

FINDINGS
OF THE
ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
SUBMITTED BY
PERMICO MIDSTREAM PARTNERS, LLC
(TEXAS TAXPAYER ID: # 32065320859)
(APPLICATION #1375)

AUGUST 10, 2020

FINDINGS
OF THE
ROBSTOWN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT

STATE OF TEXAS §

COUNTY OF NUECES §

PREAMBLE

On the 10th day of August 2020, a public meeting of the Board of Trustees (“Board”) of the Robstown 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 took up and considered the Application (as amended, the “Application”) of Permico Midstream Partners, LLC (“Applicant”) for a limitation on appraised value on qualified property, pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District’s administrative staff to advise the Board in this matter.

The Board considered the presentations made at the meeting, the Comptroller's recommendation and the economic impact evaluation and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Texas Comptroller of Public Accounts published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On May 13, 2019 the District received an application for appraised value limitation on qualified property (“Application”) on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as Exhibit A.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code Section 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Texas Comptroller of Public Accounts (“Comptroller”) for review pursuant to Texas Tax Code Section 313.025(b).
5. Pursuant to a request received from the Comptroller, an Application amendment was submitted to the Comptroller on July 25, 2019.

6. The Application (as amended) was reviewed by the Comptroller pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller's Office, by letter dated September 27, 2019, recommended that the Board approve the Application. A copy of the Comptroller's letter along with the Comptroller's economic impact analysis completed pursuant to Texas Tax Code Section 313.025(b) is attached to these findings as Exhibit B. The Board has considered such evaluation.

7. The District's School Finance Consultant performed an independent economic impact analysis pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Exhibit C.

8. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Exhibit D.

9. The Agreement was reviewed by the Comptroller. After review, the Comptroller's office, in a letter dated July 31, 2020, approved the Agreement.

FINDINGS

Findings as to each of the criterion listed in Texas Tax Code Section 313.025 and Texas Administrative Code Title 34, §9.1054. Based in the representation of Applicant set out in the Application attached as Exhibit A, the Comptroller's approval and Economic Impact Analysis attached as Exhibit B, the District Consultant's independent economic impact analysis attached as Exhibit C and the Franchise Tax Account Status attached as Exhibit E, the Board of Trustees finds:

1. That the Comptroller recommends approval of the Application.
2. That there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.
3. That, based on the representations in the Application, the Applicant could locate or relocate the Project to another state or another region of this state.
4. That the Project will result in revenue gains by the school district and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.
5. That there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.
6. That the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$275,000,000.

7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$20,000,000.00.
8. That the projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value is \$32,936,822 as shown on Exhibit B, Attachment A, Table 3.
9. That the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is \$11,562,936 as shown on Exhibit B, Attachment A, Table 4.
10. That the total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is \$21,373,886, as shown on Exhibit B, Attachment A, Table 4.
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a manufacturing project.
12. The Project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.
13. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state.
14. Applicant will create 10 new qualifying jobs, and Applicant has confirmed that such jobs will meet all requirements of Texas Tax Code Section 313.021(3).
15. That the Project will be located within an area designated as a reinvestment zone pursuant to Texas Tax Code Chapter 312.
16. The information in the Application submitted by Applicant is true and correct.
17. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Exhibit D, meets all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District.
18. The proposed Agreement is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller as of January 2020, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F.

19. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

20. The Applicant, Permico Midstream Partners, LLC (Tex. Taxpayer ID #32065320859) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as Exhibit E.

21. There are no conflicts of interest on the Board at the time of its consideration of the Agreement.

22. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

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[Orders and signatures follow]

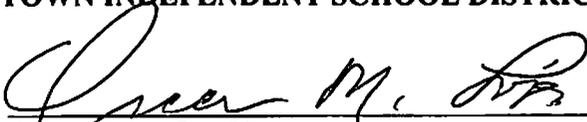
It is therefore **ORDERED** that:

1. The Findings above, including the recitals set out in the Preamble, are adopted and approved by the Board of Trustees.
2. The Application of Permico Midstream Partners, LLC for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.
3. The Agreement attached hereto as Exhibit D is approved and the Board President is designated and directed to sign the Agreement on behalf of the District.
4. These findings and the Exhibits 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 10th day of August 2020.

ROBSTOWN INDEPENDENT SCHOOL DISTRICT

By:



Oscar Lopez, President

ATTEST:

By:



Bertha Roldan, Secretary

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property



RECEIVED

May 22 2019

Data Analysis &
Transparency Division

May 21, 2019

Mr. John Villarreal
Chapter 313 Manager
Local Government Assistance and
Economic Development Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

**VIA FEDERAL EXPRESS
AND VIA E-MAIL DELIVERY:
John.Villarreal@cpa.texas.gov**

Re: Robstown Independent School District (“District”) / Tax Limitation Agreement:
Permico Midstream, LLC (“Applicant”)—Train 4

Dear Mr. Villarreal:

Pursuant to Tax Code §313.025(b) and 34 TAC Rules §9.1053(a)(2) and 9.1054(c),
attached are the following:

1. One (1) copy of the Application for Appraised Value Limitation on Qualified Property (“Application”) containing confidential information submitted to the Robstown Independent District by Permico Midstream, LLC. **Per the Applicant’s request, this copy is not for public posting as outlined below.** A separate, non-confidential copy is enclosed herein.
2. One (1) electronically digitized copy of the Application containing non-confidential materials. **Per the Applicant’s request, this copy is not for public posting as outlined below.** A separate, non-confidential copy is enclosed herein.
3. One (1) copy of the Application for Appraised Value Limitation on Qualified Property (“Application”) containing non-confidential information submitted to the Robstown Independent District by Permico Midstream, LLC for public posting.
4. One (1) electronically digitized copy of the Application containing confidential materials for public posting.
5. One (1) digital copy the Project Schedules in Excel format.

Confidentiality Transmittal

Please note the Applicant has submitted a request to keep a portion of Tab 5 confidential under Section 552.104 of the Texas Government code. In accordance with 34 TAC 9.1053, the information that is the subject of this request is segregated from the materials submitted contemporaneously with this application, that is, the proprietary commercial information

Mr. John Villarreal
May 21, 2019
Page 2

regarding the competitive siting decisions for the possible project. The confidential materials are being submitted separately to protect against unintended disclosure.

Section 552.104 of the Texas Government Code provides that information is excepted from disclosure if it would give advantage to a competitor. For the same reasons stated above, the Applicant contends that maintaining the confidential status of the underlying data is critical to maintaining Permico Midstream's competitive position in the market. The public release of this information would reveal information which the company believes would cause the company to suffer substantial competitive harm and weaken its position in competitive siting decisions.

The Application was received on May 13, 2019. The Board of Trustees of the District elected to consider the application on May 13, 2019. The District determined the Application was complete on May 17, 2019.

The District requests that the Comptroller provide an economic impact evaluation.

By copy of this letter we are notifying the Applicant that the District has submitted the Application to the Comptroller and to the Cameron County Appraisal District.

Please call if you have any questions.

Sincerely,



EDDY HERNANDEZ PEREZ

EHP/paw
Enclosures

cc: Dr. Jose Moreno, Superintendent of Schools, Robstown Independent School District
(Via Certified Mail No. 7018 1130 0002 1891 1834; Return Receipt Requested)

Dan Casey, Moak Casey
(Via Certified Mail No. 7018 1130 0002 1891 1841; Return Receipt Requested)

Greg Maxim, Cummings Westlake, LLC
(Via Certified Mail No. 7018 1130 0002 1891 1858; Return Receipt Requested)

Nueces County Appraisal District
201 N. Chaparral St, Suite 206
Corpus Christi, Texas 78401
(Via U.S. Postal Service Delivery)

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

TAB 1

Pages 1 through 9 of application.

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

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

May 13, 2019

Date Application Received by District

Dr. ose

First Name

Moreno

Last Name

Superintendent

Title

Robstown ISD

School District Name

01 1st St

Street Address

01 1st St

Mailing Address

Robstown

City

TX

State

730

ZIP

361-767-6600 Ext. 2000

Phone Number

361-37-6311

Fax Number

irma.padilla@robstownisd.org

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Eddy Hernandez _____
First Name

Perez _____
Last Name

Attorney _____
Title

Walsh Gallegos Trevino Russo & Kyle, P.C.
Firm Name

210-979-6633 _____
Phone Number

210-979-7024 _____
Fax Number

Mobile Number (optional)

eperez@wabsa.com _____
Email Address

4. On what date did the district determine this application complete? **May 17, 2019**
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)

Becker _____
First Name

Becker _____
Last Name

Chief Executive Officer _____
Title

Permico Midstream Partners, LLC _____
Organization

9301 Southwest Freeway, Suite 300 _____
Street Address

9301 Southwest Freeway, Suite 300 _____
Mailing Address

Houston _____
City

TX _____
State

77074 _____
ZIP

713-400-7074 _____
Phone Number

713-263-3670 _____
Fax Number

becker@permicoenergia.com _____
Business Email Address

Mobile Number (optional)

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.

Jordan _____
First Name

Jessen _____
Last Name

Controller _____
Title

Permico Midstream Partners, LLC _____
Organization

9301 Southwest Freeway, Suite 300 _____
Street Address

9301 Southwest Freeway, Suite 300 _____
Mailing Address

Houston _____
City

TX _____
State

77074 _____
ZIP

713-636-4444 _____
Phone Number

713-263-3670 _____
Fax Number

jessen@permicoenergia.com _____
Business Email Address

Mobile Number (optional)

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)

Greg	Maxim
First Name	Last Name
Partner	
Title	
Cummings Westlake LLC	
Firm Name	
713-266-4406	713-266-2333
Phone Number	Fax Number
gmaxim@cwlp.net	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.
 1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.
 For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.
2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Permico Midstream Partners, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 320603009
3. List the NAICS code 324110
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
Permico Midstream Partners, LLC - Pending Applications 01303 & 1304 to Robstown ISD

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability 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**)

A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements <i>(complete Section 13)</i>
<input type="checkbox"/> Expansion of existing operation on the land <i>(complete Section 13)</i>	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

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

SECTION 9: Projected Timeline

1. Application approval by school board September 2019
2. Commencement of construction 1 2024
3. Beginning of qualifying time period an. 1, 2024
4. First year of limitation an. 1, 2026
5. Begin hiring new employees December 202
6. Commencement of commercial operations December 202
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? December 202

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located ueces
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ueces
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: <u>ueces County, 100, 0.3091</u> <i>(Name, tax rate and percent of project)</i>	City: <u>A</u> <i>(Name, tax rate and percent of project)</i>
Hospital District: <u>ueces County Hospital, 100, 0.117672</u> <i>(Name, tax rate and percent of project)</i>	Water District: <u>A</u> <i>(Name, tax rate and percent of project)</i>
Other (describe): <u>See Tab 6</u> <i>(Name, tax rate and percent of project)</i>	Other (describe): <u>See Tab 6</u> <i>(Name, tax rate and percent of project)</i>
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? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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? A _____

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 2019
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 10
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 a. Average weekly wage for all jobs (all industries) in the county is 910.2
 b. 110% of the average weekly wage for manufacturing jobs in the county is 1,793.00
 c. 110% of the average weekly wage for manufacturing jobs in the region is 1,270.07
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? 66,303.60
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,000.00
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**.

Permico Midstream Partners, LLC
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Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

A copy of the check for the \$50,000 application fee to Robstown ISD is found on the following page.

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)*

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TAB 3

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

Permico Midstream Partners, LLC is not part of a combined group.

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TAB 4

Provide 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.

Description of Project

Permico Midstream Partners, LLC (“Permico”), proposes to build a natural gas liquids (“NGL”) processing plant (the “Project”), investing approximately \$275 million and creating 10 permanent jobs. The proposed project would be located approximately 2 miles southeast of Robstown, Texas at the northwest corner of FM Road No. 1694 and County Road No. 34.

Permico’s Texas NGL Project will pipe Y-Grade Natural Gas Liquids (NGL) produced from the Permian basin to the Corpus Christi area where it will be fractionated into purity products and moved into Texas and international markets via product pipelines. Construction is proposed to commence in 1Q 2024 with completion estimated in 2Q 2025. The proposed improvements for which the tax limitation is sought will include a Natural Gas Liquids (NGL) Fractionation Plant comprised of one (1) 150,000 barrel per day fractionation train (Train 4) and supported by shared auxiliary systems and utility systems. The train consists of a four (4) tower fractionation system along with all supporting process equipment. The train will fractionate Y-Grade NGL to produce ethane, propane, normal butane, isobutane and C5+ natural gasoline. Additional on-site facilities include, but are not limited to, control buildings, warehouse, fire water and raw water tank systems for fire suppression, high voltage substation and all electrical infrastructure to connect the Project to the electrical grid, above-ground flare and other pollution control equipment, ancillary buildings, major pipe rack structures, , product storage tanks for incoming raw materials, intermediate products during manufacturing, and finished goods manufactured by the Project, metering skids, site drainage and storm water facilities, plant roads, storm water ditches, and any other tangible personal property utilized in the processing, storage, quality control, shipping, waste management and general operation of the Project.

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TAB 5

Documentation to assist in determining if limitation is a determining factor.
Tab 5 information is partially submitted under separate cover due to confidential information.

Permico is a recently formed company seeking to enter the Texas natural gas liquids (NGL) processing market. NGLs are commodities that are bought and sold at fluctuating market prices regardless of the company that produces them. Permico will be competing against major Texas-based competitors with much larger processing footprints in Texas. Most, if not all, of Permico's Texas competitors have benefited from Chapter 313 agreements with Texas school districts thus having a competitive property tax advantage over any new prospective NGL processing market entrant.

Permico's leadership has extensive experience in developing and operating pipeline, storage, treating, processing and fractionation assets combined with expertise in energy commodities trading and marketing. Permico's team and advisors rely upon their broad international business, legal, construction, intelligence and diplomatic backgrounds to identify and develop innovative projects that deliver value for customer partners and the company. Project funding has been secured through long term commitments from various sources of foreign and domestic capital including private equity, pension fund institutions, and industry partners, with Sumitomo Mitsui Bank Corp serving as lead syndicator for the senior debt financing. However, Permico, its investors, and lenders have the capability to invest this capital anywhere in the world including other domestic NGL opportunities outside of Texas and to invest in other types of industrial or infrastructure facilities other than NGL processing. The type of investor groups involved with Permico on this project have a history of making investments in NGL projects outside of Texas as well as alternative investments including highway infrastructure, other energy projects like wind energy farms and solar farms in Texas, elsewhere in the United States and around the World. Their money and expertise are not tied to the Permico project but instead can and will be used for other investments that are deemed more economically attractive. Specific examples of similar alternative investments that have occurred include:

- Salt Dome Gas Storage in Mississippi
- Crude Oil Terminal Project in Utah
- Crude Oil Refining Project in Utah
- Rail Transloading Facility in Utah
- Refining project in Mobile, Alabama
- Gas gathering and processing project in Texas
- Wax Refining Project in Texas, Louisiana, and Utah

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY PERMICO MIDSTREAM PARTNERS, LLC TO ROBSTOWN ISD*

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A competitive return on capital is the key to this Project moving forward. Since Permico has the ability to invest capital anywhere in the world outside of Texas and is competing against much larger competitors with Chapter 313 agreements, obtaining a Chapter 313 agreement is a determining factor to invest capital in Texas for the Project. The price that Permico will receive for its end products will be the same market price as that received by its long-established competitors who have Chapter 313 agreements. However, without a Chapter 313 agreement, Permico's return on invested capital will be significantly lower than its NGL competitors which could lead Permico to decide not to invest capital in Texas.

No public announcements have been made regarding Train 4, the subject of this application. No final investment decision has been made for the Project and feasibility discussions with potential investors, oil producers, and NGL customers are ongoing. Land has not been purchased for the Project and no contracts with oil and gas producers or NGL customers have been executed. No air or water permit applications have been filed with TCEQ or the US EPA.

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TAB 6

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

<u>JURISDICTION</u>	<u>DISTRICT %</u>	<u>2018 TAX RATE</u>
1) Nueces County	100%	\$.309189
2) Nueces Co. Farm to Mkt Road	100%	\$.003899
3) Nueces Co. Hospital District	100%	\$.117672
4) Nueces Co. Drainage #2 Robstown	100%	\$.348467
5) Robstown ISD	100%	\$1.66500

TAB 7

Description of Qualified Investment

Description of Project

Permico Midstream Partners, LLC (“Permico”), proposes to build a natural gas liquids (“NGL”) processing plant (the “Project”), investing approximately \$275 million and creating 10 permanent jobs. The proposed project would be located approximately 2 miles southeast of Robstown, Texas at the northwest corner of FM Road No. 1694 and County Road No. 34.

Permico’s Texas NGL Project will pipe Y-Grade Natural Gas Liquids (NGL) produced from the Permian basin to the Corpus Christi area where it will be fractionated into purity products and moved into Texas and international markets via product pipelines. Construction is proposed to commence in 1Q 2024 with completion estimated in 2Q 2025. The proposed improvements for which the tax limitation is sought will include a Natural Gas Liquids (NGL) Fractionation Plant comprised of one (1) 150,000 barrel per day fractionation train (Train 4) and supported by shared auxiliary systems and utility systems. The train consists of a four (4) tower fractionation system along with all supporting process equipment. The train will fractionate Y-Grade NGL to produce ethane, propane, normal butane, isobutane and C5+ natural gasoline. Additional on-site facilities include, but are not limited to, control buildings, warehouse, fire water and raw water tank systems for fire suppression, high voltage substation and all electrical infrastructure to connect the Project to the electrical grid, above-ground flare and other pollution control equipment, ancillary buildings, major pipe rack structures, , product storage tanks for incoming raw materials, intermediate products during manufacturing, and finished goods manufactured by the Project, metering skids, site drainage and storm water facilities, plant roads, storm water ditches, and any other tangible personal property utilized in the processing, storage, quality control, shipping, waste management and general operation of the Project.

TAB 8

Description of Qualified Property

Description of Project

Permico Midstream Partners, LLC (“Permico”), proposes to build a natural gas liquids (“NGL”) processing plant (the “Project”), investing approximately \$275 million and creating 10 permanent jobs. The proposed project would be located approximately 2 miles southeast of Robstown, Texas at the northwest corner of FM Road No. 1694 and County Road No. 34.

Permico’s Texas NGL Project will pipe Y-Grade Natural Gas Liquids (NGL) produced from the Permian basin to the Corpus Christi area where it will be fractionated into purity products and moved into Texas and international markets via product pipelines. Construction is proposed to commence in 1Q 2024 with completion estimated in 2Q 2025. The proposed improvements for which the tax limitation is sought will include a Natural Gas Liquids (NGL) Fractionation Plant comprised of one (1) 150,000 barrel per day fractionation train (Train 4) and supported by shared auxiliary systems and utility systems. The train consists of a four (4) tower fractionation system along with all supporting process equipment. The train will fractionate Y-Grade NGL to produce ethane, propane, normal butane, isobutane and C5+ natural gasoline. Additional on-site facilities include, but are not limited to, control buildings, warehouse, fire water and raw water tank systems for fire suppression, high voltage substation and all electrical infrastructure to connect the Project to the electrical grid, above-ground flare and other pollution control equipment, ancillary buildings, major pipe rack structures, , product storage tanks for incoming raw materials, intermediate products during manufacturing, and finished goods manufactured by the Project, metering skids, site drainage and storm water facilities, plant roads, storm water ditches, and any other tangible personal property utilized in the processing, storage, quality control, shipping, waste management and general operation of the Project.

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TAB 9

Description of Land

Not applicable. The land which the new buildings and new improvements will be built, is not being claimed as part of the qualified property described by §313.021(2)(A).

Permico Midstream Partners, LLC
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TAB 10

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

Not applicable.

TAB 11

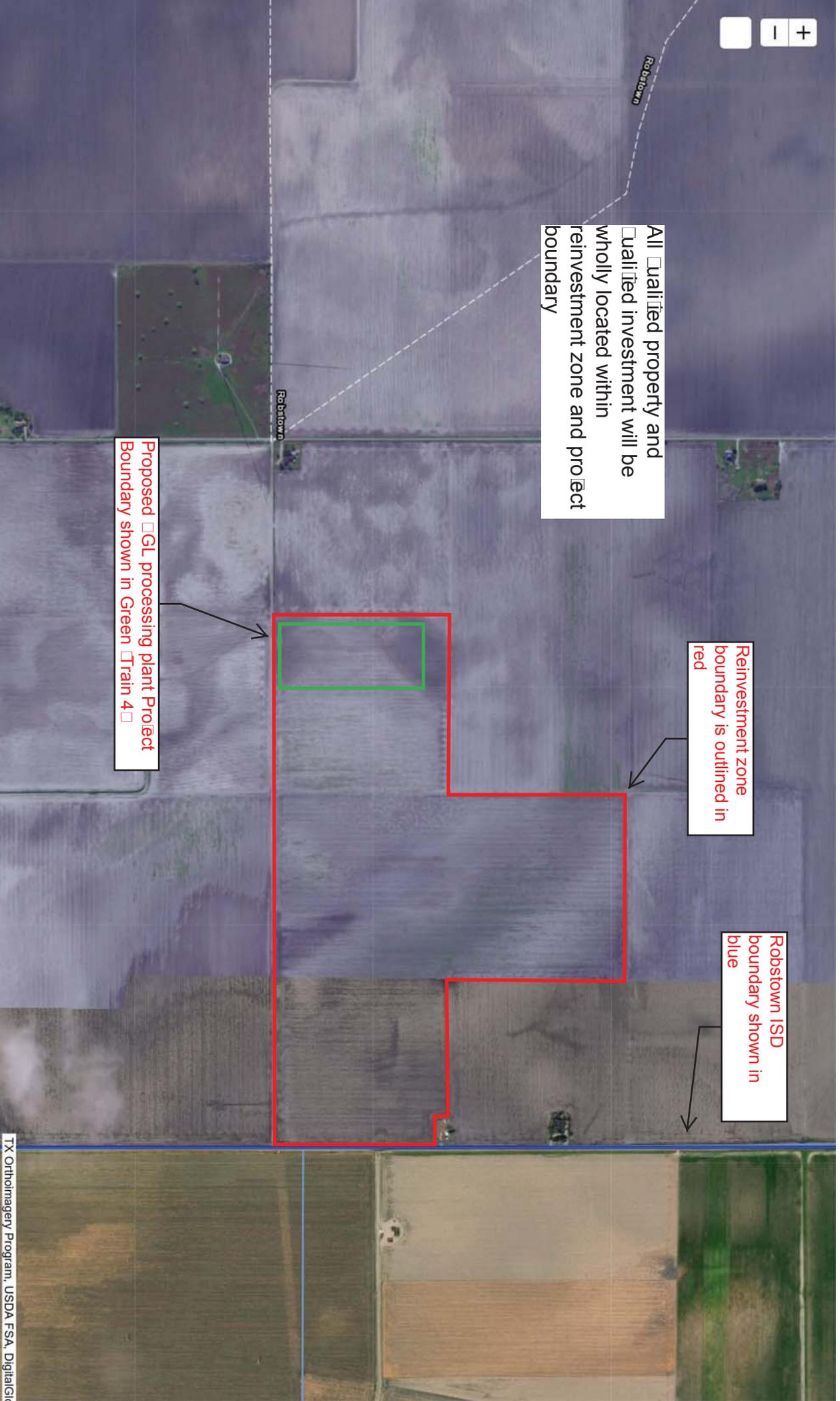
Maps that clearly show:

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

See attached maps.

All new improvements that are the subject of this application will be wholly located within the boundaries of the reinvestment zone. In this application, the project boundary and the reinvestment zone boundary are the same.

PERMICO MIDSTREAM PARTNERS MAP OF PROPOSED IMPROVEMENTS INSIDE REINVESTMENT ZONE



Reinvestment zone boundary is outlined in red

Robstown ISD boundary shown in blue

All qualified property and investment will be wholly located within reinvestment zone and project boundary

Proposed GL processing plant Project Boundary shown in Green

Permico Midstream Partners, LLC
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TAB 12

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

Not applicable. There is no job waiver request.

Permico Midstream Partners, LLC
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TAB 13

Calculation of three possible wage requirements with TWC documentation

- *Nueces County average weekly wage for all jobs (all industries)*
- *Nueces County average weekly wage for all jobs (manufacturing)*
- *Council of Governments Regional Wage Calculation and Documentation*

See attachments.

**Permico Midstream Partners, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 918.00	\$ 47,736.00
SECOND	2018	\$ 891.00	\$ 46,332.00
THIRD	2018	\$ 903.00	\$ 46,956.00
FOURTH	2017	\$ 930.00	\$ 48,360.00
AVERAGE		\$ 910.50	\$ 47,346.00

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 1,920.00	\$ 99,840.00
SECOND	2018	\$ 1,472.00	\$ 76,544.00
THIRD	2018	\$ 1,556.00	\$ 80,912.00
FOURTH	2017	\$ 1,572.00	\$ 81,744.00
AVERAGE		\$ 1,630.00	\$ 84,760.00
		X 110%	110%
		\$ 1,793.00	\$ 93,236.00

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2017	\$ 1,159.15	\$ 60,276.00
		X 110%
		\$ 1,275.07
		\$ 66,303.60

* SEE ATTACHED TWC DOCUMENTATION

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2017	01	Nueces	Total All	10	Total, All Industries	910
2018	01	Nueces	Total All	10	Total, All Industries	918
2017	02	Nueces	Total All	10	Total, All Industries	861
2018	02	Nueces	Total All	10	Total, All Industries	891
2017	03	Nueces	Total All	10	Total, All Industries	883
2018	03	Nueces	Total All	10	Total, All Industries	903
2017	04	Nueces	Total All	10	Total, All Industries	930

Showing 7 items



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Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2017	01	Nueces	Private	31-33	Manufacturing	1,826
2018	01	Nueces	Private	31-33	Manufacturing	1,920
2017	02	Nueces	Private	31-33	Manufacturing	1,423
2018	02	Nueces	Private	31-33	Manufacturing	1,472
2017	03	Nueces	Private	31-33	Manufacturing	1,522
2018	03	Nueces	Private	31-33	Manufacturing	1,556
2017	04	Nueces	Private	31-33	Manufacturing	1,572

Showing 7 items



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

COG	Wages	
	Hourly	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.

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TAB 14

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

See attached Schedules A1, A2, B, C and D.

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

PROPERTY INVESTMENT AMOUNTS

			(Estimated Investment in each year. Do not put cumulative totals.)				
	Column A	Column B	Column C	Column D	Column E		
	Original cost of tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A, B, C, D)		
Investment made before filing complete application with district	Year	Year preceding the first complete tax year of the qualifying time period	2023	0	0	0	0
	School Year	Assuming no deferrals of qualifying time period	2024	0	0	0	0
Investment made after filing complete application with district, but before final board approval of application	Year	Year preceding the first complete tax year of the qualifying time period	2024	0	0	0	0
	School Year	Assuming no deferrals of qualifying time period	2025	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period	Year	Year preceding the first complete tax year of the qualifying time period	2025	0	0	0	0
	School Year	Assuming no deferrals of qualifying time period	2026	0	0	0	0
Complete six years of qualifying time period	Year	Year preceding the first complete tax year of the qualifying time period	2026	0	0	0	0
	School Year	Assuming no deferrals of qualifying time period	2027	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]						273,000,000	1,700,000
Total Qualified Investment (sum of green cells)						273,000,000	1,700,000

For All Columns: Last 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 or "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 components 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 31.3021 but not creating a new improvement as defined by TRC 9.10. This is proposed property that functionally replaces existing property. Is used to maintain, refurbish, renovate, modify or upgrade existing property described in SECTION 13. Question 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: or the green qualified investment cell, enter the sum of all the green-shaded cells.

Enter amounts from TOTAL row above in Schedule A2

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

		PROPERTY INVESTMENT AMOUNTS					
		(Estimated investment in each year. Do not put cumulative totals.)					
		Column A	Column B	Column C	Column D	Column E	
		Original cost of new personal property placed in service during this year that will become Unaliated Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Unaliated Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (NOTE)	Total Investment (A, B, C, D)	
		Enter amounts from TOTAL row in Schedule A1 in the row below					
Total Investment from Schedule A1	-	273,300,000	1,700,000	0	0	277,000,000	
Each year prior to start of value limitation period	0	0	0	0	0	0	
Value limitation period	1	0	0	0	0	0	
	2	0	0	0	0	0	
	3	0	0	0	0	0	
	4	0	0	0	0	0	
	5	0	0	0	0	0	
	6	0	0	0	0	0	
	7	0	0	0	0	0	
	8	0	0	0	0	0	
	9	0	0	0	0	0	
	10	0	0	0	0	0	
		273,300,000	1,700,000	0	0	277,000,000	
		273,300,000	1,700,000	0	0	277,000,000	
		2037-2037	2037	0	0	0	
		2038-2039	2039	0	0	0	
		2039-2040	2039	0	0	0	
		2040-2041	2040	0	0	0	
		2041-2042	2041	0	0	0	
		2042-2043	2042	0	0	0	
		2043-2044	2043	0	0	0	
		2044-2045	2044	0	0	0	
		2046-2047	2046	0	0	0	
		2047-2048	2047	0	0	0	
		2048-2049	2048	0	0	0	
		2049-2050	2049	0	0	0	
		2050-2051	2050	0	0	0	

All investments made through the Qualifying time period are captured and labeled on Schedule A1. Blue box and incorporated into this schedule in the first row.

Only investment made during the start of the limitation after the end of the 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. 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.

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.

or 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 or replacement property if the property is specifically described in the application.

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

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

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become unaliated property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.10(1). This is proposed property that functionally replaces existing property used to maintain, refurbish, renovate, modify or upgrade existing property described in SECTION 13. Question 13 of the application.

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

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

Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	School Year YYYY-YYYY	Tax Year Year in actual tax year YYYY	Qualified Property				Estimated Taxable Value			
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions such as pollution control and bereavement	Final taxable value for 18S after all reductions	Final taxable value for M&O after all reductions		
0	2024-2026	2024	0	0	0	0	0	0	0	0
1	2026-2027	2026	0	1,613,000	270,670,000	266,000,000	266,000,000	20,000,000	20,000,000	
2	2027-2028	2027	0	1,613,700	209,744,300	206,132,000	206,132,000	20,000,000	20,000,000	
3	2028-2029	2028	0	1,614,100	249,304,000	247,690,000	247,690,000	20,000,000	20,000,000	
4	2029-2030	2029	0	1,429,100	239,300,300	236,000,000	236,000,000	20,000,000	20,000,000	
5	2030-2031	2030	0	1,429,000	229,000,100	226,609,900	226,609,900	20,000,000	20,000,000	
6	2031-2032	2031	0	1,372,300	220,612,900	217,240,000	217,240,000	20,000,000	20,000,000	
7	2032-2033	2032	0	1,317,400	211,700,400	208,343,700	208,343,700	20,000,000	20,000,000	
8	2033-2034	2033	0	1,264,700	203,316,900	200,050,000	200,050,000	20,000,000	20,000,000	
9	2034-2035	2034	0	1,214,100	191,100,000	187,711,000	187,711,000	20,000,000	20,000,000	
10	2035-2036	2035	0	1,161,000	179,000,000	175,631,000	175,631,000	17,000,000	17,000,000	
11	2036-2037	2036	0	1,110,900	172,600,000	169,200,000	169,200,000	16,347,000	16,347,000	
12	2037-2038	2037	0	1,074,100	166,000,000	162,653,000	162,653,000	15,693,000	15,693,000	
13	2038-2039	2038	0	1,031,100	160,000,000	156,606,000	156,606,000	15,039,000	15,039,000	
14	2039-2040	2039	0	990,000	149,147,000	145,257,000	145,257,000	14,463,100	14,463,100	
15	2040-2041	2040	0	912,300	146,670,000	142,750,000	142,750,000	13,849,000	13,849,000	
16	2041-2042	2041	0	870,000	140,000,000	136,300,000	136,300,000	13,292,000	13,292,000	
17	2042-2043	2042	0	840,000	133,200,000	129,800,000	129,800,000	12,700,000	12,700,000	
18	2043-2044	2043	0	807,200	129,764,000	125,694,000	125,694,000	12,200,000	12,200,000	
19	2044-2045	2044	0	774,900	124,000,000	120,251,000	120,251,000	11,700,000	11,700,000	
20	2045-2046	2045	0	743,900	119,000,000	115,560,000	115,560,000	11,200,000	11,200,000	
21	2046-2047	2046	0	714,100	114,000,000	110,859,000	110,859,000	10,670,000	10,670,000	
22	2047-2048	2047	0	680,000	110,210,000	106,410,000	106,410,000	10,330,000	10,330,000	
23	2048-2049	2048	0	631,000	101,000,000	97,690,000	97,690,000	10,162,000	10,162,000	
24	2049-2050	2049	0	631,000	101,000,000	97,690,000	97,690,000	10,162,000	10,162,000	

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. Only include market value for eligible property on this schedule.

Date

3/11/2019

Schedule C: Employment Information

Applicant Name

PERMICO MIDSTREAM PARTNERS, LLC

Form 50-296A

ISD Name

ROBSTOWN ISD

Revised May 2014

	Year	School Year YYYY-YYYY	Tax Year Actual tax year YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Number of Construction Jobs or man-hours Specify	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2024-2025	2024	200	100,000	0	0	0	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2023-2026	2023	200	100,000	0	0	0	
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2026-2027	2026	0	0	0	10	66,000	
	2	2027-2028	2027	0	0	0	10	66,000	
	3	2028-2029	2028	0	0	0	10	66,000	
	4	2029-2030	2029	0	0	0	10	66,000	
	5	2030-2031	2030	0	0	0	10	66,000	
	6	2031-2032	2031	0	0	0	10	66,000	
	7	2032-2033	2032	0	0	0	10	66,000	
	8	2033-2034	2033	0	0	0	10	66,000	
	9	2034-2035	2034	0	0	0	10	66,000	
	10	2035-2036	2035	0	0	0	10	66,000	
Years following Value Limitation Period	11 through 2036	2036-2037	2036-2037	0	0	0	10	66,000	

Notes: See TAC 9.10 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? Yes No

C1a. Will the applicant request a job waiver, as provided under 313.021(3)? Yes No

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

Date
 Applicant Name
 ISD Name

3/11/2019
 PERMICO MIDSTREAM PARTNERS, LLC
 ROBSTOWN ISD

Schedule D: Other Incentives (Estimated)

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 <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	City <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	Other <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Tax Code Chapter 312	County <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	City <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	Other <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Local Government Code Chapters 303.31	County <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	City <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
	Other <input type="checkbox"/>	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Report Exemptions		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Non-Annexation Agreements		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Enterprise Zone/Project		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Economic Development Corporation		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Texas Enterprise Fund		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Employee Recruitment		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Skills Development Fund		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Training Facility Space and Equipment		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Infrastructure Incentives		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Permitting Assistance		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Other		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Other		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Other		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
Other		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A
TOTAL		<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A	<input type="checkbox"/> A

Additional information on incentives for this project

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

TAB 15

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

None.

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone 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 established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) Not Applicable

16b) Attached

16c) Attached

16d) Attached

EXHIBIT A

Legal Description

The legal description of the proposed zone is approximately 160 acres located in three parcels out of the George H. Paul Subdivision of the Driscoll Ranch in Nueces County, Texas: Parcel A: East half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); Parcel B: West half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); and Parcel C: West half of the Southeast quarter and the Southeast quarter of the Southeast quarter of Section Two (2) (119.75 acres), more particularly described by metes and bounds as follows:

LAND LEGAL DESCRIPTION

The Nueces County property includes one hundred and sixty acres of cultivated farmland on the corner of FM 1694 and Co. Rd. 34 divided below into 3 parcels.

Parcel Section A

Being the East Half of the Southeast Quarter of the Southwest Quarter of Section Two of the George H. Paul Subdivision of the Driscoll Ranch in Nueces County, Texas (Book A, Pg. 82, Map Records). Said Southeast Quarter of the Southwest Quarter of Section Two being described in deed dated October 11, 2002 from Edith Katherine Balzer Shults, et al, to Keith R. Emshoff and wife, Wilma J. Emshoff, and Kenneth Emshoff and wife Regina A. Emshoff (Doc # 2002049347, Deed Records). Said East Half being described by metes and bounds to wit:

Beginning at a 5/8" rebar found in the Southeast corner of this tract, the Southeast corner of the said Southeast Quarter of the Southwest Quarter of Section Two, and the center of Co. Rd. 34, from which a 1" iron pipe found in the Southeast corner of Section Two bears N 89° 32' 01" E, 2648.82';

Thence S 89° 32' 01" W, 660.20' with the South line of this tract, the South line of Section Two, and the center of Co. Rd. 34, to a hex set in the Southwest corner of this tract and the Southeast corner of the West Half of said Southeast Quarter of the Southwest Quarter of Section Two, from which a 5/8" rebar found set over a 1" iron pipe in the Southwest corner of Section Two bears S 89° 32' 01" W, 1980.61';

Thence N 0° 27' 43" W, with the West line of this tract and the East line of the said West Half, at 20.00' pass a hex set in the North line of Co. Rd. 34 as per Book A, Page 82, Map Records, thence an additional 1300.38', a total distance of 1320.38', to a hex set in the Northwest corner of this tract and the Northeast corner of the said West Half;

Thence N 89° 32' 05" E, 660.16' with the North line of this tract and the North line of the said Southeast Quarter of the Southwest Quarter of Section Two to a hex set in the Northeast comer of this tract and the Northeast comer of the said Southeast Quarter of the Southwest Quarter of Section Two;

Thence S 0° 27' 49" E, with the East line of this tract and the East line of the said Southeast Quarter of the Southwest Quarter of Section Two, at 1300.37' pass a hex set in the North line of Co. Rd. 34, thence an additional 20.00', a total of 1320.37', to the place of beginning, and containing 20.011 acres of land, more or less.

Parcel Section B

Being the West Half of the Southeast Quarter of the Southwest Quarter of Section Two of the George H. Paul Subdivision of the Driscoll Ranch in Nueces County, Texas (Book A, Pg. 82, Map Records). Said Southeast Quarter of the Southwest Quarter of Section Two being described in deed dated October 11, 2002 from Edith Katherine Balzer Shults, et al, to Keith R. Emshoff and wife, Wilma J. Emshoff, and Kenneth Emshoff and wife Regina A. Emshoff (Doc # 2002049347, Deed Records). Said West Half being described by metes and bounds to wit:

Beginning at a 5/8" rebar found in the Southwest comer of this tract, the Southwest comer of the said Southeast Quarter of the Southwest Quarter of Section Two, and the center of Co. Rd. 34, from which a 5/8" rebar found set over a 1" iron pipe in the Southwest comer of Section Two bears S 89° 32' 01" W, 1320.41';

Thence N 0° 27' 35" W, with the West line of this tract and the West line of the said Southeast Quarter of the Southwest Quarter of Section Two, at 20.00' pass a hex set in the North line of Co. Rd. 34 as per Book A, Page 82, Map Records, thence an additional 1300.39', a total distance of 1320.39', to a hex set in the Northwest comer of this tract and the Northwest comer of the said Southeast Quarter of the Southwest Quarter of Section Two;

Thence N 89° 32' 05" E, 660.15' with the North line of this tract and the North line of the said Southeast Quarter of the Southwest Quarter of Section Two to a hex set in the Northeast comer of this tract and the Northwest comer of the East Half of the Southeast Quarter of the Southwest Quarter of Section Two;

Thence S 0° 27' 43" E, with the East line of this tract and the West line of the said East Half, at 1300.38' pass a hex set in the North line of Co. Rd. 34, thence an additional 20.00', a total of 1320.38', to a hex set in the Southeast comer of this tract and the Southwest comer of the said East Half, from which a 1" iron pipe found in the Southeast comer of Section Two bears N 89° 32' 01" E, 3309.02';

Thence S 89° 32' 01" W, 660.20' with the South line of this tract, the South line of Section Two, and the center of Co. Rd. 34, to the place of beginning, and containing 20.011 acres of land, more or less.

Parcel Section C

Field notes of a 119.75 acre tract out of a called 120.00 acre tract described in a deed recorded in Document No. 2001002952, Deed Records of Nueces County, Texas. Said 119.75 acre tract also being out of Section 2 of the George H. Paul Subdivision of the Driscoll Ranch, as shown on a map recorded in Volume "A", Page 82, Map Records of Nueces County, Texas. Said 119.75 acres being more particularly described as follows:

COMMENCING at a 1" iron pipe found in the intersection of County Road 34 and County Road 67 for the southwest corner of said Section 2, **THENCE** with the centerline of County Road 34, the south line of Section 2, North 89°32'01" East, a distance of 2640.53 feet to a 5/8" iron rod found in the center of County Road 34 for the southwest corner of this survey and the **POINT OF BEGINNING**.

THENCE with the centerline of County Road 34, the south line of Section 2, North 89°32'01" East, a distance of 2649.00 feet to a 1" iron pipe found for the southeast corner of Section 2 and the southeast corner of this survey.

THENCE with the east line of Section 2, North 00°37'36" West, a distance of 1320.20 feet to a Cotton Spindle set for an outside corner of this survey, from **WHENCE** a 1" iron pipe found for the northeast corner of Section 2 bears North 00°37'36" West, a distance of 3960.96 feet.

THENCE South 89°32'01" West, a distance of 31.36 feet to a 2" iron pipe found in the west right of way of FM Highway 1694 for the northeast corner of a 0.50 acre tract described in a deed recorded in Document No. 122380, Deed Records of Nueces County, Texas, and for an outside corner of this survey.

THENCE with the west right of way of FM Highway 1694, South 00°37'36" East, a distance of 120.00 feet to a 5/8" iron rod found for the southeast corner of said 0.50 acre tract and for an inside corner of this survey.

THENCE South 89°32'01" West, a distance of 181.50 feet to a 5/8" iron rod set for the southwest corner of said 0.50 acre tract and for an inside corner of this survey.

THENCE North 00°37'36" West, a distance of 120.00 feet to a 5/8" iron rod set for the northwest corner of said 0.50 acre tract and for an outside corner of this survey

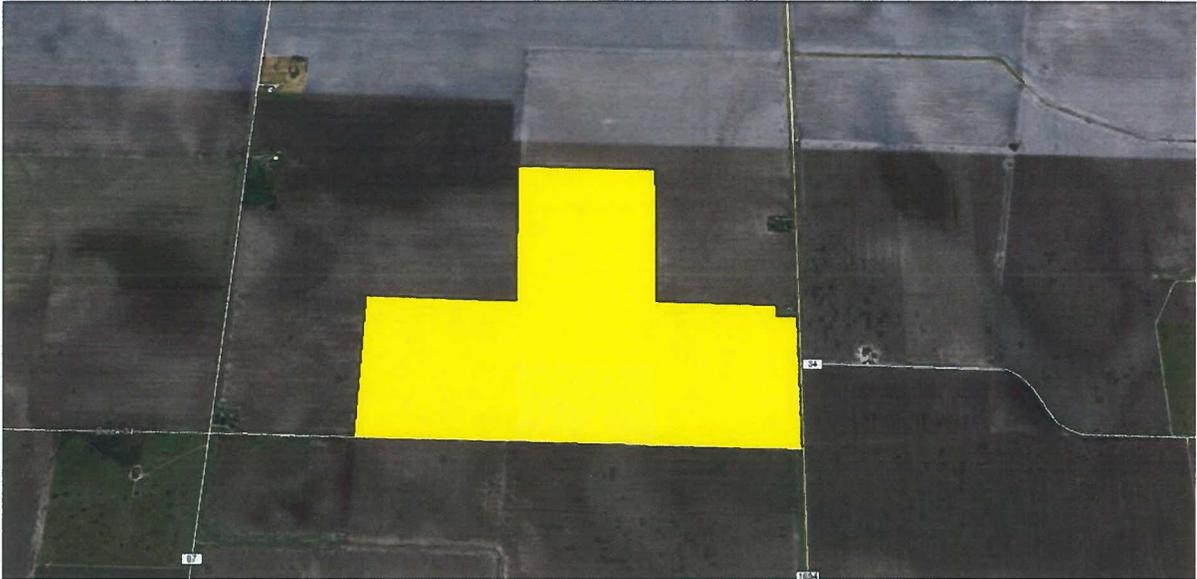
THENCE South 89°32'01" West, a distance of 1111.83 feet to a 5/8" iron rod set for an inside corner of this survey.

THENCE North 00°27'28" West, a distance of 1320.42 feet to a 5/8" iron rod set for the northeast corner of this survey.

THENCE South 89°32'01" West, a distance of 1320.41 feet to a 5/8" iron rod set for the northwest corner of this survey.

THENCE South 00°27'28" East, a distance of 2640.62 feet to the **POINT OF BEGINNING** of this survey, and containing 119.75 acres of land, more or less.

**SITE MAP
(FM 1694 AND CR 34)**



NUECES COUNTY COMMISSIONERS COURT**ORDER DESIGNATING THE PERMICO ZONE WITHIN NUECES COUNTY, TEXAS PURSUANT TO THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT (CHAPTER 312 OF THE TEXAS TAX CODE)**

WHEREAS, the Texas Property Redevelopment and Tax Abatement Tax (the "Act"), Texas Tax Code, Chapter 312, as amended, authorizes the Commissioners Court of Nueces County, Texas to designate a zone for property tax abatement pursuant to said Act; and

WHEREAS, it is the policy of the County to encourage the redevelopment of areas wherein the creation and retention of new jobs and investment will benefit the area economy, provide needed economic opportunities, strengthen the real estate market and generate tax revenues to support local services; and

WHEREAS, on July 1, 2018, notice of a public hearing on the designation of such Zone was published in a newspaper of general circulation in the City of Corpus Christi, and on July 2, 2018, such notice was given by U.S. mail, certified, postage prepaid, return receipt requested, to the presiding officer of the governing body of each taxing unit including property in the proposed Zone in accordance with the Act; and

WHEREAS, the Commissioners Court of Nueces County, Texas conducted a public hearing on July 11, 2018, at which all interested persons were entitled to speak and present evidence for or against the designation of a zone for temporary property tax abatement;

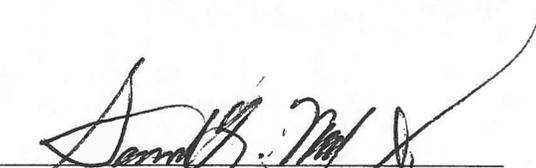
NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS, THAT:

1. Findings. The Nueces County Commissioners Court finds and determines that the improvements proposed by Permico Midstream Partners, LLC within the Zone are feasible and practical and would be a benefit to the land to be included in the Permico Zone and to the County after any tax abatement agreements entered into in accordance with the Act have expired. The Commissioners Court further finds and determines that area to be designated as the Permico Zone under the Act is reasonably likely, as a result of the designation, to contribute to the expansion of primary employment and will attract major investment in the Zone that would be a benefit to the property and would contribute to the economic development of the County.

2. Creation of Zone. The Permico Zone is hereby created comprised of approximately 160 acres located at the northwest corner of FM Road No. 1694 and County Road No. 34, the same being the following three parcels out of the George H. Paul Subdivision of the Driscoll Ranch in

Nueces County, Texas: Parcel A: East half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); Parcel B: West half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); and Parcel C: West half of the Southeast quarter and the Southeast quarter of the Southeast quarter of Section Two (2) (119.75 acres).

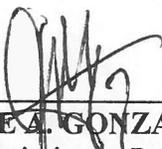
DULY ADOPTED at a regular meeting of the Commissioners Court on the 11th day of July, 2018.



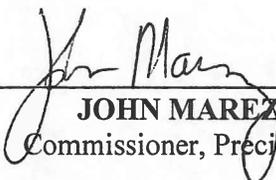
SAMUEL L. NEAL, JR.
Nueces County Judge



CAROLYN VAUGHN
Commissioner, Precinct 1



JOE A. GONZALEZ
Commissioner, Precinct 2



JOHN MAREZ
Commissioner, Precinct 3



BRENT CHESNEY
Commissioner, Precinct 4



ATTEST:



KARA SANDS, County Clerk

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the area would enhance the economic base of area taxing entities; and

WHEREAS, Nueces County must compete with other counties across the nation currently offering tax inducements to attract new plant and modernization projects, and studies have shown that a favorable local tax climate and start-up tax concessions rank second on the list of priorities for new plant installations or expansions; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any tax incentives offered must be strictly limited in application to those new and existing industries that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing entities; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act"), Chapter 312 of the Texas Tax Code authorizes counties, cities and special districts to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-fourths vote of the governing body; and

WHEREAS, the County would like to adopt Guidelines and Criteria that supersede those last approved in October 2012 with these Guidelines and Criteria with changes in order to provide for a common, coordinated effort to promote economic development in Nueces County;

NOW, THEREFORE, BE IT RESOLVED by the County of Nueces that these Guidelines and Criteria for granting tax abatement be adopted:

Section 1. Definitions.

- (a) "Abatement" means the temporary, full or partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designated for economic development purposes pursuant to the Act.
- (b) "Added Value" means the increase in the Appraised Value of an Eligible Property over the Base Year Value as a result of "Expansion" or "Modernization" of an existing facility or construction of a "New Facility." It does not mean or include "Deferred Maintenance."

- (c) “Appraised Value” means the appraised value for property tax purposes as determined by the Nueces County Appraisal District, subject to the appeal procedures set forth in the Texas Tax Code.
 - (d) "Agreement" means a contractual agreement between a property owner and/or lessee in an Eligible Jurisdiction for the purposes of tax abatement. Any Agreement shall be in conformity with these Guidelines and Criteria, including any variance granted under Section 3(f) set out herein. Upon the adoption of a resolution authorizing an Agreement and the execution of same by the parties, the Agreement shall be deemed to embody all of the terms of the Abatement, and no provision of these Guidelines and Criteria shall be deemed to supersede any terms of the Agreement.
 - (e) "Base Year Value" means the Appraised Value of Eligible Property as of the date specified in the Agreement.
 - (f) "Basic Manufacturing or Service Facility" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of Nueces County.
 - (g) “Construction Phase” means the period during which a material and substantial improvement of the property occurs which represents a separate and distinct construction operation undertaken for the purpose of erecting the improvements. The Construction Phase ends upon the earliest to occur of the following events:
 - (1) when a certificate of occupancy is issued for the Facility (if it is located within a city),
 - (2) when commercial production of a product or provision of a service is achieved at the Facility,
 - (3) when the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument, or
 - (4) at the end of the fifth (5th) year from the effective date of the Abatement or such earlier maximum date as may be specified in the Agreement.
- The above determination shall be made by the Eligible Jurisdiction offering the Abatement, in its sole and absolute discretion, based upon the above criteria and such other factors as the Eligible Jurisdiction may deem relevant. The determination of the completion of the Construction Phase shall be conclusive, and any judicial review of such determination shall be governed by the substantial evidence rule.
- (h) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

- (i) "Economic Life" means the number of years a property improvement is expected to be in service in a Facility.
- (j) "Eligible Jurisdiction" means Nueces County and any municipality or district, the majority of which is located in Nueces County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing zone designated pursuant to the Act.
- (k) "Eligible Property" Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (l) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (m) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole comprising the project as described in the agreement for temporary tax abatement.
- (n) "Force Majeure" means circumstances beyond the control of Owner which shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like.
- (o) "Ineligible Property" The following types of property shall be fully taxable and ineligible for Abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; Deferred Maintenance investments; property to be rented or leased except as provided in Section 1(k); improvements for the transmission of electrical energy not wholly consumed by a New Facility or Expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the Facility; improvements to real property which have an economic life of less than 15 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; unless specifically authorized by the Eligible Jurisdiction.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. 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, repairing or completion of Deferred Maintenance.
- (q) "New Capital Investment" means the total value of expenditures capitalized for the Facility on the Owner's books, prior to depreciation, whether relating to exempt or non-exempt

property, including all buildings, structures, site improvements, fixed equipment, intangibles, and pollution control equipment.

- (r) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (s) "Owner" means the owner of a Facility subject to Abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the Eligible Property subject to Abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving Abatement.
- (t) "Petrochemical Facility" means buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture or processing of petrochemicals or fuels by physical or chemical change.
- (u) "Regional Distribution Center Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the Facility operator where a majority of the goods or services are distributed to points beyond a 50-mile radius of Nueces County.
- (v) "Regional Telecommunications/Data Processing Center Facility" means buildings and structures used or to be used primarily for the provision of telecommunication or data processing services by the Facility operator where a majority of the services are provided to points beyond a 50-mile radius of Nueces County.
- (w) "Regional Visitor/Amusement Facility" means buildings and structures used or to be used primarily as a stadium, arena, amusement park or similar attraction or sports venue.
- (x) "Enterprise Zone Residential Redevelopment Facility" means buildings and structures used or to be used primarily for residential purposes and which are located within an enterprise zone.

Section 2. **Abatement Authorized.**

- (a) Authorized Facilities. A Facility may be eligible for Abatement if it is a Basic Manufacturing or Service Facility, Regional Distribution Center Facility, Regional Telecommunications/Data Processing Center Facility, Regional Visitor/Amusement Facility, Enterprise Zone Residential Redevelopment Facility or Petrochemical Facility. Abatement may be granted for New Facilities and improvements to an Existing Facility for the purpose of Modernization or Expansion.
- (b) Creation of New Value. Abatement may only be granted for the Added Value of Eligible Property improvements made subject to and listed in an Agreement between the Eligible Jurisdiction and the property owner and lessee (if required), subject to such limitations as said jurisdiction may require. The economic life of the improvements must exceed the term of the Agreement.

(c) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date specified in the Agreement. Abatement shall be allowed for a period of up to seven years following the completion of construction; provided that, in no event shall the period of Abatement, inclusive of the Construction Phase exceed ten (10) years.

(d) Abatement Percentage.

(1) For a Facility which provides not less than 20 (but not more than 99) net new full-time jobs, the percentage of tax abated shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%

(2) For a Facility which provides not less than 100 (but not more than 199) net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement (for first \$10 million)</u>	<u>Percentage of Abatement (over \$10 million)</u>
Construction Phase (not to exceed 3 years)	100%	100%
Year 1	75%	50%
Year 2	75%	50%
Year 3	75%	50%
Year 4	75%	50%
Year 5	75%	50%

(3) For a Facility which provides at least 200 net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement (for first \$10 million)</u>	<u>Percentage of Abatement (over \$10 million)</u>
Construction Phase (not to exceed 3 years)	100%	100%
Year 1	100%	50%

Year 2	100%	50%
Year 3	100%	50%
Year 4	100%	50%
Year 5	100%	50%

- (4) For a Basic Manufacturing or Service Facility which provides at least \$150 million in New Capital Investment, and at least 10 net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%

- (5) For a Basic Manufacturing or Service Facility which provides at least \$500 million in New Capital Investment, and at least 20 net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	70%
Year 2	70%
Year 3	70%
Year 4	70%
Year 5	70%

- (6) For a Basic Manufacturing or Service Facility which provides at least \$750 million in New Capital Investment, and at least 200 net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

<u>Year</u>	<u>Percentage of Abatement</u>
Construction Phase (not to exceed 3 years)	100%
Year 1	70%
Year 2	70%
Year 3	70%
Year 4	70%
Year 5	70%

Year 6	70%
Year 7	70%

In the event the Added Value caused by the Facility is less than \$2.0 million, no Abatement shall be granted unless the Facility is a Rehabilitation Project as described in Section 2(e).

In order to be counted as a new full-time job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 35 hours per week. The percentage of Abatement provided each year under the Agreement shall be based upon the employment information as of January 1 of such year. As a result, the actual amount of Abatement may vary from year to year based upon employment levels and property valuations.

For example, Company A has an Agreement entered 5/1/2017 and projects to create 250 permanent jobs. If the actual experience of Company A involves fluctuating job levels, the actual Abatement under the Agreement could follow the following pattern:

<u>Year</u>	<u>Employment</u>	<u>Abatement (First \$10mm)</u>	<u>Abatement (Over \$10mm)</u>
1/1/18*	0	100%	100%
1/1/19*	0	100%	100%
1/1/20	150	75%	50%
1/1/21	250	100%	50%
1/1/22	150	75%	50%
1/1/23	50	50%	50%
1/1/24	250	100%	50%

*Construction Underway

- (e) Rehabilitation Projects. The \$2 million minimum Added Value requirement for Abatement shall not apply to Rehabilitation Projects which involve the adaptive reuse of an existing structure or building for a Facility. In order to qualify as a Rehabilitation Project under this provision, the Project must involve a minimum New Capital Investment of \$250,000. Any Rehabilitation Project must involve the adaptive reuse of an existing structure or building currently on the property tax rolls so that the Base Year Value associated with the Project will include both the value of the land and the existing improvements. For such Rehabilitation Projects, all Eligible Property in excess of the Base Year Value shall be subject to Abatement plus the value of personal property such as furniture and movable equipment which would otherwise be considered Ineligible Property for any other type of Abatement category. In no event, however, may the total value of personal property subject to Abatement exceed \$1 million or the total amount of all property subject to Abatement in a Rehabilitation Project exceed \$5 million.
- (f) Estimated Added Value Requirement. At the time of execution of the Agreement, the Owner shall reasonably estimate the Added Value upon completion of construction of any improvements to real property in connection with the Facility. This "Estimated Added

Value" shall be stated in the Agreement. In the event that upon completion of construction of the improvements, the Added Value, as determined by the Nueces County Appraisal District, shall at any time thereafter during the term of the Agreement be less than eighty-five percent (85%) of the Estimated Added Value, not due to a Force Majeure condition, the Owner agrees to pay an amount equal to the then current tax rate of each Eligible Jurisdiction providing Abatement applied to the difference between the actual Added Value from eighty-five percent (85%) of the Estimated Added Value, multiplied by 100% minus the net percentage of Abatement provided under the Agreement. The formula for calculating such additional tax is outlined as follows:

$$[\text{Tax Rate}] \times [(85\% \text{ of Est. Added Value} - \text{Actual AV}) \times (100\% - \text{Abatement}\%)] = \text{Additional Tax}$$

- (g) Properties in Industrial Districts. For Eligible Property to be constructed in an area which is covered by an executed industrial district agreement with the City of Corpus Christi, the method of calculating payments in lieu of property taxes for such Eligible Property shall be as set forth in the industrial district agreement. As an alternative to an industrial district agreement, an Eligible Property may be covered by an Agreement with the City, but such shall constitute an election by the Owner that the land and improvements shall not be included within any type of industrial district arrangement following the expiration of the Agreement with the City.
- (h) Economic Qualification. In order to be eligible for Abatement, the planned improvement:
 - (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum required number of permanent jobs in Nueces County;
 - (2) must not adversely affect competition in the local market with established local businesses as determined by the governing body of the Eligible Jurisdiction.
- (i) Taxability. From the commencement of the Abatement period to the end of the Abatement period, taxes shall be payable as follows:
 - (1) The value of Ineligible Property as provided in Section 1(o) shall be fully taxable (except for personal property added in connection with a Rehabilitation Project);
 - (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
 - (3) The Added Value of new Eligible Property (and certain personal property added in connection with a Rehabilitation Project) shall be taxable in the manner described in Section 2(d) above.
- (j) Environmental and Worker Safety Qualifications. In determining whether to grant a Abatement, consideration will be given to compliance with all state and federal laws designed to protect human health, welfare and the environment (“environmental laws”)

that are applicable to all facilities in the State of Texas owned or operated by the owner of the Facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

Section 3. **Application.**

- (a) Written Application. Any present or potential owner of taxable property may request Abatement by filing a written application with: (i) the City Manager of the City, if such property is within the city limits, or (ii) the County Judge of Nueces County, if such property is in the unincorporated areas of Nueces County.
- (b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager or County Judge, as the case may be, shall forward a copy of the application to the presiding officer of the governing body of each Eligible Jurisdiction having jurisdiction of the property covered by the application.
- (d) Feasibility. After receipt of an application for Abatement, the City or the County, as applicable, shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the Eligible Jurisdiction and the property to be covered by such Abatement.
- (e) No Abatement if Construction has Commenced. No Agreement shall be approved if the application for the Abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (f) Variance. Requests for variance from the provisions of Section 2 may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance.

Approval of a request for variance requires a three-fourths (3/4ths) vote of the governing body of each Eligible Jurisdiction providing Abatement.

Section 4. **Public Hearing and Approval.**

- (a) Designation of Zone. A resolution designating a zone for Abatement under the Act may not be adopted by the City or the County until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible Jurisdiction and to the public in the manner required by the Act.
- (b) Required Findings. In order to enter into an Agreement, the County, the City and any district must find that the terms of the proposed Agreement meet these Guidelines and Criteria.
- (c) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for Abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed Facility should be granted Abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed Abatement of taxes will inure to the long-term benefit of such Eligible Jurisdiction.

Section 5. **Agreement.**

- (a) Contents of Tax Abatement Agreement. The Agreement with the Owner shall include:
 - (1) the estimated value to be subject to Abatement and the Base Year Value;
 - (2) the percentage of value to be abated each year as provided in Section 2(d);
 - (3) the commencement date and termination date of Abatement;
 - (4) a provision that the term of the Agreement shall extend until five (5) years after the expiration of the period of tax Abatement;
 - (5) the proposed use of the Facility, time schedule, map, property description and improvements list as provided in the application as required;
 - (6) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law;
 - (7) the amount of Added Value and required number of permanent jobs;

- (8) a requirement that owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that the owner is in compliance with each applicable term of the agreement;
 - (9) a requirement that the owner or lessee will (a) obtain and maintain all required permits and other authorizations from the United States Environmental Protection Agency and the TCEQ for the construction and operation of the Facility and for the storage, transport and disposal of solid waste; and (b) seek a permit from the TCEQ for all grandfathered units on the site of the Facility by filing with the TCEQ, within three years of receiving the Abatement, a technically complete application for such a permit;
 - (10) a limitation that the uses of the property must be consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
 - (11) provision of access to and authorization to inspect the property by employees or authorized agents of the County to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement; and
 - (12) a provision that the governing body of the County may cancel or modify the Agreement if the Owner fails to comply with the Agreement.
- (b) Time of Execution. The Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.
- (c) Attorney's Fees. In the event any attorney's fees are incurred by the Eligible Jurisdiction in the preparation of an Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum required number of permanent jobs by the January 1 following the actual (not deemed) completion of construction, no Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum required number of permanent jobs by the next January 1, then the Agreement shall be subject to termination and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination. Notwithstanding the foregoing, in the event that the above defaults are due to a Force Majeure condition, the Governmental Unit may grant extensions if the Owner is diligently proceeding to cure such defaults.
- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the required minimum required number of permanent

jobs but subsequently discontinues operations and the minimum required number of permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement, for any reason except on a temporary basis due to a Force Majeure condition, the Agreement may be terminated by the Eligible Jurisdiction providing Abatement, and all taxes previously abated by virtue of the Agreement during the preceding four years shall be recaptured and paid within 60 days of such termination.

- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall be subject to termination and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible Jurisdiction providing Abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period and the Agreement is terminated, the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Actual Capital Investment. Should the Eligible Jurisdiction providing Abatement determine that the total level of New Capital Investment is lower than provided in the Agreement, the difference between the tax abated and the tax which should have been abated based upon the actual New Capital Investment as determined shall be paid to the taxing agencies within 60 days of notification to the Owner of such determination.
- (f) Reduction in Rollback Tax Rate. If during any year of the period of Abatement with respect to any property any portion of the abated value for the Eligible Property which is added to the current total value of the Eligible Jurisdiction but is not treated as "new property value" (as defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance and operations rate" (as defined in Section 26.012(16) of the Texas Tax Code) in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible Jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible Jurisdiction for the succeeding year, then the Eligible Jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
 - (1) The amount of the taxes abated for that year by the Eligible Jurisdiction with respect to such property.
 - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total Appraised Value of the Eligible Jurisdiction.

If the Eligible Jurisdiction has granted an Abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the Abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (g) Statutory Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (h) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

Section 7. **Administration.**

- (a) Annual Assessment. The Nueces County Appraisal District shall annually determine the Appraised Value of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the Abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the Appraised Value and the Abatement.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the Eligible Jurisdiction will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with all applicable safety standards.
- (c) Annual Evaluation. Upon completion of construction, the Eligible Jurisdiction individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement.

- (d) Annual Reports. Owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that Owner is in compliance with each applicable term of the Agreement. Additionally, during the initial four years of the term of Abatement, the Owner shall provide to the Eligible Jurisdiction approving the Abatement an annual report covering those items listed on Schedule 1 in order to document its efforts to acquire goods and services on a local basis. Such annual report shall be prepared on a calendar year basis and shall be submitted to the Eligible Jurisdiction no later than ninety (90) days following the end of each such calendar year. The annual report shall be accompanied by an audit letter prepared by an independent accounting firm which has reviewed the report.
- (e) "Buy Local" Provision. Each recipient of Abatement shall additionally agree to give preference and priority to local manufacturers, suppliers, contractors and labor for the materials and labor described on Schedule 1, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency. In any such exception cases involving purchases over \$10,000 (or \$200,000 for any Facility with a New Capital Investment of at least \$500,000,000) a justification for such purchase shall be included in the annual report. Each such recipient shall further acknowledge that it is a legal and moral obligation of persons receiving Abatement to favor local manufacturers, suppliers, contractors and labor, all other factors being equal. For the purposes of this provision, the terms "materials" and "labor" shall have the meaning set out in Schedule 1. For the purposes of this provision, the term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Nueces County or San Patricio County. In the event of a breach of the buy-local provision, the percentage of Abatement shall be proportionately reduced equal to the amount the disqualified contract bears to the total construction cost (materials and labor) for the Facility. In the event that Owner contracts the supply and construction of the Facility to an affiliate or other non-local contractor, Owner shall ensure compliance with this Section by including in such contract a flow-through provision requiring such compliance.
- (f) Transition Rule. For any Facility which obtained an Agreement within the twelve months prior to adoption of these Guidelines, such Facility may, upon the agreement of the Owner and the Eligible Jurisdiction, obtain an amendment to its Agreement to incorporate the terms and conditions of these Guidelines.

SCHEDULE 1

"Buy Local" Annual Reports

The following information shall be reported to the Governmental Unit on a calendar-year basis during the first four years of the tax abatement program:

1. Dollar amount spent for materials* (local).
2. Dollar amount spent for materials* (total).
3. Dollar amount spent for labor** (local).
4. Dollar amount spent for labor** (total).
5. Number of jobs created in the construction of the Facility (local).
6. Number of jobs created in the construction of the Facility (total).
7. Number of jobs created on a permanent basis (local).
8. Number of jobs created on a permanent basis (total).

* The term "materials" is defined to include all materials used in excavation, site improvement, demolition, concrete, structural steel, fire proofing, piping, electrical, instruments, paintings and scaffolding, insulation, temporary construction facilities, supplies, equipment rental in construction, small tools and consumables. This term does not include major items of machinery and equipment not readily-available locally.

** The term "labor" is defined to include all labor in connection with the excavation, site improvement, demolition, concrete construction, structural steel, fire proofing, equipment placement, piping, electrical, instruments, painting and scaffolding, insulation, construction services, craft benefits, payroll burdens, and related labor expenses. This term does not include engineering services in connection with the design of the Facility.

The term "local" as used to describe manufacturers, suppliers, contractors and labor shall include firms, businesses, and persons who reside in or maintain an office in either Nueces County or San Patricio County.

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

TAB 17

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

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

Dr. Jose Moreno

Print Name (Authorized School District Representative)

Superintendent

Title

sign here

Signature (Authorized School District Representative)

Date

5-13-19

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 here

Jeffrey Beicker

Print Name (Authorized Company Representative (Applicant))

Chief Executive Officer

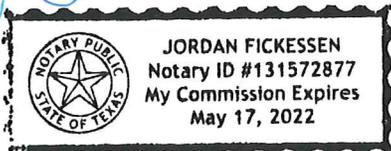
Title

sign here

Signature (Authorized Company Representative (Applicant))

Date

5/6/19



(Notary Seal)

GIVEN under my hand and seal of office this, the

6th day of MAY

Signature of Jordan Fickessen

Notary Public in and for the State of Texas

My Commission expires: MAY 17, 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.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT A-1

Amendment 001 to Application for Appraised Value
Limitation on Qualified Property

SECTION 9: Projected Timeline

1. Application approval by school board January 2020
2. Commencement of construction Q1 2024
3. Beginning of qualifying time period Jan. 1, 2024
4. First year of limitation Jan. 1, 2026
5. Begin hiring new employees December 2020
6. Commencement of commercial operations December 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? December 2020

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Tueces
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Tueces
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: Tueces County, 100%, 0.3091% City: A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: Tueces County Hospital, 100%, 0.117672 Water District: A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): See Tab 6 Other (describe): See Tab 6
(Name, tax rate and percent of project) (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? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
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 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 2019
(year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

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

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

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 91□□0
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,□19.40
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,27□.07

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? 66,303.60

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 66,□00.00

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

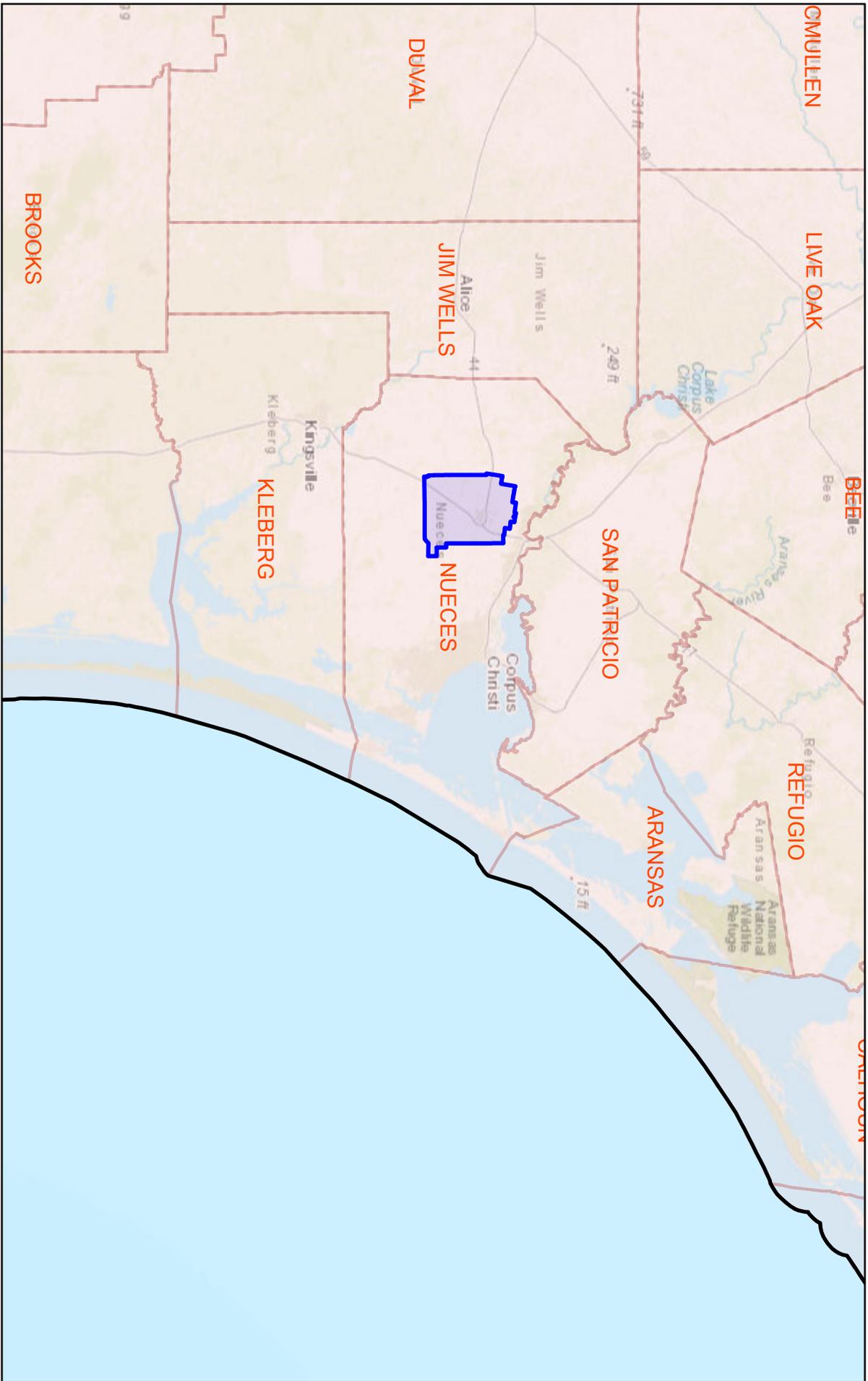
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).

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

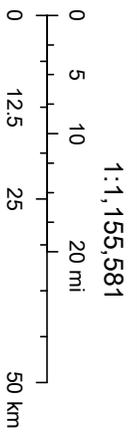
1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. 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**.

Nueces County & Robstown ISD Boundary



October 4, 2018

-  Texas_Outline
-  Counties



Sources: Esri, HERE, Garmin, Intermap, Increment P Corp., GEBCO, USGS,

Permico Midstream Partners, LLC
TAB 13 TO CHAPTER 313 APPLICATION

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 918.00	\$ 47,736.00
SECOND	2018	\$ 891.00	\$ 46,332.00
THIRD	2018	\$ 906.00	\$ 47,112.00
FOURTH	2018	\$ 959.00	\$ 49,868.00
AVERAGE		\$ 918.50	\$ 47,762.00

NUECES COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

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FIRST	2018	\$ 1,920.00	\$ 99,840.00
SECOND	2018	\$ 1,472.00	\$ 76,544.00
THIRD	2018	\$ 1,556.00	\$ 80,912.00
FOURTH	2018	\$ 1,668.00	\$ 86,736.00
AVERAGE		\$ 1,654.00	\$ 86,008.00
X		110%	110%
		\$ 1,819.40	\$ 94,608.80

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2017	\$ 1,159.15	\$ 60,276.00
X	110%	110%
	\$ 1,275.07	\$ 66,303.60

* SEE ATTACHED TWC DOCUMENTATION

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Nueces	Total All	10	Total, All Industries	918
2018	02	Nueces	Total All	10	Total, All Industries	891
2018	03	Nueces	Total All	10	Total, All Industries	906
2018	04	Nueces	Total All	10	Total, All Industries	959

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Drag a column header and drop it here to group by that column

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Showing 4 items



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

COG	Wages	
	Hourly	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
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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
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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.

SECTION 9: Projected Timeline

- 1. Application approval by school board January 2020
- 2. Commencement of construction Q1 2024
- 3. Beginning of qualifying time period Jan. 1, 2024
- 4. First year of limitation Jan. 1, 2026
- 5. Begin hiring new employees December 2025
- 6. Commencement of commercial operations December 2025
- 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? December 2025

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Nueces
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Nueces
- 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: Nueces County, 100%, \$0.309189 City: N/A
(Name, tax rate and percent of project)
 Hospital District: Nueces County Hospital, 100%, \$0.117672 Water District: N/A
(Name, tax rate and percent of project)
 Other (describe): See Tab 6 Other (describe): See Tab 6
(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? 10,000,000.00
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- 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:
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4. What is the number of new qualifying jobs you are committing to create? 10
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 - 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.
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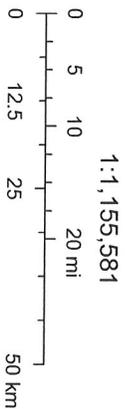
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October 4, 2018

▭ Texas_Outline

▭ Counties



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TAB 13 TO CHAPTER 313 APPLICATION**

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Data intended for TAC 313 purposes only.

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 ▶ Dr. Jose Moreno Superintendent
Print Name (Authorized School District Representative) Title

sign here ▶ *Dr. Jose Moreno* 7-25-19
Signature (Authorized School District Representative) Date

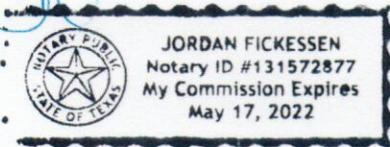
2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Jeffrey Beicker Chief Executive Officer
Print Name (Authorized Company Representative (Applicant)) Title

sign here ▶ *Jeffrey F. Beicker* 7/12/19
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

12th day of JULY, 2019
Jordan Fickessen
 Notary Public in and for the State of Texas
 My Commission expires: MAY 17, 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.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT B

Comptroller's Letter and Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

September 27, 2019

Dr. Jose Moreno
Superintendent
Robstown Independent School District
801 N 1st Street
Robstown, Texas 78380

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Robstown Independent School District and Permico Midstream Partners, LLC, Application 1375

Dear Superintendent Moreno:

On August 7, 2019, the Comptroller issued written notice that Permico Midstream Partners, LLC (applicant) submitted a completed application (Application 1375) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 13, 2019, to the Robstown 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 1375.

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).

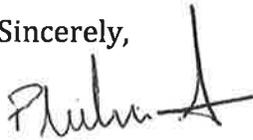
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of August 7, 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,



For: Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Permico Midstream Partners, LLC (project) applying to Robstown 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 Permico Midstream Partners, LLC.

Applicant	Permico Midstream Partners, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Robstown ISD
2017-2018 Average Daily Attendance	2,393
County	Nueces
Proposed Total Investment in District	\$275,000,000
Proposed Qualified Investment	\$275,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2024-2025
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,278.85
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,275.07
Minimum annual wage committed to by applicant for qualified jobs	\$66,500
Minimum weekly wage required for non-qualifying jobs	\$919.50
Minimum annual wage required for non-qualifying jobs	\$47,814
Investment per Qualifying Job	\$27,500,000
Estimated M&O levy without any limit (15 years)	\$32,936,822
Estimated M&O levy with Limitation (15 years)	\$11,562,936
Estimated gross M&O tax benefit (15 years)	\$21,373,886

Table 2 is the estimated statewide economic impact of Permico Midstream Partners, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	250	369	619	\$25,000,000	\$35,740,000	\$60,740,000
2025	250	388	638	\$25,000,000	\$42,440,000	\$67,440,000
2026	10	232	242	\$665,000	\$33,705,000	\$34,370,000
2027	10	233	243	\$665,000	\$34,865,000	\$35,530,000
2028	10	225	235	\$665,000	\$35,385,000	\$36,050,000
2029	10	219	229	\$665,000	\$36,035,000	\$36,700,000
2030	10	215	225	\$665,000	\$36,925,000	\$37,590,000
2031	10	212	222	\$665,000	\$38,045,000	\$38,710,000
2032	10	211	221	\$665,000	\$39,435,000	\$40,100,000
2033	10	210	220	\$665,000	\$40,925,000	\$41,590,000
2034	10	209	219	\$665,000	\$42,435,000	\$43,100,000
2035	10	209	219	\$665,000	\$44,075,000	\$44,740,000
2036	10	205	215	\$665,000	\$45,105,000	\$45,770,000
2037	10	202	212	\$665,000	\$46,365,000	\$47,030,000
2038	10	200	210	\$665,000	\$47,805,000	\$48,470,000

Source: CPA REMI, Permico Midstream Partners, LLC

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	Tax Rate*	Robstown ISD I&S Tax Levy	Robstown ISD M&O Tax Levy	Robstown M&O and I&S Tax Levies	Nueces County Tax Levy	Nueces County Hospital Tax Levy	Estimated Total Property Taxes
			0.4950		1.0500		0.3092	0.1177	
2025	\$82,500,000	\$82,500,000		\$408,375	\$866,250	\$1,274,625	\$255,082	\$97,078	\$1,626,785
2026	\$266,805,000	\$266,805,000		\$1,320,685	\$2,801,453	\$4,122,137	\$824,934	\$313,949	\$5,261,021
2027	\$256,132,800	\$256,132,800		\$1,267,857	\$2,689,394	\$3,957,252	\$791,937	\$301,391	\$5,050,580
2028	\$245,887,500	\$245,887,500		\$1,217,143	\$2,581,819	\$3,798,962	\$760,260	\$289,336	\$4,848,557
2029	\$236,052,000	\$236,052,000		\$1,168,457	\$2,478,546	\$3,647,003	\$729,849	\$277,762	\$4,654,615
2030	\$226,609,900	\$226,609,900		\$1,121,719	\$2,379,404	\$3,501,123	\$700,655	\$266,652	\$4,468,430
2031	\$217,545,500	\$217,545,500		\$1,076,850	\$2,284,228	\$3,361,078	\$672,629	\$255,986	\$4,289,693
2032	\$208,843,700	\$208,843,700		\$1,033,776	\$2,192,859	\$3,226,635	\$645,724	\$245,746	\$4,118,105
2033	\$200,490,000	\$200,490,000		\$992,426	\$2,105,145	\$3,097,571	\$619,895	\$235,917	\$3,953,382
2034	\$192,470,300	\$192,470,300		\$952,728	\$2,020,938	\$2,973,666	\$595,099	\$226,480	\$3,795,245
2035	\$184,771,500	\$184,771,500		\$914,619	\$1,940,101	\$2,854,720	\$571,295	\$217,421	\$3,643,435
2036	\$177,380,600	\$177,380,600		\$878,034	\$1,862,496	\$2,740,530	\$548,443	\$208,724	\$3,497,697
2037	\$170,285,300	\$170,285,300		\$842,912	\$1,787,996	\$2,630,908	\$526,505	\$200,375	\$3,357,788
2038	\$163,473,800	\$163,473,800		\$809,195	\$1,716,475	\$2,525,670	\$505,445	\$192,360	\$3,223,474
2039	\$156,934,800	\$156,934,800		\$776,827	\$1,647,815	\$2,424,643	\$485,227	\$184,665	\$3,094,535
2040	\$150,657,500	\$150,657,500		\$745,755	\$1,581,904	\$2,327,658	\$465,818	\$177,279	\$2,970,755
			Total	\$15,527,359	\$32,936,822	\$48,464,181	\$9,698,796	\$3,691,120	\$61,854,097

Source: CPA, Permico Midstream Partners, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jefferson 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 Cod.

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		Robstown ISD I&S Tax Levy	Robstown ISD M&O Tax Levy	Robstown M&O and I&S Tax Levies	Nueces County Tax Levy	Nueces County Hospital Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4950	1.0500		0.3092	0.1177	
2025	\$82,500,000	\$82,500,000		\$408,375	\$866,250	\$1,274,625	\$255,082	\$97,078	\$1,626,785
2026	\$266,805,000	\$20,000,000		\$1,320,685	\$210,000	\$1,530,685	\$824,934	\$313,949	\$2,669,569
2027	\$256,132,800	\$20,000,000		\$1,267,857	\$210,000	\$1,477,857	\$791,937	\$301,391	\$2,571,186
2028	\$245,887,500	\$20,000,000		\$1,217,143	\$210,000	\$1,427,143	\$760,260	\$289,336	\$2,476,739
2029	\$236,052,000	\$20,000,000		\$1,168,457	\$210,000	\$1,378,457	\$729,849	\$277,762	\$2,386,069
2030	\$226,609,900	\$20,000,000		\$1,121,719	\$210,000	\$1,331,719	\$700,655	\$266,652	\$2,299,026
2031	\$217,545,500	\$20,000,000		\$1,076,850	\$210,000	\$1,286,850	\$672,629	\$255,986	\$2,215,465
2032	\$208,843,700	\$20,000,000		\$1,033,776	\$210,000	\$1,243,776	\$645,724	\$245,746	\$2,135,247
2033	\$200,490,000	\$20,000,000		\$992,426	\$210,000	\$1,202,426	\$619,895	\$235,917	\$2,058,237
2034	\$192,470,300	\$20,000,000		\$952,728	\$210,000	\$1,162,728	\$595,099	\$226,480	\$1,984,307
2035	\$184,771,500	\$20,000,000		\$914,619	\$210,000	\$1,124,619	\$571,295	\$217,421	\$1,913,335
2036	\$177,380,600	\$177,380,600		\$878,034	\$1,862,496	\$2,740,530	\$548,443	\$208,724	\$3,497,697
2037	\$170,285,300	\$170,285,300		\$842,912	\$1,787,996	\$2,630,908	\$526,505	\$200,375	\$3,357,788
2038	\$163,473,800	\$163,473,800		\$809,195	\$1,716,475	\$2,525,670	\$505,445	\$192,360	\$3,223,474
2039	\$156,934,800	\$156,934,800		\$776,827	\$1,647,815	\$2,424,643	\$485,227	\$184,665	\$3,094,535
2040	\$150,657,500	\$150,657,500		\$745,755	\$1,581,904	\$2,327,658	\$465,818	\$177,279	\$2,970,755
			Total	\$15,527,359	\$11,562,936	\$27,090,295	\$9,698,796	\$3,691,120	\$40,480,211
			Diff	\$0	\$21,373,886	\$21,373,886	\$0	\$0	\$21,373,886

Source: CPA, Permico Midstream Partners, LLC

*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 Permico Midstream Partners, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
	2025	\$866,250	\$866,250	\$0	\$0
Limitation Period (10 Years)	2026	\$210,000	\$1,076,250	\$2,591,453	\$2,591,453
	2027	\$210,000	\$1,286,250	\$2,479,394	\$5,070,847
	2028	\$210,000	\$1,496,250	\$2,371,819	\$7,442,666
	2029	\$210,000	\$1,706,250	\$2,268,546	\$9,711,212
	2030	\$210,000	\$1,916,250	\$2,169,404	\$11,880,616
	2031	\$210,000	\$2,126,250	\$2,074,228	\$13,954,843
	2032	\$210,000	\$2,336,250	\$1,982,859	\$15,937,702
	2033	\$210,000	\$2,546,250	\$1,895,145	\$17,832,847
	2034	\$210,000	\$2,756,250	\$1,810,938	\$19,643,785
	2035	\$210,000	\$2,966,250	\$1,730,101	\$21,373,886
Maintain Viable Presence (5 Years)	2036	\$1,862,496	\$4,828,746	\$0	\$21,373,886
	2037	\$1,787,996	\$6,616,742	\$0	\$21,373,886
	2038	\$1,716,475	\$8,333,217	\$0	\$21,373,886
	2039	\$1,647,815	\$9,981,032	\$0	\$21,373,886
	2040	\$1,581,904	\$11,562,936	\$0	\$21,373,886
Additional Years as Required by 313.026(c)(1) (10 Years)	2041	\$1,518,627	\$13,081,563	\$0	\$21,373,886
	2042	\$1,457,882	\$14,539,445	\$0	\$21,373,886
	2043	\$1,399,568	\$15,939,013	\$0	\$21,373,886
	2044	\$1,343,585	\$17,282,598	\$0	\$21,373,886
	2045	\$1,289,841	\$18,572,439	\$0	\$21,373,886
	2046	\$1,238,247	\$19,810,686	\$0	\$21,373,886
	2047	\$1,188,718	\$20,999,404	\$0	\$21,373,886
	2048	\$1,141,168	\$22,140,572	\$0	\$21,373,886
	2049	\$1,095,522	\$23,236,094	\$0	\$21,373,886
	2050	\$1,051,701	\$24,287,795	\$0	\$21,373,886

\$24,287,795

is greater than

\$21,373,886

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, Permico Midstream Partners, LLC

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

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 Permico Midstream Partners, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Permico Midstream Partners, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Permico is a recently formed company seeking to enter the Texas natural gas liquids (NGL) processing market.”
 - B. “Permico will be competing against major Texas-based competitors with much larger processing footprints in Texas. Most, if not all, of Permico’s Texas competitors have benefited from Chapter 313 agreements with Texas school districts thus having a competitive property tax advantage over any new prospective NGL processing market entrant.”
 - C. “Project funding has been secured through long term commitments from various sources of foreign and domestic capital including private equity, pension fund institutions, and industry partners, with Sumitomo Mitsui Bank Corp serving as lead syndicator for the senior debt financing.”
 - D. “Permico, its investors, and lenders have the capability to invest this capital anywhere in the world including other domestic NGL opportunities outside of Texas and to invest in other types of industrial or infrastructure facilities other than NGL processing.”
 - E. “Since Permico has the ability to invest capital anywhere in the world outside of Texas and is competing against much larger competitors with Chapter 313 agreements, obtaining a Chapter 313 agreement is a determining factor to invest capital in Texas for the Project.”
 - F. “The price that Permico will receive for its end products will be the same market price as that received by its long-established competitors who have Chapter 313 agreements. However, without a Chapter 313 agreement, Permico’s return on invested capital will be significantly lower than its NGL competitors which could lead Permico to decide not to invest capital in Texas.”
 - G. “No public announcements have been made regarding Train 4, the subject of this application. No final investment decision has been made for the Project and feasibility discussions with potential

investors, oil producers, and NGL customers are ongoing. Land has not been purchased for the Project and no contracts with oil and gas producers or NGL customers have been executed. No air or water permit applications have been filed with TCEQ or the US EPA.”

- Permico Midstream Partners, LLC submitted confidential 15 year property tax figures depicting the estimated value of a Chapter 313 value limitation.
- An article in the *San Antonio Express-News*, dated July 13, 2018, stated “A \$550 million natural gas liquids separation project received eight years of tax abatements from Nueces County. The Houston company Permico Midstream Partners' Texas NGL Project includes a natural gas liquids fractionator that can process around 300,000 barrels of liquids a day and separate them into their component parts, such as ethane, propane and butane. The facility would be connected to more than 500 miles of pipelines from the Permian Basin in West Texas to the Gulf Coast.”
- A December 12, 2018 article in the *Caller Times* stated the following:
 - A. “The close of a sale on more than 150 acres of land near Robstown for a natural gas liquids project from Permico Midstream Partners LLC is being delayed until early next year. While that may appear to be bad news, the delay in the closing may be a blessing in disguise — the company is planning to increase its initial \$550 million investment by another \$150 million for an addition to the planned facility. Permico's project would involve construction of a NGL fractionator on 160 acres of land at the corner of Farm-to-Market Road 1694 and County Road 34, near Robstown.”
 - B. “County commissioners voted on Wednesday to give Permico more time to close on the sale of its land as part of a tax abatement agreement between the county and company. The initial deadline for that sale to be finalized was the end of this year. But the new deadline gives Permico until May 1, 2019 to get its property purchase done.”
 - C. “Jeff Beicker, Permico's CEO, said in a letter to commissioners that the company's initial schedule for closing had been delayed because of “unforeseen circumstances.” But the extension would be suitable to complete purchase of the property by May 1, 2019. “To date, we have substantially completed the front end engineering work for the fractionation plant and are confident that our project will succeed and be a viable addition to Nueces County,” Beicker wrote.”
 - D. “According to the Permico website, the fractionator facility is part of the company's Texas NGL project, which involves pipelines and other infrastructure that will move its product to the Houston area and the Port of Corpus Christi for distribution globally. The natural gas liquids will come from the Permian, Delaware and Eagle Ford basins, according to the website.”
- An August 22, 2017 *Pipelines International* article states that “Permico Energia has revealed plans for a new natural gas liquids (NGL) pipeline and fractionator project in Texas, US. The proposed project includes the construction of a 510 mile (820 km) 24 inch (609 mm) pipeline to transport product from the Permian Basin, west Texas to the planned 300,000 bb/d fractionator in Corpus Christi on the coast of the Gulf of Mexico. A 350 mile (563 km) system of downstream pipelines will also be constructed, providing access to an 8 million barrel NGL storage facility and Texas Gulf Coast industrial markets, including the Mont Belvieu area. The CEO of Texas Permico Partners – a wholly owned subsidiary of Permico Energia – Jeff Beicker said, “Permico’s new energy corridor will provide operating and cost advantages over the traditional Mont Belvieu options, which will enable us to provide reliable, economically superior solutions to the growing demands of our customer partners.”
- A *Citybizlist* article dated August 2, 2017 states that “Permico Energia, a privately held Houston-based midstream energy company, announces plans to construct a new Texas natural gas liquids (NGL) system comprised of 510 miles of 24-inch pipeline to ship West Texas Permian Basin NGL production to its planned 300,000 barrels per day fractionator near Corpus Christi, Texas” and that “Project funding has been secured through long term commitments from Korean pension fund institutions, with Sumitomo Mitsui Bank Corp serving as lead syndicator for the senior debt financing. At present, all project equity has been committed and senior debt financing is expected to close in the first quarter of 2018.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

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

Supporting Information

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

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

TAB 5

Documentation to assist in determining if limitation is a determining factor.
Tab 5 information is partially submitted under separate cover due to confidential information.

Permico is a recently formed company seeking to enter the Texas natural gas liquids (NGL) processing market. NGLs are commodities that are bought and sold at fluctuating market prices regardless of the company that produces them. Permico will be competing against major Texas-based competitors with much larger processing footprints in Texas. Most, if not all, of Permico's Texas competitors have benefited from Chapter 313 agreements with Texas school districts thus having a competitive property tax advantage over any new prospective NGL processing market entrant.

Permico's leadership has extensive experience in developing and operating pipeline, storage, treating, processing and fractionation assets combined with expertise in energy commodities trading and marketing. Permico's team and advisors rely upon their broad international business, legal, construction, intelligence and diplomatic backgrounds to identify and develop innovative projects that deliver value for customer partners and the company. Project funding has been secured through long term commitments from various sources of foreign and domestic capital including private equity, pension fund institutions, and industry partners, with Sumitomo Mitsui Bank Corp serving as lead syndicator for the senior debt financing. However, Permico, its investors, and lenders have the capability to invest this capital anywhere in the world including other domestic NGL opportunities outside of Texas and to invest in other types of industrial or infrastructure facilities other than NGL processing. The type of investor groups involved with Permico on this project have a history of making investments in NGL projects outside of Texas as well as alternative investments including highway infrastructure, other energy projects like wind energy farms and solar farms in Texas, elsewhere in the United States and around the World. Their money and expertise are not tied to the Permico project but instead can and will be used for other investments that are deemed more economically attractive. Specific examples of similar alternative investments that have occurred include:

- Salt Dome Gas Storage in Mississippi
- Crude Oil Terminal Project in Utah
- Crude Oil Refining Project in Utah
- Rail Transloading Facility in Utah
- Refining project in Mobile, Alabama
- Gas gathering and processing project in Texas
- Wax Refining Project in Texas, Louisiana, and Utah

**TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY PERMICO MIDSTREAM PARTNERS, LLC TO ROBSTOWN ISD**

Permico Midstream Partners, LLC
Chapter 313 Application to Robstown ISD
Cummings Westlake, LLC

A competitive return on capital is the key to this Project moving forward. Since Permico has the ability to invest capital anywhere in the world outside of Texas and is competing against much larger competitors with Chapter 313 agreements, obtaining a Chapter 313 agreement is a determining factor to invest capital in Texas for the Project. The price that Permico will receive for its end products will be the same market price as that received by its long-established competitors who have Chapter 313 agreements. However, without a Chapter 313 agreement, Permico's return on invested capital will be significantly lower than its NGL competitors which could lead Permico to decide not to invest capital in Texas.

No public announcements have been made regarding Train 4, the subject of this application. No final investment decision has been made for the Project and feasibility discussions with potential investors, oil producers, and NGL customers are ongoing. Land has not been purchased for the Project and no contracts with oil and gas producers or NGL customers have been executed. No air or water permit applications have been filed with TCEQ or the US EPA.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

\$550 million natural gas liquid project in Corpus gets county tax abatements

By [Rye Druzin](#) Published 4:06 pm CDT, Friday, July 13, 2018



Photo: /

A fractionator like this one that is yet to be built received tax abatements from the Nueces County Commissioners Court.

A \$550
million
natural
gas
liquids

FROM THE WEB

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separation project received eight years of tax abatements from Nueces County.

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The Houston company Permico Midstream Partners' Texas NGL Project includes a natural gas liquids fractionator that can process around 300,000 barrels of liquids a day and separate them into their component parts, such as ethane, propane and butane. The facility would be connected to more than 500 miles of pipelines from the Permian Basin in West Texas to the Gulf Coast.

by Taboola



Ethane is used in plastics production and as a petrochemical feedstock.

The Nueces County commissioners court approved tax abatements that would be 100 percent for up to three years of construction and another five years of 70 percent tax abatements.

Mike Culbertson, chief operating officer with the Corpus Christi Regional Economic Development Corporation told commissioners that while the tax abatements are active the project will still pay \$6.3 million in taxes to the county.

Other companies are building natural gas liquids pipelines out of the Permian Basin including EPIC Midstream Holdings LP, which recently announced it had finished the second phase of its EPIC NGL Pipeline. Over 200 miles of the 700-mile pipeline are complete.

Rye Druzin is a San Antonio Express-News energy reporter. Read more of his stories here. | rdruzin@express-news.net | Twitter: @druz_journo



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Permico to increase initial investment for plant near Robstown by \$150 million

Jim Acosta, Corpus Christi Caller Times



The Houston-based Midstream energy company wants to install a 3.1-billion pipeline system between the Permian Basin and the Eastern Shreveport, China Pipeline.



The close of a sale on more than 150 acres of land near Robstown for a natural gas liquids project from Permico Midstream Partners LLC is being delayed until early next year.

Photo Courtesy: Permico Energy LLC

While that may appear to be bad news, the delay in the closing may be a blessing in disguise — the company is planning to increase its initial \$550 million investment by another \$150 million for an addition to the planned facility. Permico's project would involve construction of a NGL fractionator on 190 acres of land at the corner of Farm-to-Market Road 1954 and County Road 34, near Robstown.



Jeff Becker, CEO and founding partner of Permico Energy LLC, addresses the Nueces County Commissioners Court on July 11, 2018. Photo: Jim Acosta/Caller Times

County commissioners voted on Wednesday to give Permico more time to close on the sale of its land as part of a tax abatement agreement between the county and company. The deal deadline for that sale to be finalized with the end of this year. But the new deadline gives Permico until May 1, 2019 to get its property purchase done.

More: Permico Midstream gets Nueces County tax incentives for \$550 million NGL project

More: Houston company planning \$2 billion pipeline from Permian Basin to Corpus Christi

Jeff Becker, Permico's CEO, said in a letter to commissioners that the company's initial schedule for closing had been delayed because of "unforeseen circumstances." But the addition would be suitable to complete purchase of the property by May 1, 2019.

"To date, we have substantially completed the front-end engineering work for the fractionation plant and are confident that our project will succeed and be a viable addition to Nueces County," Becker wrote.

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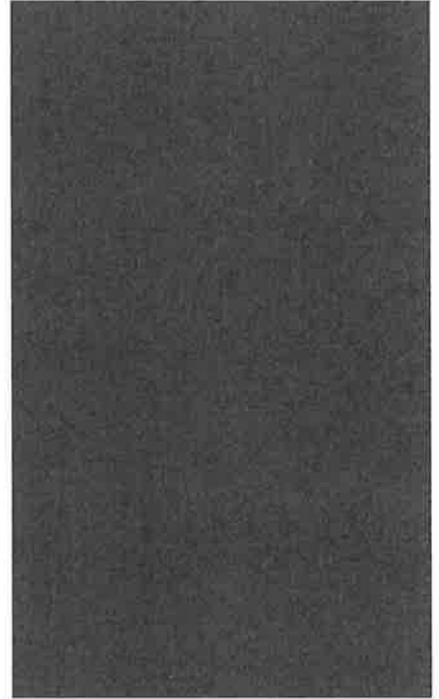


The company also applied for new tax abatements approved on Wednesday as well for construction of an additional natural gas liquids processing train capable of processing 150,000 barrels per day in Nueces County according to documents presented to the court. The new \$150 million option will create 10 more full time jobs in addition to the 52 previously announced by Permco for the first phase of the project.

According to the Permco website the fractionator facility is part of the company's Texas NGL project which involves pipelines and other infrastructure that will move its product to the Houston area and the Port of Corpus Christi for distribution globally. The natural gas liquids will come from the Permian, Delaware and Eagle Ford basins, according to the website.

The 52 full time jobs initially announced as a result of the project will have average annual salaries of \$92,000, county leaders have said. The 10 additional full time positions announced on Wednesday will have average annual salaries of about \$60,000, county officials said.

"I was hoping for Permco to meet their original completion date for this pipeline, but I am encouraged to hear of their additional expansion plans," Pct 3 County Commissioner John Marez said following Wednesday's meeting. "To have 60 plus well paying permanent jobs for a project of this size in the Robstown area is worth the wait."





Permico Energia plans new Texas NGL pipeline

22 August 2017



Permico Energia has revealed plans for a new natural gas liquids (NGL) pipeline and fractionator project in Texas, US.

The proposed project includes the construction of a 510 mile (820 km) 24 inch (609 mm) pipeline to transport product from the Permian Basin, west Texas to the planned 300,000 bb/d fractionator in Corpus Christi on the

coast of the Gulf of Mexico.

A 350 mile (563 km) system of downstream pipelines will also be constructed, providing access to an 8 million barrel NGL storage facility and Texas Gulf Coast industrial markets, including the Mont Belvieu area.

The CEO of Texas Permico Partners – a wholly owned subsidiary of [Permico Energia](#) – Jeff Beicker said, “Permico’s new energy corridor will provide operating and cost advantages over the traditional Mont Belvieu options, which will enable us to provide reliable, economically superior solutions to the growing demands of our customer partners.”

Construction is expected to commence before the end of 2018, with the system operational in 2020.

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Houston-Based Permico Energia Announces Natural Gas Liquids Pipeline and Fractionator Project

8/2/17

Permico Energia, a privately held Houston-based midstream energy company, announces plans to construct a new Texas natural gas liquids (NGL) system comprised of 510 miles of 24-inch pipeline to ship West Texas Permian Basin NGL production to its planned 300,000 barrels per day fractionator near Corpus Christi, Texas. The project scope also includes construction of a 350-mile system of downstream product pipelines which will provide access to an eight-million-barrel NGL storage facility and to Texas Gulf Coast industrial markets, including the Mont Belvieu area.

Construction is expected to commence in the second quarter of 2018 and the system's initial capacity of 300,000 barrels per day will be operational in the fourth quarter of 2020.

"Permico's new energy corridor will provide operating and cost advantages over the traditional Mont Belvieu options, which will enable us to provide reliable, economically superior solutions to the growing demands of our customer partners," said Jeff Becker, CEO of Texas Permico Partners, a wholly owned subsidiary of Permico Energia. "We have enjoyed a positive reception from both sides of the pipe and are currently negotiating long term producer and industrial partner contracts."

Project funding has been secured through long term commitments from Korean pension fund institutions, with Sumitomo Mitsui Bank Corp serving as lead syndicator for the senior debt financing. At present, all project equity has been committed and senior debt financing is expected to close in the first quarter of 2018.

Founded in 2015, Permico Energia LLC has offices in Houston and Washington D.C. Founded by a team of senior executives with in-depth experience in energy infrastructure projects, Permico Energia is focused on developing, constructing and operating midstream assets in Texas, as well as the domestic and international marketing of hydrocarbons.

For more information about the project, visit info@permicoenergia.com.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT C

Independent Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED PERMICO
MIDSTREAM PARTNER TRAIN 4 PROJECT IN THE
ROBSTOWN INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1375)**

PREPARED BY



SEPTEMBER 6, 2019

Executive Summary

Permico Midstream Partner Train 4 (Company) has requested that the Robstown Independent School District (RISD) 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 RISD on May 13, 2019 the Company plans to invest \$266.8 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 Permico Train 4 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, although few of these other types of projects have been the basis for Chapter 313 applications.

Under the provisions of Chapter 313, RISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2026-27 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. This analysis incorporates to the fullest extent possible the changes approved in House Bill 3 as approved in 2019, the most significant school finance revisions in more than 30 years. 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 RISD	\$3,727,352
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$17,745,225

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Completeness Letter for this project was issued on August 7, 2019.

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, although extensions may be requested by the Company and granted by the District.

After the Comptroller's certificate is received, Walsh Gallegos 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, Walsh Gallegos 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

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).

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). Recapture costs are primarily a Tier I issue, although Tier II also can involve recapture costs for some school districts.

The basic allotment is now set at \$6,160 per weighted ADA (WADA) and is the basis for Tier I calculations. In the case of Tier II, the first eight cents of additional tax effort can be used to generate state aid of up to \$98.56 per WADA for what are known as "golden" pennies. Tax effort for golden pennies is not subject to recapture. Up to an additional nine cents may be levied to generate \$49.28 per WADA for what are known as "copper" pennies (generating half the revenue per WADA of the golden pennies).

Changes in the recapture calculation are an important part of HB 3, for those districts subject to recapture under the new law. Rather than being tied to property wealth exceeding an equalized wealth level per WADA, recapture is now defined as the amount of revenue collected in excess of a district's Tier I allotment, or for Tier II the amount of collections in excess of the entitlement provided for tax effort generating copper-penny level state aid. (Golden pennies are not subject to recapture.)

The changes in the recapture methodology may affect the results of revenue protection payments relative to what was calculated when the equalized wealth level was used to determine the amount of recapture owed the state by school districts subject to recapture. It does not appear to be an issue for RISD, based on the calculations shown below. The analysis presented below does not suggest that these recapture changes are an immediate concern to RISD.

Another significant school funding change is establishing current-year property values to determine state funding and recapture under the Foundation School Program. The traditional approach for the last 30 years has been to rely upon prior-year state property values as determined annually under the Comptroller's State Property Value Study (Section 403 of the Government Code). The change in House Bill 3 calls for using current-year property values as determined by the Comptroller's Property Value Study, without an explanation as to how the property value study is to be completed on a real-time basis.

While school district funding will now be determined based on current-year property values, House Bill 3 included language that addressed the property values to be used in determining calculating revenue protection payments under Chapter 313 agreements. This information is contained in Section 48.256(d), Education Code, as shown below:

- d) This subsection applies to a school district in which the board of trustees entered into a written agreement with a property owner under Section 313.027, Tax Code, for the implementation of a limitation on appraised value under Subchapter B or C, Chapter 313, Tax Code. For purposes of determining "DPV" under Subsection (a) for a school district to which this subsection applies, the commissioner shall exclude a portion of the market value of property not otherwise fully taxable by the district under Subchapter B or C, Chapter 313, Tax Code, before the expiration of the subchapter. The comptroller shall provide information to the agency necessary for this subsection. **A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year [emphasis added].**

Given the directive with regard to the use of preceding-tax-year values to calculate revenue protection payments required under Chapter 313 agreements, the amounts collected are expected to be consistent with the patterns shown since these calculations were first calculated under the standard Chapter 313 agreement language, dating back to 2004. The most significant impact is typically in the first limitation year, although major value increases in project values in later limitation years may also trigger a revenue protection payment. The additional factor that may generate a variance with the traditional pattern of revenue protection amounts is the new methodology in the calculation of recapture, as noted previously.

The calculations shown below are based on the Section 48.254(d), Education Code directive to use preceding-tax-year property values to determine the revenue protection payment, if any, owed to the school district under the terms of the Chapter 313 Agreement between the Applicant and the School District. These calculations are to be made for each of the 10 limitation years under the terms of the Agreement. Chapter 313 will be subject to legislative renewal in 2021 and any changes made may impact these calculations moving forward.

(For more detailed information on the school finance funding system, please review the Texas Education Agency's (TEA) website. [The current information is expected to be updated as the details of House Bill 3 implementation are determined by TEA.](#)

The implementation of recent legislative action on school funding in House Bill 3 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 is now set to \$6,160, the Tier II golden penny yield is set to \$98.56 per WADA for up to eight cents, while the copper penny yield is \$49.28 per WADA for up to nine cents of local tax effort. These are maintained for future years at this time.

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.

ADA:	2,372
Local M&O Tax Base	\$623.1 million
2019-20 M&O Tax Rate:	\$1.0684 per \$100 of Taxable Value
2020-21 Projected M*O Tax Rate:	\$1.054849 per \$100 of Taxable Value
I&S Tax Rate:	\$0.4950 per \$100

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 Permico Train 4 Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d) District Revenue Protection District Property Value with Project	Sec. 48.256(d) District Revenue Protection District Property Value with Limitation	DPV Value with Project per WADA	DPV Value with Limitation per WADA
QTP0	2024-25	2,371.60	3,472.02	1.0400	0.4900	609,200,100	609,200,100	17,420	17,420
QTP1	2025-26	2,371.60	3,472.02	1.0400	0.4900	609,200,100	609,200,100	17,420	17,420
TP2\VL1	2026-27	2,371.60	3,472.02	1.0400	0.4900	629,200,100	629,200,100	11,179	11,179
VL2	2027-28	2,371.60	3,472.02	1.0400	0.4900	96,000,100	649,200,100	2,000	16,930
VL3	2028-29	2,371.60	3,472.02	1.0400	0.4900	332,900	649,200,100	4,932	16,930
VL4	2029-30	2,371.60	3,472.02	1.0400	0.4900	7,077,100	649,200,100	1,902	16,930
VL5	2030-31	2,371.60	3,472.02	1.0400	0.4900	6,222,100	649,200,100	249,100	16,930
VL6	2031-32	2,371.60	3,472.02	1.0400	0.4900	10,000	649,200,100	246,431	16,930
VL7	2032-33	2,371.60	3,472.02	1.0400	0.4900	1,120,041,900	94,496,400	340,370	3,406
VL8	2033-34	2,371.60	3,472.02	1.0400	0.4900	1,109,149,600	970,300,900	333,770	279,400
VL9	2034-35	2,371.60	3,472.02	1.0400	0.4900	1,137,173,100	96,603,100	327,400	27,470
VL10	2035-36	2,371.60	3,472.02	1.0400	0.4900	1,116,070,400	943,600,100	321,370	271,712
VP1	2036-37	2,371.60	3,472.02	1.0400	0.4900	1,203,202,300	1,000,430,000	360,061	313,414
VP2	2037-38	2,371.60	3,472.02	1.0400	0.4900	1,226,662,000	1,226,662,000	33,210	33,210
VP3	2038-39	2,371.60	3,472.02	1.0400	0.4900	1,201,103,021	1,201,103,021	34,002	34,002
VP4	2039-40	2,371.60	3,472.02	1.0400	0.4900	1,176,722,090	1,176,722,090	33,003	33,003
VP5	2040-41	2,371.60	3,472.02	1.0400	0.4900	1,103,240,126	1,103,240,126	332,076	332,076

*Basic Allotment: \$6,160; Golden Penny Yield: \$98.56; Copper Penny Yield: \$49.28

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

M&O Impact of the Permico Train 4 Project on RISD

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 \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$3.7 million over the course of the Agreement, with all the loss reflected in the first limitation year (2026-27).

Table 2– “Baseline Revenue Model” --Project Value Added to DPV 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	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2024-25	\$62,796	\$16,222,116	\$0	\$1,020	\$3,039,000	\$0	\$0	\$26,009,712
QTP1	2025-26	\$6,042,430	\$16,222,116	\$0	\$912,136	\$3,132,070	\$0	\$0	\$26,309,477
VP2\VL1	2026-27	\$4,027	\$16,039,116	\$0	\$1,207,000	\$4,216,600	\$0	\$0	\$30,020,667
VL2	2027-28	\$3,621,717	\$13,942,213	\$0	\$1,269,943	\$2,000,376	\$0	\$0	\$27,796,719
VL3	2028-29	\$292,314	\$13,692,063	\$0	\$1,211,769	\$2,067,993	\$0	\$0	\$27,041,139
VL4	2029-30	\$202,176	\$13,700,966	\$0	\$1,230,162	\$2,003,316	\$0	\$0	\$27,009,620
VL5	2030-31	\$11,640	\$13,776,104	\$0	\$1,220,090	\$2,099,790	\$0	\$0	\$27,116,632
VL6	2031-32	\$11,044,090	\$13,962,640	\$0	\$1,667,164	\$3,093,737	\$0	\$0	\$30,267,631
VL7	2032-33	\$10,360,003	\$10,972,731	\$0	\$1,630,000	\$2,101,760	\$0	\$0	\$27,472,919
VL8	2033-34	\$10,637,966	\$11,102,003	\$0	\$1,600,007	\$2,130,707	\$0	\$0	\$27,620,667
VL9	2034-35	\$10,447,003	\$11,303,902	\$0	\$1,777,030	\$2,169,004	\$0	\$0	\$27,769,919
VL10	2035-36	\$11,677,222	\$11,077,312	\$0	\$1,762,730	\$2,002,003	\$0	\$0	\$27,190,007
VP1	2036-37	\$11,400,640	\$10,320,047	\$0	\$1,722,196	\$1,990,093	\$0	\$0	\$27,441,914
VP2	2037-38	\$11,179,004	\$10,063,703	\$0	\$1,607,600	\$2,029,202	\$0	\$0	\$27,460,119
VP3	2038-39	\$10,960,106	\$10,797,290	\$0	\$1,604,406	\$2,064,001	\$0	\$0	\$27,476,741
VP4	2039-40	\$10,749,191	\$11,021,479	\$0	\$1,622,647	\$2,101,314	\$0	\$0	\$27,494,631
VP5	2040-41	\$10,467,000	\$11,236,690	\$0	\$1,092,001	\$2,130,960	\$0	\$0	\$27,114,002

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 \$21.5 million over the life of the agreement. The RISD revenue losses are expected to total approximately \$3.7 million. The potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$17.7 million, prior to any negotiations with Permico Train 4 on supplemental payments. (See Table 5.)

It should be noted that a key element in the revenue-loss calculation appears to be linked to the retention of prior-year property values in the calculation of the revenue protection amount for the 2022-23 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. With a legislative session occurring in 2021, there could be changes made to current school finance

law. While the District will still be protected against revenue losses, these calculations may be reduced below what we are projecting under what is now current law.

Table 3- "Value Limitation Revenue Model" --Project Value Added to DPV with Value Limitation in Effect

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	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2024-25	\$6,222,796	\$16,222,116	\$0	\$939,203	\$3,039,010	\$0	\$0	\$26,009,712
QTP1	2025-26	\$6,042,430	\$16,222,116	\$0	\$912,136	\$3,132,071	\$0	\$0	\$26,309,417
VP2	2026-27	\$6,222,064	\$16,039,116	\$0	\$939,203	\$3,092,671	\$0	\$0	\$26,293,004
VL1	2027-28	\$6,222,064	\$16,039,116	\$0	\$939,203	\$2,969,414	\$0	\$0	\$26,969,917
VL2	2028-29	\$6,222,064	\$16,039,116	\$0	\$939,203	\$2,969,414	\$0	\$0	\$26,969,917
VL3	2029-30	\$6,222,064	\$16,039,116	\$0	\$939,203	\$2,969,414	\$0	\$0	\$26,969,917
VL4	2030-31	\$6,222,064	\$16,039,116	\$0	\$939,203	\$2,969,414	\$0	\$0	\$26,969,917
VL5	2031-32	\$9,233,009	\$16,039,116	\$0	\$1,393,009	\$4,407,177	\$0	\$0	\$30,090,441
VL6	2032-33	\$9,106,134	\$12,713,232	\$0	\$1,374,619	\$2,391,666	\$0	\$0	\$26,619,011
VL7	2033-34	\$9,377,000	\$12,913,217	\$0	\$1,316,149	\$2,411,121	\$0	\$0	\$26,671,342
VL8	2034-35	\$9,666,316	\$13,031,140	\$0	\$1,331,417	\$2,440,379	\$0	\$0	\$26,613,212
VL9	2035-36	\$10,167,091	\$13,100,000	\$0	\$1,347,776	\$2,099,640	\$0	\$0	\$27,719,111
VP1	2036-37	\$11,401,641	\$11,030,671	\$0	\$1,722,196	\$2,011,471	\$0	\$0	\$27,112,997
VP2	2037-38	\$11,179,004	\$10,063,713	\$0	\$1,617,600	\$2,029,212	\$0	\$0	\$26,460,119
VP3	2038-39	\$10,960,106	\$10,797,291	\$0	\$1,644,406	\$2,064,011	\$0	\$0	\$26,476,741
VP4	2039-40	\$10,749,191	\$11,021,479	\$0	\$1,622,647	\$2,101,314	\$0	\$0	\$26,494,631
VP5	2040-41	\$10,446,701	\$11,236,691	\$0	\$1,192,011	\$2,131,961	\$0	\$0	\$26,114,412

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

Table 4 - Value Limitation Revenue Model Less Baseline Revenue Model with No 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	Other State Aid (includes HH Funds)	Total General Fund
QTP0	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2026-27	-\$2,261,963	\$0	\$0	-\$341,400	-\$1,123,934	\$0	\$0	-\$3,727,312
VL1	2027-28	-\$2,164,113	\$2,261,963	\$0	-\$326,690	\$419,071	\$0	\$0	\$190,191
VL2	2028-29	-\$2,070,210	\$2,164,113	\$0	-\$312,116	\$401,461	\$0	\$0	\$112,141
VL3	2029-30	-\$1,910,112	\$2,070,210	\$0	-\$291,909	\$316,131	\$0	\$0	\$177,367
VL4	2030-31	-\$1,193,176	\$1,910,112	\$0	-\$211,141	\$369,664	\$0	\$0	\$170,311
VL5	2031-32	-\$1,110,101	\$1,193,176	\$0	-\$273,301	\$13,440	\$0	\$0	\$623,210
VL6	2032-33	-\$1,730,749	\$1,110,101	\$0	-\$261,266	\$294,106	\$0	\$0	\$112,192
VL7	2033-34	-\$1,644,111	\$1,730,749	\$0	-\$249,701	\$212,421	\$0	\$0	\$109,274
VL8	2034-35	-\$1,110,617	\$1,644,111	\$0	-\$231,613	\$271,371	\$0	\$0	\$106,263
VL9	2035-36	-\$1,110,127	\$1,110,617	\$0	-\$227,962	\$37,101	\$0	\$0	\$199,704
VP1	2036-37	\$0	\$1,110,121	\$0	\$0	\$60,111	\$0	\$0	\$2,071,013
VP2	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2038-39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2039-40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2040-41	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Table 5 - Estimated Financial Impact of the Permico Train 4 Project Property Value Limitation Request Submitted to RISD at \$1.05485 M&O Tax Rate

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	School District Revenue Protection	Estimated Net Tax Benefits
QTP0	2024-25	0	0	1.0400	0	0	0
QTP1	2025-26	2,000,000	2,000,000	1.0400	0	0	0
TP2\VL1	2026-27	266,000,000	20,000,000	1.0400	2,603,419	-3,727,302	-1,123,933
VL2	2027-28	26,132,000	20,000,000	1.0400	2,490,043	0	2,490,043
VL3	2028-29	24,007,000	20,000,000	1.0400	2,302,766	0	2,302,766
VL4	2029-30	236,002,000	20,000,000	1.0400	2,279,021	0	2,279,021
VL5	2030-31	226,609,900	20,000,000	1.0400	2,179,421	0	2,179,421
VL6	2031-32	217,040,000	20,000,000	1.0400	2,003,006	0	2,003,006
VL7	2032-33	200,043,700	20,000,000	1.0400	1,992,010	0	1,992,010
VL8	2033-34	200,490,000	20,000,000	1.0400	1,903,096	0	1,903,096
VL9	2034-35	192,470,300	20,000,000	1.0400	1,119,300	0	1,119,300
VL10	2035-36	14,771,000	20,000,000	1.0400	1,730,090	0	1,730,090
VP1	2036-37	177,300,600	177,300,600	1.0400	0	0	0
VP2	2037-38	170,200,300	170,200,300	1.0400	0	0	0
VP3	2038-39	163,473,000	163,473,000	1.0400	0	0	0
VP4	2039-40	106,934,000	106,934,000	1.0400	0	0	0
VP5	2040-41	100,607,000	100,607,000	1.0400	0	0	0
\$21,472,577						-\$3,727,352	\$17,745,225

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, which could be significant under HB 3.
- 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.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with RISD currently levying a \$0.4950 per \$100 I&S rate. As shown in the Table 6 below, local taxpayers could benefit from the addition of the Permico Train 4 project to the local I&S tax roll, although additional analysis is needed to evaluate the impact of the value increases on funding from the state's facilities programs (EDA and IFA).

The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. 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 6 - Estimated Impact of the Permico Train 4 Project Property Value Limitation Request on RISD I&S Tax Rate

Year of Agreement	School Year	I&S Rate w/out Project	Local Value w/out Project	I&S Taxes w/out Project	Project Full Taxable Value	I&S Rate with Project Value	Change in I&S Rate
QTP0	2024-25	\$0.4950	\$1,095,734,180	\$6,423,004	\$0	0.49000	0.0000
QTP1	2025-26	\$0.4950	\$1,343,655,080	\$6,611,093	\$82,500,000	0.46636	-0.0286
QTP2/VL1	2026-27	\$0.4950	\$1,343,655,080	\$6,611,093	\$266,805,000	0.412993	-0.0820
VL2	2027-28	\$0.4950	\$1,343,655,080	\$6,611,093	\$256,132,800	0.41074	-0.0793
VL3	2028-29	\$0.4950	\$1,343,655,080	\$6,611,093	\$245,887,000	0.41042	-0.0766
VL4	2029-30	\$0.4950	\$1,343,655,080	\$6,611,093	\$236,052,000	0.421033	-0.0740
VL5	2030-31	\$0.4950	\$1,343,655,080	\$6,611,093	\$226,609,900	0.42306	-0.0714
VL6	2031-32	\$0.4950	\$1,343,655,080	\$6,611,093	\$217,545,500	0.426024	-0.0690
VL7	2032-33	\$0.4950	\$1,343,655,080	\$6,611,093	\$208,843,700	0.42412	-0.0666
VL8	2033-34	\$0.4950	\$1,343,655,080	\$6,611,093	\$200,490,000	0.430730	-0.0643
VL9	2034-35	\$0.4950	\$1,343,655,080	\$6,611,093	\$192,470,300	0.432979	-0.0620
VL10	2035-36	\$0.4950	\$1,343,655,080	\$6,611,093	\$184,771,500	0.43109	-0.0590
VP1	2036-37	\$0.4950	\$1,343,655,080	\$6,611,093	\$177,380,600	0.437274	-0.0577
VP2	2037-38	\$0.4950	\$1,343,655,080	\$6,611,093	\$170,285,300	0.439323	-0.0557
VP3	2038-39	\$0.4950	\$1,343,655,080	\$6,611,093	\$163,473,800	0.441309	-0.0537
VP4	2039-40	\$0.4950	\$1,343,655,080	\$6,611,093	\$156,934,800	0.443232	-0.0512
VP5	2040-41	\$0.4950	\$1,343,655,080	\$6,611,093	\$150,657,500	0.44094	-0.0499

IFA and EDA state aid are now based on current-year values, which could affect the tax rate needed for bond payments in districts eligible for these funds.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT D

Tax Limitation Agreement

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

by and between

ROBSTOWN INDEPENDENT SCHOOL DISTRICT

and

PERMICO MIDSTREAM PARTNERS, LLC

(Texas Taxpayer ID # 32065230859)

Comptroller Application # 1375

Dated
August 10, 2020

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*

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

STATE OF TEXAS §

COUNTY OF NUECES §

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 **ROBSTOWN 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 **PERMICO MIDSTREAM PARTNERS, LLC**, Texas Taxpayer Identification Number **32065230859** 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 May 13, 2019, the Superintendent of Schools of the ROBSTOWN 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 May 13, 2019, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and August 7, 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 Nueces County Appraisal District established in Nueces County, Texas (the “Nueces 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 September 27, 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, by Board action dated December 19, 2019, extended the statutory deadline by which the District must consider the Application until April 30, 2020, and the District's Board of Trustees, through its adoption of Board Policy CCGB(LOCAL), delegated to the Superintendent of Schools authority to further extend the statutory deadline by which the District must consider the Application, and Superintendent of Schools duly extended such deadline to September 26, 2020, and the Comptroller was provided notice of such extensions 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 August 10, 2020, 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 August 10, 2020, 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 August 10, 2020, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in *Section 313.051(b)* of the TEXAS TAX CODE;

WHEREAS, on July 31, 2020, 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 August 10, 2020, 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 or, in the event the Board

President or Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President 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 PERMICO MIDSTREAM PARTNERS, LLC, (*Texas Taxpayer ID # 32065230859*), 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 3** 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 May 13, 2019. 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 Nueces County Appraisal District.

“Board of Trustees” means the Board of Trustees of the ROBSTOWN INDEPENDENT School District.

“Commercial Operation” means the processing of natural gas liquids (“NGL”) in commercial quantities by Applicant from improvements included in the Qualified Property for which NGL the Applicant is entitled to receive compensation from a third party, offtaker, merchant, buyer, spot market buyer, or other third party purchaser.

“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 Nueces County, Texas.

“District” or “School District” means the Robstown 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 acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 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 Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying the District's Average Daily Attendance, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the year preceding the year in which the calculation is made, rounded to the whole number, multiplied by \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2024, 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.

“Applicable School Finance Law” means Chapters 48 and 49 of the TEXAS EDUCATION CODE (previously Chapters 42 and 41, and other applicable provisions), the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE); Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations, and interpretations 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 also 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 or the M&O Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Consultant” shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

“M&O Amount” means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 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 the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 49 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

“New M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.ii of this Agreement.

“Original M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.i of this Agreement.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

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

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is August 13, 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 August 10, 2020.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 1, 2024; and

ii. Ends on December 31, 2025, the last day of the second complete Tax Year

following the Qualifying Time Period start date:

D. The Tax Limitation Period for this Agreement:

Agreement for Limitation on Appraised Value
Between Robstown Independent School District and
Permico Midstream Partners, LLC.
August 10, 2020
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*Texas Economic Development Act Agreement
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- i. Starts on January 1, 2026, the first complete Tax Year that begins after the date of commencement of Commercial Operation; and
- ii. Ends on December 31, 2035, 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, 2040 which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

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

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

- A. the Market Value of the Applicant's Qualified Property; or
- B. TWENTY MILLION DOLLARS (\$20,000,000).

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

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of TEN MILLION DOLLARS (\$10,000,000) 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 NINE HUNDRED NINETEEN AND 50/100 DOLLARS (\$919.50) for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing facility.

ARTICLE IV **PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of TEXAS TAX CODE § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue in each year of this Agreement as a result of, or on account of, the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. Subject only to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to the District's Maintenance and Operations Revenue as a result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into this Agreement will be borne by the Applicant and not by the District and be paid by the Applicant to the District in addition to any and all payments due under Article V and Article VI.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT. Subject to the provisions of Sections 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 during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The Revenue Protection Amount owed by the Applicant to the District means the Original M&O Revenue minus the New M&O Revenue;

Where:

(i) "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the District's adopted ad valorem Maintenance and Operations tax rate actually levied for the applicable year.

(ii) "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant's Qualified Property.

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.

(ii) For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).

(iii) If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.

(iv) All calculations made under this Section 4.2 of this Agreement will reflect the Limitation on Appraised Value for such year.

(v) For all calculations made for any year during the tax Limitation Period under this Section 4.2, the New M&O Revenue will reflect the Tax Limitation Amount stated in Section 2.4 for such year. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

Section 4.3. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

A. All non-reimbursed costs incurred by the District for extraordinary education-related expenses, as set forth in Section 5.1 below;

B. Any other loss of District revenues which are directly and solely attributable to the payment by the Applicant to or on behalf of any other third party beneficiary; and

C. Any other cost to the District, including costs under Section 8.6(C) below (but subject to the limitation set forth in Section 4.4 below), which are directly and solely attributable to compliance with State-imposed requirements relating to this Agreement.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Consultant") approved each year by the District. The District agrees that for all Tax Years the Third Party selected by the District shall be either RM School Finance Consulting or Moak Casey & Associates. If the District desires to select a Third Party other than RM School Finance Consulting or Moak Casey & Associates, such selection must receive the Applicant's consent, which consent shall not be unreasonably withheld, delayed, or conditioned. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Applicant shall only be responsible for payment of fees and expenses under this Section 4.7 not to exceed either (i) TWELVE THOUSAND DOLLARS (\$12,000.00) per year for years after Qualified Property has been placed in service and for which the Third Party is required to prepare calculations under Section 4.4 or (ii) SIX THOUSAND DOLLARS (\$6,000) per year for years (a) prior to any Qualified Property having been placed in service or (b) for which the Third Party is not required to prepare calculations under Section 4.4 of this Agreement.

Section 4.5. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls 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 Consultant selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Consultant shall be adjusted from time to time by the Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS. On or before December 1 of each year for which this Agreement is effective, the Consultant appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2, Section 4.3 and Article V of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Consultant 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 Consultant shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of 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 4.7, if such fee is timely paid.

Section 4.7. 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 Consultant for all calculations under this Agreement under Section 4.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants (subject to the limitation set forth in Section 4.4 above) for the preparation and filing of any financial reports, disclosures, or Tax Credit 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.

Section 4.8. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification prepared pursuant to Sections 4.2, 4.3, or Article V, the Applicant may appeal the findings, in writing, to the Consultant within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Consultant will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Consultant selected under Section 4.4 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 such appeal remains unresolved, the Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

If as a result of an appraisal 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 Consultant who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Consultant.

Section 4.10. EFFECT OF STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for all non-reimbursable costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment directly and solely attributable to the project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.8 herein.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the

execution of this Agreement by the District, the Applicant shall also be responsible for supplemental payments (the “Supplemental Payments”) set forth in this Article VI.

A. Amounts Exclusive of Indemnity Amounts. 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 VI are subject to the limitations contained in Section 7.1.

B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of TEXAS TAX CODE § 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

C. Explicit Identification of Payments to District. 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 made pursuant to Chapter 313, TEXAS TAX CODE, unless it is explicitly set forth in this Agreement.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

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.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be 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 Average Daily Attendance for the year preceding the year in which the calculation is made, rounded to the whole number.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL LIMIT. On or before January 31, 2025 (the payment due date for Tax Year 2024), and continuing thereafter on or before the January 31 of each year for the maximum period permitted under Section 313.027(i) of the TEXAS TAX CODE, except that Applicant agrees to make its final Supplemental Payment for tax year 2038 on or before December 31, 2038 (i.e., Applicant shall make annual Supplemental Payments beginning January 31, 2025 and continuing through January 31, 2038, the payment due date for Tax Year 2037. Applicant’s final Supplemental Payment shall be due on or before December 31, 2038 for Tax Year 2038). The Applicant shall make a Supplemental Payment to District in an amount equal to the lesser of the following:

A. the Annual Limit; or,

B. to the extent permitted by then current law, the Applicant’s “Stipulated Supplemental Payment Amount” as defined in Section 6.4.

SECTION 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year described in Section 6.3, the Applicant’s Stipulated Supplemental Payment Amount will be calculated in accordance with the following formula:

The 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 District’s interest and sinking fund tax purposes 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 District’s maintenance and operations tax purposes for such Tax Year);

Multiplied by,

The District’s maintenance and operations tax rate for such Tax Year;

Minus,

Any amounts previously paid to District under Article IV or Article V;

Multiplied by,

The number 0.40;

Minus,

Any amounts previously paid to District under Sections 6.4 and 6.5 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 Consultant described in Section 4.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.5. 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 2024, 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 2038, 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 6.8 below, shall not be entitled to receive Supplemental Payments, computed under Sections 6.2 and 6.4 above, or Advance Supplemental Payments, determined under Section 6.3 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 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.

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 6.6. 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; (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, and (v) the application of the aggregate amount of the Advance Supplemental Payments made by the Applicant against, and reduction of, payments of amounts otherwise due under this Article VI and the carry forward and accumulation of any of the aggregate amount of the Advance Supplemental Payments not so applied in previous years, shall be calculated by the Third Party selected pursuant to Section 4.4.
- 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 6.7. 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 6.8. OPTION TO TERMINATE AGREEMENT. In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement without penalty by notifying the District in writing of its exercise of such option. Additionally, 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 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.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

- A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and
- B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT’S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller’s website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller’s website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER’S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller’s report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor’s Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor’s Office to have reasonable access to the Applicant’s Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant’s Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant’s Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant’s safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business

information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

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

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

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

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

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);

- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Nueces 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 Nueces 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 thirty (30) 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 ninety (90) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make TEN MILLION DOLLARS (\$10,000,000) 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

Agreement for Limitation on Appraised Value

Between Robstown Independent School District and
Permico Midstream Partners, LLC.

August 10, 2020

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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:

Robstown Independent School District
Attention: Superintendent of Schools
Address: 801 North First Street
Robstown, Texas 78380
Phone: (361) 767-6600
E-Mail: jose.moreno@robstownisd.org

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

Permico Midstream Partners, LLC
Attention: Jeffrey Beicker, Chief Executive Officer
Address: 9301 Southwest Freeway, Suite 308
Houston, Texas 77074
Phone: (713) 480-7074
E-Mail: jbeicker@permicoenergia.com

With a copy to:

Permico Midstream Partners, LLC
Attention: Jordan Fickessen, Controller
Address: 9301 Southwest Freeway, Suite 308
Houston, Texas 77074
Phone: (713) 480-7074
E-Mail: jfickessen@permicoenergia.com

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original

Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to

principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Nueces 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).

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 10th day of August 2020.

PERMICO MIDSTREAM PARTNERS, LLC

ROBSTOWN INDEPENDENT
SCHOOL DISTRICT

By: Jeffrey F. Beicker
Name: Jeffrey F. Beicker
Title: Manager

By: Oscar Lopez
Oscar Lopez, President
Board of Trustees

ATTEST:

Bertha Roldan
Bertha Roldan, Secretary
Board of Trustees

William Greendyke, trustee

WILLIAM GREENDYKE | Chapter 11 Bankruptcy Trustee
Norton Rose Fulbright US LLP
1301 McKinney, Suite 5100, Houston, Texas 77010-3095, United States
Tel +1 713 651 5193 | Fax +1 713 651 5246
william.greendyke@nortonrosefulbright.com

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

[Insert description of Qualified Enterprise or Reinvestment Zone provided in the Application, including appropriate maps]

The legal description of the proposed zone is approximately 160 acres located in three parcels out of the George H. Paul Subdivision of the Driscoll Ranch in Nueces County, Texas: Parcel A: East half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); Parcel B: West half of the Southeast quarter of the Southwest quarter of Section Two (2) (20.11 acres); and Parcel C: West half of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section Two (2) (119.75 acres), more particularly described by metes and bounds in the following pages.

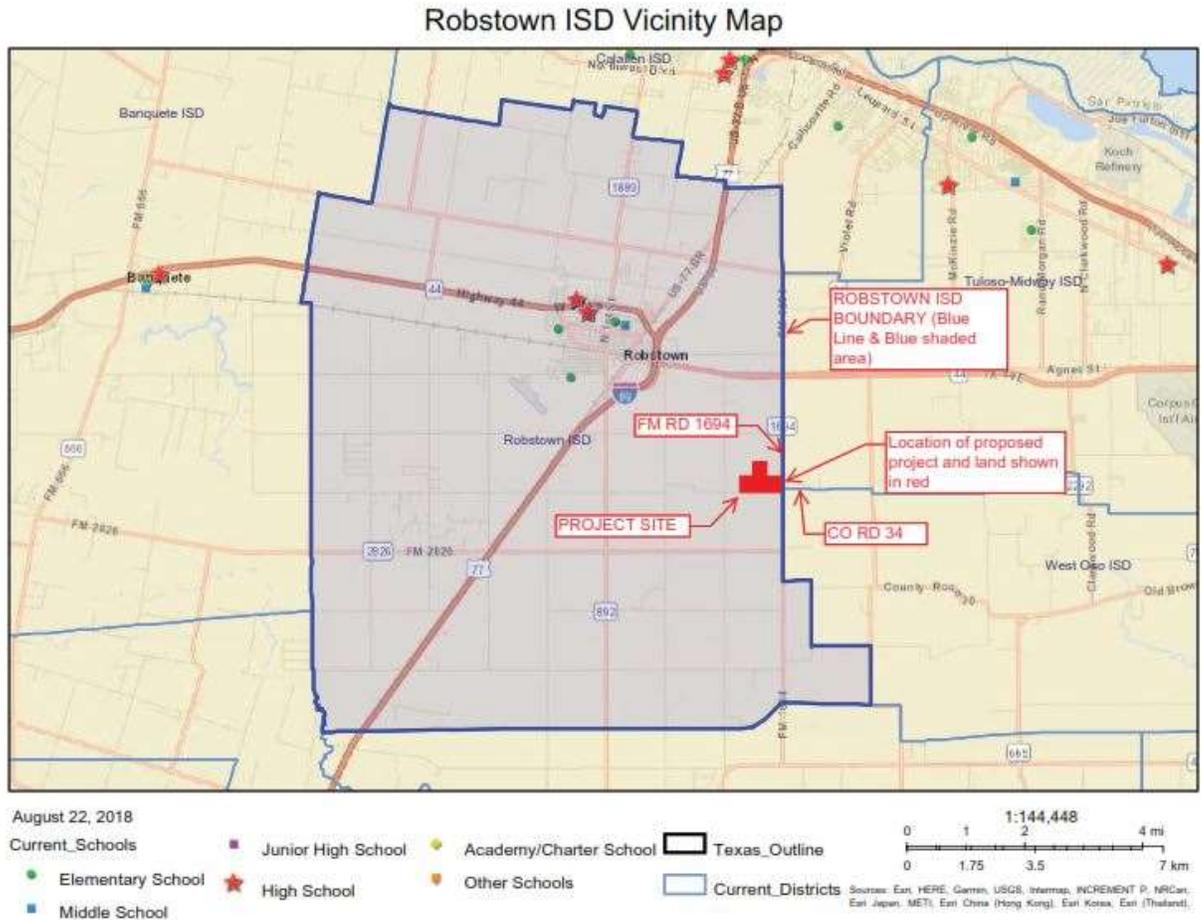
See below, Exhibit A, Legal Description of Reinvestment Zone.

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

[Insert Description of Location of Land, including appropriate maps]

All Qualified Property will be located within the Permico Reinvestment Zone, and is more particularly described in the maps that follow:



**PERMICO MIDSTREAM PARTNERS
MAP OF PROPOSED IMPROVEMENTS INSIDE REINVESTMENT ZONE**



Agreement for Limitation on Appraised Value
Between Robstown Independent School District and Permico
Midstream Partners, LLC.
August 10, 2020

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

[Insert Description of Location of Qualified Investment, including appropriate maps showing the project area]

Description of Project

Permico Midstream Partners, LLC (“Permico”), proposes to build a natural gas liquids (“NGL”) processing plant (the “Project”), investing approximately \$275 million and creating 10 permanent jobs. The proposed project would be located approximately 2 miles southeast of Robstown, Texas at the northwest corner of FM Road No. 1694 and County Road No. 34.

Permico’s Texas NGL Project will pipe Y-Grade Natural Gas Liquids (NGL) produced from the Permian basin to the Corpus Christi area where it will be fractionated into purity products and moved into Texas and international markets via product pipelines. Construction is proposed to commence in 1Q 2024 with completion estimated in 2Q 2025. The proposed improvements for which the tax limitation is sought will include a Natural Gas Liquids (NGL) Fractionation Plant comprised of one (1) 150,000 barrel per day fractionation train (Train 4) and supported by shared auxiliary systems and utility systems. The train consists of a four (4) tower fractionation system along with all supporting process equipment. The train will fractionate Y-Grade NGL to produce ethane, propane, normal butane, isobutane and C5+ natural gasoline. Additional on-site facilities include, but are not limited to, control buildings, warehouse, fire water and raw water tank systems for fire suppression, high voltage substation and all electrical infrastructure to connect the Project to the electrical grid, above-ground flare and other pollution control equipment, ancillary buildings, major pipe rack structures, , product storage tanks for incoming raw materials, intermediate products during manufacturing, and finished goods manufactured by the Project, metering skids, site drainage and storm water facilities, plant roads, storm water ditches, and any other tangible personal property utilized in the processing, storage, quality control, shipping, waste management and general operation of the Project.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

[Insert Description of Applicant's Qualified Property, including appropriate maps and site plans showing the project area]

Description of Project

Permico Midstream Partners, LLC (“Permico”), proposes to build a natural gas liquids (“NGL”) processing plant (the “Project”), investing approximately \$275 million and creating 10 permanent jobs. The proposed project would be located approximately 2 miles southeast of Robstown, Texas at the northwest corner of FM Road No. 1694 and County Road No. 34.

Permico’s Texas NGL Project will pipe Y-Grade Natural Gas Liquids (NGL) produced from the Permian basin to the Corpus Christi area where it will be fractionated into purity products and moved into Texas and international markets via product pipelines. Construction is proposed to commence in 1Q 2024 with completion estimated in 2Q 2025. The proposed improvements for which the tax limitation is sought will include a Natural Gas Liquids (NGL) Fractionation Plant comprised of one (1) 150,000 barrel per day fractionation train (Train 4) and supported by shared auxiliary systems and utility systems. The train consists of a four (4) tower fractionation system along with all supporting process equipment. The train will fractionate Y-Grade NGL to produce ethane, propane, normal butane, isobutane and C5+ natural gasoline. Additional on-site facilities include, but are not limited to, control buildings, warehouse, fire water and raw water tank systems for fire suppression, high voltage substation and all electrical infrastructure to connect the Project to the electrical grid, above-ground flare and other pollution control equipment, ancillary buildings, major pipe rack structures, product storage tanks for incoming raw materials, intermediate products during manufacturing, and finished goods manufactured by the Project, metering skids, site drainage and storm water facilities, plant roads, storm water ditches, and any other tangible personal property utilized in the processing, storage, quality control, shipping, waste management and general operation of the Project.

EXHIBIT 5

AGREEMENT SCHEDULE

	Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary of Description
Limitation Pre-Year(s)	1	January 1, 2024	2024-25	2024	Limitation Pre-Year; QTP Begins
	2	January 1, 2025	2025-26	2025	QTP Ends December 31, 2025
Limitation Period (10 Years)	3	January 1, 2026	2026-27	2026	\$20 Million appraisal limitation
	4	January 1, 2027	2027-28	2027	\$20 Million appraisal limitation
	5	January 1, 2028	2028-29	2028	\$20 Million appraisal limitation
	6	January 1, 2029	2029-30	2029	\$20 Million appraisal limitation
	7	January 1, 2030	2030-31	2030	\$20 Million appraisal limitation
	8	January 1, 2031	2031-32	2031	\$20 Million appraisal limitation
	9	January 1, 2032	2032-33	2032	\$20 Million appraisal limitation
	10	January 1, 2033	2033-34	2033	\$20 Million appraisal limitation
	11	January 1, 2034	2034-35	2034	\$20 Million appraisal limitation
	12	January 1, 2035	2035-36	2035	\$20 Million appraisal limitation; Limitation Period Ends December 31, 2035
Maintain Viable Presence	13	January 1, 2036	2036-37	2036	No appraisal limitation; must maintain viable presence
	14	January 1, 2037	2037-38	2037	No appraisal limitation; must maintain viable presence
	15	January 1, 2038	2038-39	2038	No appraisal limitation; must maintain viable presence
	16	January 1, 2039	2039-40	2039	No appraisal limitation; must Maintain viable presence.
	17	January 1, 2040	2040-41	2040	No appraisal limitation; must maintain viable presence; Final Termination Date: December 31, 2040.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between ROBSTOWN INDEPENDENT SCHOOL
DISTRICT and PERMICO MIDSTREAM PARTNERS, LLC

EXHIBIT E

Comptroller's Franchise Tax Account Status



Franchise Tax Account Status

As of : 08/06/2020 14:14:57

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

PERMICO MIDSTREAM PARTNERS LLC	
Texas Taxpayer Number	32065230859
Mailing Address	9301 SOUTHWEST FWY STE 308 HOUSTON, TX 77074-1431
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	10/24/2017
Texas SOS File Number	0802844016
Registered Agent Name	PERMICO ENERGIA LLC
Registered Office Street Address	105 BIG TRAIL CIRCLE MISSOURI CITY, TX 77459