiang America Corporation is headquartered in Leesport, Pennsylvania, with manufacturing facilities around the United States. Hailiang America Corporation prides themselves on the production of premier mineral and mineral alloy products and are committed to efficient production and well-organized management. Their dedication to research and development, quality control, and expansion of global presence is an influential factor in their desire to establish Hailiang Copper Texas, INC.

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## **Summary of Production Process**

The initial stages of production begin with special-grade or grade-one electrolytic tough pitch copper with high purity and low impurity contents. Most of this copper is sourced from mines throughout China, Mexico, South America, and the southwestern United States. Due to the chemical properties of copper, it is highly valued for use in areas where anti-corrosion, machinability, and efficient heat transfer are imperative. Once the special grade copper reaches the manufacturing facility it then undergoes a series of processes until the finished product, copper tubing is available for sale and distribution.

### **Melting**

The initial manufacturing begins with the melting of the copper. Typically this is conducted in a horizontal casting furnace. These furnaces are combined furnaces with metal flowing beneath the surface, a crystallizer, a cooling water distribution system, a servo control withdrawal system, an in-line synchronous saw, a saw for mold changing, a hydraulic system, and an electric control. Once ultra-high temperatures melt the copper it is then transferred to the sawing station.

### **Sawing, Milling, Rolling, Combined Drawing Line**

Through the process of sawing, milling, and rolling the melted copper is then transformed into a tubular structure. Combined drawing machines then middle the copper to specified diameters where it is then ready for the next steps in the manufacturing process.

### **Spinner Block**

Once the copper tubing reaches the spinner block, the final dimensions of the pipe are established and created through an outside die and inner floating plug.





### **On-line annealing**

Once the copper tubing diameters and dimensions have been finalized, the annealing process begins. Essentially the purpose of annealing is to remove stress and return the copper tubing to a workable state. The process of annealing occurs through the reheating of materials above their respective crystallization temperature. This temperature is then held until previous thermal histories are removed. After the product is cooled, the materials are then elongated and made uniform without tarnishing, resulting in a more refined, malleable product.

### **Internal Thread Forming**



In the internal thread forming process, internal thread rolling heads carve specified threads in the wire. This occurs through cold forming technology which eliminates chip-removal problems and ensures accurate thread sizes for gage limits.

### **Winding**

Once the internal threads have been created the copper tubing is then fed through a winding machine which simply rounds the tubes onto circular wheels for easier distribution.

### **Final Annealing**

The last step in the manufacturing process occurs in the final annealing of the copper tubing which essentially is a safeguard to ensure a zero-chip, and tarnish free product through a reheating of the tubing after placement on spools.

### **Overview of Processes**

Once raw materials have entered the facility, the manufacturing process will begin in the Main Assembly Plant where the copper will be melted, sawed, and placed on the spinner block. From this stage, the product will then be annealed and threaded. Upon threading, the winding and final annealing will occur. The product will then move to the Quality Final section of the Main Assembly Plant where the copper tubing will undergo its final inspection and be surveyed for any faults or damages. Lastly, the product will be transferred to the Shipping/Storage Area for distribution. The Office Buildings will serve as additional administrative space for office staff.



## Tab 8

### *Description of Qualified Property*

Hailiang Copper Texas, INC is proposing to construct a copper tubing manufacturing facility. The facility, which will encompass approximately 57 acres of the former 5 Star Industrial Park will be located in the southern portion of Austin County. Additionally, the entirety of the project will be within Sealy Independent School District. Please find attached in Tab 11 maps that further define the location of the facility.

Construction is anticipated to commence in April 2019, and is projected to be complete by January 2020. The plant is expected to be fully operational by January 2020.

Hailiang Copper Texas, INC requests that this application includes but is not limited to the following components of this project:

- Maintenance & Operations Buildings
- Melting Equipment
- Sawing Equipment
- Milling Equipment
- Combined Drawing Lines
- Spinner Blocks
- Annealing Equipment
- Internal Thread Formers

Please note: the applicant is not requesting that any existing equipment be classified as "qualified property."

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**Final Annealing**

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Special Warranty Deed

Au-18-158

THE STATE OF TEXAS                   §  
  §     KNOW ALL PERSONS BY THESE PRESENTS:  
COUNTY OF AUSTIN                   §

THAT Five Star Properties Sealy, LLC, a Texas limited liability company (“Grantor”), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration to it in hand paid by Hailiang Copper Texas Inc, a Texas corporation (“Grantee”), whose mailing address is 1142 S. Diamond Bar Blvd., Suite 370, Diamond Bar, California 91765, the receipt and sufficiency of which consideration are hereby acknowledged, and upon and subject to the exceptions, encumbrances, terms and provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee (i) that certain tract or parcel of real property situated in Austin County, Texas, described on Exhibit A attached hereto and made a part hereof for all purposes, together with all and singular the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto, and together with all improvements situated thereon (the “Property”), and (ii) Grantor’s right, title and interest in and to (i) adjacent streets, alleys, rights-of-way (or to such portion thereof as to which Grantor would succeed in title under applicable law upon abandonment thereof), and (ii) any awards made or to be made in lieu thereof, and in and to any unpaid awards for damage thereto by reason of a change of grade of any such highway, street, road or avenue, and any condemnation award made or to be made in lieu thereof relative to any damage to or any condemnation or other taking of the Property (the “Related Rights”).

This conveyance is expressly made subject and subordinate to those encumbrances and exceptions (collectively the “Permitted Exceptions”) set forth on Exhibit B attached hereto and made a part hereof for all purposes, but only to the extent that the same are valid and subsisting and affect or relate to the Property.

TO HAVE AND TO HOLD the Property and Related Rights, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its successors and assigns, forever; and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise. However, Grantor’s interest in and to the Related Rights are granted and conveyed by Grantor to Grantee hereby without representation or warranty (whether statutory, express or implied) regarding title to or encumbrances against the Related Rights.

Grantor warrants payment of all property taxes on the Property through and including the year 2018. By acceptance of this Special Warranty Deed, Grantee assumes payment of all property taxes on the Property for the year 2018, which have been prorated, and subsequent years.



Instrument # 185795 Page 2 of 6

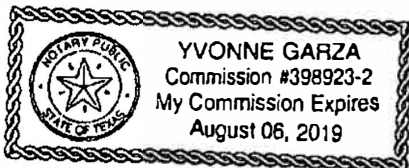
IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor on the date of the acknowledgement set forth below, to be effective for all purposes as of December 14, 2018.

FIVE STAR PROPERTIES SEALY, LLC,  
a Texas limited liability company

By: [Signature]  
Kreg Stanley  
Manager

THE STATE OF TEXAS       §  
  §  
COUNTY OF Harris       §

This instrument was acknowledged before me on the 13<sup>th</sup> day of December, 2018, by Kreg Stanley, the Manager of Five Star Properties Sealy, LLC, a Texas limited liability company, on behalf of said company.



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

Yvonne Garza  
Printed or Typed Name of Notary

My Commission Expires: August 6, 2019

[Signature page to Special Warranty Deed]

**Exhibit A**

Description of Land

196.103 ACRES  
8,542,230 SQUARE FEET  
M. M. KENNY SURVEY ABSTRACT NO. 371  
CITY OF SEALY  
AUSTIN COUNTY, TEXAS

FIELD NOTE DESCRIPTION of a 196.103 acre (8,542,230 square foot) tract of land located in the M. M. Kenny Survey, Abstract Number 371, City of Sealy, Austin County, Texas and said 196.103 acre tract of land being all of the called 135.4105 acre tract described in the deed to BAE Systems Tactical Vehicle Systems, L.P., recorded under Austin County Clerk's File Number (A.C.C.F. No.) 104234 and all of the called 60.6884 acre tract described in the deed to BAE Systems Tactical Vehicle Systems, L.P. recorded under A.C.C.F. No. 104234, said 196.103 acre tract being more particularly described by metes and bounds as follows: (The bearings described herein are oriented to the Texas Coordinate System, South Central Zone, NAD 1983.)

BEGINNING at a 1-inch iron pipe found in the southeasterly Right-of-Way (R.O.W.) line of Hintz Road (based on a width of 30 feet) marking the north corner of the called 9.622 acre tract described in the deed to Mujahid Ali and Shui N. Woo, recorded under A.C.C.F. No. 026761, the west corner of said called 135.4105 acre tract and the herein described tract;

THENCE, North 43 degrees 00 minutes 03 seconds East, along the southeasterly R.O.W. line of said Hintz Road, passing at a distance of 1,324.69 feet, a 3/4-inch iron pipe found, continuing and passing at a distance of 879.94 feet, a 1-1/4-inch iron pipe found marking the north corner of said called 135.4105 acre tract and the west corner of aforesaid 60.6884 acre tract, continuing a total distance of 3,091.03 feet, to a 5/8-inch iron rod found marking an exterior corner in the southeasterly R.O.W. line of Hintz Road, the north corner of said called 60.6884 acre tract and the herein described tract, from which a 1-1/4-inch iron pipe found bears, North 88 degrees 03 minutes East, 1.52 feet;

THENCE, South 48 degrees 01 minutes 40 seconds East, along the southeasterly R.O.W. line of said Hintz Road, passing at a distance of 20.00 feet, an interior corner of said Hintz Road and the west corner of Settler's Meadow, a subdivision recorded under Volume 1, Page 133 of the Austin County Map Records, continuing along the common line of said Settler's Meadow subdivision and said called 60.6884 acre tract, a total distance of 2,978.43 feet, to a 5/8-inch iron rod found in the northwesterly line of Tact 1, a called 282.48 acre tract described in the deed to Robinson/Lane Land Partnership, L.P., recorded under A.C.C.F. No's 067335, 067336, 067337, 067338, 067339 and 067340 marking the south corner of said Settler's Meadow subdivision, the east corner of said called 60.6884 acre tract and the herein described tract, from which a 5/8-inch iron rod found bears, North 42 degrees 51 minutes West, 0.89 feet;

THENCE, South 42 degrees 23 minutes 56 seconds West, along the common line of said 282.48 acre tract and said called 60.6884 acre tract, passing at a distance of 886.28 feet, a 1-inch iron

pipe found marking the south corner of said called 60.6884 acre tract and the east corner of said called 135.4105 acre tract, continuing along the common line of said 282.48 acre tract and said 135.4105 acre tract a total distance of 2,231.93 feet, to a point in the northerly R.O.W. line of Interstate Highway 10 (based on a variable width) being the west corner of said called 282.48 acre tract, an exterior corner of said called 135.4105 acre tract and the herein described tract, from which a 1/2-inch iron rod found bears, North 26 degrees 16 minutes West, 0.18 feet;

THENCE, along the northerly R.O.W. line of said Interstate Highway 10 the following courses and distances;

South 77 degrees 10 minutes 33 seconds West, a distance of 31.50 feet, to a 5-inch by 5-inch TxDOT concrete monument found marking an exterior corner of the herein described tract;

North 80 degrees 21 minutes 31 seconds West, a distance of 507.23 feet, to a 5/8-inch iron rod with orange plastic cap stamped "West Belt Surveying Inc" set marking an exterior corner of the herein described tract;

North 49 degrees 34 minutes 45 seconds West, a distance of 532.54 feet, to a 5-inch by 5-inch TxDOT concrete monument found marking an interior corner of the herein described tract;

South 77 degrees 23 minutes 29 seconds West, a distance of 613.85 feet, to a 5-inch by 5-inch TxDOT concrete monument found marking an interior corner of the herein described tract;

South 25 degrees 55 minutes 49 seconds West, a distance of 38.11 feet, to a 5-inch by 5-inch TxDOT concrete monument found in the northeasterly R.O.W. line of Pyka Road (based on a variable width) marking an exterior corner of the herein described tract;

THENCE, North 51 degrees 25 minutes 28 seconds West, departing the northerly R.O.W. line of aforesaid Interstate Highway 10 and along the northeasterly R.O.W. line of said Pyka Road, a distance of 176.10 feet, a 5-inch by 5-inch TxDOT concrete monument found marking the southeast corner of aforesaid called 9.622 acre tract, an angle in the westerly line of aforesaid called 135.4105 acre tract and the herein described tract;

THENCE, North 48 degrees 01 minutes 30 seconds West, along the common line of said called 9.622 acre tract and said called 135.4105 acre tract, a distance of 1,517.18 feet, to the POINT OF BEGINNING and containing a computed area of 196.103 acres (8,542,230 square feet) of land as depicted on the Land Title Survey dated: November 26, 2014, prepared by West Belt Surveying, Inc., Project No. S811-0001A.

**Exhibit B**

Permitted Exceptions

1. Rights of tenants in possession under unrecorded leases.
2. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in this Exhibit B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.
3. Easement dated January 6, 1981, executed by Cameron Iron Works, Inc. to Houston Lighting & Power Company, recorded in Volume 440, Page 506, Deed Records of Austin County, Texas, together with all rights incident thereto.
4. Street easement dated April 7, 1993, executed by Stewart & Stevenson Realty Corporation to County of Austin, Texas, recorded in Volume 680, Page 819, Official Records of Austin County, Texas, together with all rights incident thereto.
5. Easement dated September 24, 1998, executed by Stewart & Stevenson Realty Corporation to Southwestern Bell Telephone Company, recorded under Clerk's File No. 986851, Official Records of Austin County, Texas, together with all rights incident thereto.
6. Royalty Deed dated December 22, 1941, executed by Judith Reynolds to Dr. Bruce Richardson, recorded in Volume 133, Page 480, Deed Records of Austin County, Texas, together with all rights incident thereto. (Applies to the original Judith Touchette 91 acre tract).
7. Royalty Reservation(s) appearing in Deed dated April 22, 1980, executed by Floyd A. Touchette and wife, Eula Touchette, et al to Cameron Iron Works, Inc., recorded in Volume 428, Page 302, Deed Records of Austin County, Texas, together with all rights incident thereto. (Applies to the original Baptiste Touchette, Jr. 61 acre tract).
8. Mineral Reservation(s) appearing in Deed dated October 28, 1991, executed by Lillian Touchette, et al to Stewart & Stevenson Realty Corporation, recorded in Volume 650, Page 144, Official Records of Austin County, Texas, together with all rights incident thereto. (Applies to original Camille Touchette 61 acre tract).
9. Building line 5 feet wide along the Southeast property line; 35 feet wide along the South corner adjacent to Interstate Highway 10; 25 feet along the Southwest property line; 15 feet along the Northwest property line and 15 feet along the Northeast property line as set out in the ordinances and zoning regulations of the City of Sealy.
10. Memorandum, of lease, dated July 12, 2016, executed by Valerus Field Solutions, LP, a Delaware limited partnership, Valerus Field Solutions Holdings LLC, a General Partner to Five Star Properties

Instrument # 185795 Page 6 of 6

Sealy, LLC, Kreg N. Stanley, Manager, recorded under Clerk's File No. 162901, Official Records of Austin County, Texas, together with all rights incident thereto.

AFTER RECORDING RETURN TO:  
CHICAGO TITLE COMPANY  
609 Main Street, Suite 2350  
Houston, Texas 77002  
GF # \_\_\_\_\_

Instrument # 185795  
12/18/2018 3:17 PM

STATE OF TEXAS COUNTY OF AUSTIN  
I certify that this instrument was filed on the  
date and time stamped by me and was recorded in the  
Official Public Records of Austin County, Texas.

Exhibit B - Page 2

Carrie Gregor, County Clerk  
Austin County, Texas

By: 




# 5 Star Industrial Park

Please find this map as a description of the facilities pre-retrofit.

Amendment Three (05/06/2019)

Legend

 Building





# Hailiang Copper

Post-Retrofit

Amendment Three {05/06/2019}

Legend





## 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  
hereSheryl Moore  
Print Name (Authorized School District Representative)

Title

Superintendent

sign  
hereSheryl Moore  
Signature (Authorized School District Representative)

Date

5-6-19

## 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  
hereWang Hu  
Print Name (Authorized Company Representative (Applicant))

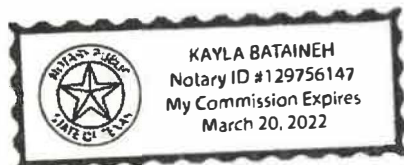
Title

President

sign  
hereWang Hu  
Signature (Authorized Company Representative (Applicant))

Date

04/08/2019



(Notary Seal)

GIVEN under my hand and seal of office this, the

8th day of April, 2019

Notary Public in and for the State of Texas

My Commission expires:

3/20/2022

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.