

**RESOLUTION AND FINDINGS OF FACT
OF THE ALVIN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES ON THE APPLICATION FOR
LIMITATION ON APPRAISED VALUE OF PROPERTY
SUBMITTED BY MAXTER HEALTHCARE, INC.**

On this 14th day of December, 2021, a public meeting of the Board of Trustees of the Alvin Independent School District (the “District”) was held to solicit input from interested parties on the Application for Appraised Value Limitation on Qualified Property, manufacturing Project (“Application”) by Maxter Healthcare, Inc. (“Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code (“Tax Code”). The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees considered the Application by Maxter Healthcare, Inc., pursuant to Chapter 313 of the Texas Tax Code.

The Board of Trustees solicited input into its deliberations from interested parties within the District at a duly posted and called public hearing. After hearing presentations from the public, District’s administrative staff, and others and reviewing the Comptroller’s Economic Impact Analysis under Tax Code section 313.026, the Board of Trustees of the Alvin Independent School District, in accordance with Tax Code section 313.025(e) and (f) and 34 T.A.C. section 9.1054, makes the following Findings regarding the Application:

On June 29, 2021, the Superintendent of Schools of the Alvin 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 Tax Code, attached as Attachment A. The Applicant’s investment identified in the Application is a renewable energy electric generation project described as an “estimated 2.4 million square feet of manufacturing, R&D and distribution space [to] facilitate large scale manufacture of Nitrile Gloves ” (the “Property”).

On June 29, 2021, the Board of Trustees acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to section 313.025(a) of the Tax Code and Local District Policy CCG (Local), and agreed to consider the Application. The Application was determined to be complete, and by letter dated May 28, 2021, was delivered to the Texas Comptroller’s Office for review pursuant to section 313.025 of the Tax Code. The Comptroller acknowledged receipt of the Application. During the Comptroller’s review of the Application, certain portions of the Application were revised in response to comments from the Comptroller. Revision 1 is included in Attachment A. The term Application herein therefore refers to the complete Application, as revised by Revision 1 included in Attachment A.

On July 30, 2021, the Comptroller determined the Application was completed, and established the Application Review Start Date of July 30, 2021, as that term is defined by 34 Tex. Admin. Code section 9.1051. See Comptroller’s Completeness Letter, attached as Attachment B.

Pursuant to 34 Tex. Admin. Code section 9.1054, the Application was delivered to the Brazoria County Appraisal District pursuant to section 6.01 of the Tax Code.

The Texas Comptroller's Office reviewed the Application according to section 313.025 of the Tax Code, conducted an economic impact evaluation pursuant to section 313.026 of the Tax Code. On September 22, 2021, the Comptroller issued a certificate for limitation on appraised value of the property described in the Application (the "Comptroller's Certificate Letter," attached as Attachment C) and provided the certificate to the District.

As represented by the Application and the Comptroller, the Texas Taxpayer Identification number for Applicant is 32079844703, and Applicant is an entity subject to Chapter 171 of the Tax Code, is active, and has the right to transact business in Texas. See Applicant's Franchise Tax Account Status, attached as Attachment D.

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 Tax Code, and on December 14, 2021, 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.

After receipt of the completed Application, the District entered into negotiations with Applicant regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to section 48.256(d) of the Texas Education Code. The parties agreed upon language for inclusion into a draft agreement pursuant to Texas Tax Code section 313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2020 Form 50-826). The proposed Agreement is attached to these Findings as Attachment G, and that form of the Agreement was submitted to and approved by the Comptroller on December 9, 2021, as required by 34 Tex. Admin. Code §9.1055(e)(1). See Comptroller's Agreement Review and Approval Letter, attached as Attachment F.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of Maxter Healthcare, Inc.'s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding 1: The Applicant meets the requirements of Tex. Tax Code section 313.024 and is eligible for the limitation on the appraised value of the Property as property used for renewable energy electric generation (Tax Code section 313.024(b)(5)).

In support of Board Finding 1, the Comptroller's Certificate Letter provides "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.” See Attachment C at page 2. See also the Application, Attachment A.

Board Finding 2: The Project proposed by 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.

In support of Board Finding 2, the Comptroller’s Certificate Letter provides:

“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.”

Further, the Comptroller’s Economic Impact Analysis contains the following supporting data, and notes the determination “is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.” See Attachment C at the internal Attachment B.

	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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$144,246	\$144,246	\$0	\$0
Limitation Period (10 Years)	2023	\$301,560	\$445,806	\$3,243,253	\$3,243,253
	2024	\$301,560	\$747,366	\$3,076,120	\$6,319,373
	2025	\$301,560	\$1,048,926	\$2,918,662	\$9,238,035
	2026	\$301,560	\$1,350,486	\$2,770,251	\$12,008,286
	2027	\$301,560	\$1,652,046	\$2,630,304	\$14,638,590
	2028	\$301,560	\$1,953,606	\$2,498,276	\$17,136,865
	2029	\$301,560	\$2,255,166	\$2,373,660	\$19,510,525
	2030	\$301,560	\$2,556,726	\$2,255,983	\$21,766,508
	2031	\$301,560	\$2,858,286	\$2,144,803	\$23,911,311
	2032	\$301,560	\$3,159,846	\$2,039,710	\$25,951,021
Maintain Viable Presence (5 Years)	2033	\$2,241,880	\$5,401,726	\$0	\$25,951,021
	2034	\$2,147,834	\$7,549,560	\$0	\$25,951,021
	2035	\$2,058,800	\$9,608,359	\$0	\$25,951,021
	2036	\$1,974,465	\$11,582,824	\$0	\$25,951,021
	2037	\$1,894,538	\$13,477,362	\$0	\$25,951,021
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$1,818,750	\$15,296,112	\$0	\$25,951,021
	2039	\$1,746,846	\$17,042,959	\$0	\$25,951,021
	2040	\$1,678,590	\$18,721,549	\$0	\$25,951,021
	2041	\$1,613,762	\$20,335,311	\$0	\$25,951,021
	2042	\$1,552,154	\$21,887,465	\$0	\$25,951,021
	2043	\$1,493,576	\$23,381,041	\$0	\$25,951,021
	2044	\$1,437,846	\$24,818,887	\$0	\$25,951,021
	2045	\$1,384,796	\$26,203,683	\$0	\$25,951,021
	2046	\$1,334,270	\$27,537,953	\$0	\$25,951,021
	2047	\$1,286,121	\$28,824,074	\$0	\$25,951,021
		\$28,824,074	is greater than	\$25,951,021	
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, Maxter Healthcare Inc.					

Additional calculation and analysis by the District's consultant further support this finding. See Moak Casey & Associates Financial Impact Report, attached as Attachment E.

Board Finding 3: The ability of the Applicant to locate the proposed renewable energy facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Alvin ISD.

In support of Board Finding 3, see Attachment A at Tab 5. Further, the Comptroller's Certificate Letter determines "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 at page 2.

Board Finding 5: The Applicant will create twenty-five (25) new qualifying jobs, as defined by Tax Code section 313.021(3), which Applicant affirms will require at least 1,600 hours of work a year; are not transferred from one area in this state to another area in this state; is not created to replace a previous employee; is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and pays at least 110 percent of the county average weekly wage or manufacturing jobs.

In support of Board Finding 5, see Attachment A at page 9, Tab 12, and Tab 13. In the event Applicant creates any non-qualifying job, it will be required to pay an amount meeting the requirements of Tax Code section 313.024(d).

Board Finding 6: The proposed limitation on appraised value for the qualified property is \$30,000,000.

In support of Board Finding 6, see Attachment C, at page 4. Further, the Comptroller's Minimum School District Limitation Values, located online at: <https://comptroller.texas.gov/economy/local/ch313/values.php>, provides Alvin ISD is a Subchapter C, Category I district, with a minimum limitation of \$30,000,000.

Board Finding 7: The revenue gains that will be realized by the school district if the Application is approved will be significant in the long term, with special reference to revenues used for supporting school district debt.

In support of Board Finding 7, Moak Casey & Associates estimates, based on the property values recited in the Application, that the project would add \$334,000,000 to the tax base at the peak investment level for tax year 2024 (school year 2024-2025). The additional project value is fully taxable for debt service taxes and can be used to meet any current or future debt needs serviced by an interest and sinking fund tax of the District. See Comptroller's Certification Letter and Moak Casey & Associates Financial Impact Report, attached as Attachments C and E, respectively. In addition, the potential revenue gains from Supplemental Payments provided for in the proposed Agreement are estimated to be approximately \$9,856,599. See Moak Casey & Associates Financial Impact Report, attached as Attachment E.

Board Finding 8: The projected dollar amount of the maintenance and operations taxes imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Attachment G (column labeled “M&O Taxes Paid Before Limitation”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the column labeled “M&O Tax Rate #.”

In support of Board Finding 8, see Moak Casey & Associates Financial Impact Report, attached as Attachment E.

Board Finding 9: The projected dollar amount of the maintenance and operations taxes imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the further depreciations of investment provided by Applicant, is shown in Attachment G (column labeled “M&O Taxes Paid After Limitation”), and is further based on the assumption that the projected total maintenance and operations tax rate per \$100 in valuation in each year of the Agreement will be as indicated in the column labeled “M&O Tax Rate #.”

In support of Board Finding 9, see Moak Casey & Associates Financial Impact Report, attached as Attachment E.

Board Finding 10: Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the District’s review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant’s representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code section 37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code section 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code section 37.03.

Board Finding 11: The Applicant is eligible for the limitation on the appraised value of the entity’s qualified property.

In support of Board Finding 11, see Applicant’s Application, Comptroller’s Certification Letter, and Applicant’s Franchise Tax Status, attached as Attachments A, C, and D, respectively.

Board Finding 12: The Project will be located within an area that is currently designated as a reinvestment zone pursuant to Tax Code Chapters 312 and 313. The District will cooperate with the Applicant’s efforts to ensure the area remains designated as a reinvestment zone as permitted by law.

In support of Board Finding 12, see Application at Tab 11, attached as Attachment A, and Order of Brazoria County creating the Brazoria County Reinvestment Zone No. 21-05, adopted on October 26, 2021, attached as Exhibit 1 to the Agreement for Appraised Value Limitation, attached as Attachment G.

Board Finding 13: As certified by the Applicant, no construction of Qualified Property has begun on the project site.

In support of Board Finding 13, see Application at section 7, attached as Attachment A.

Board Finding 14: The Board finds there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

Board Finding 15: The effect of the Applicant's proposed project is not expected to increase the District's instructional facility needs. Alvin ISD's existing facilities can easily accommodate any student growth anticipated from Applicant's project.

The Application provides that twenty-five (25) full-time permanent jobs are expected after construction of the project is completed. It is unknown whether such employees be existing or new residents of Alvin ISD. It is assumed that they will be new residents. Assuming the new households contain students, the Board finds that any resulting projected student growth can be accommodated with existing Alvin ISD facilities.

Board Finding 16: Considering the purpose and effect of Tax Code Chapter 313 and the terms of the Agreement, it is in the best interest of the District and the State to approve the Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

In support of Board Finding 16, see Attachments A through G.

Board Finding 17: The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October 2020 – Form 50-826, meets all the requirements of Tax Code section 313.027, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

In support of Board Finding 17, see the Comptroller's Agreement Review and Approval Letter, attached as Attachment F.

Any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in Article IV of the Agreement. In further support of Board Finding 17, see the Comptroller's Agreement Review and Approval Letter and the Agreement, attached as Attachments F and G, respectively.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED THAT:


SECTION 1. All of the Findings above are adopted and approved as the Findings of the Alvin Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F;

SECTION 2. The attached Application, attached as Attachment A is hereby APPROVED;

SECTION 3. The Agreement, attached as Attachment G is APPROVED contemporaneously with these Findings and is authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Alvin Independent School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and

SECTION 4. These Findings and referenced Attachments shall be made a part of the official minutes of this meeting, and maintained in the permanent records of the Alvin Independent School District Board of Trustees.

ADOPTED and EXECUTED this 14th day of December, 2021.



Earl Humbird
President, Board of Trustees

ATTEST:


Nicole Tonini
Secretary, Board of Trustees

RESOLUTION ATTACHMENTS

Attachment A – Maxter Healthcare, Inc.’s original Application and Application Revision 1

Attachment B – Comptroller’s Completeness Letter

Attachment C – Comptroller’s Certificate Letter and Economic Impact Analysis

Attachment D – Applicant’s Franchise Tax Account Status

Attachment E – Moak Casey & Associates Financial Impact Report

Attachment F – Comptroller’s Agreement Review and Approval Letter

Attachment G – Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes

ATTACHMENT A



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 Texas 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 completed application to the Comptroller, separating each section of the documents. 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, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential 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's 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 and issue a certificate for a limitation on appraised value to the school board regarding the application 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 by the Comptroller), 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

June 29, 2021

Date Application Received by District

Carol

First Name

Nelson

Last Name

Superintendent

Title

Alvin Independent School District

School District Name

301 East House Street

Street Address

301 East House Street

Mailing Address

Alvin

City

TX

State

77511

ZIP

281-388-1130

Phone Number

281-388-2719

Fax Number

N/A

Mobile Number (optional)

cnelson@alvinisd.net

Email Address

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



Yes



No

SECTION 1: School District Information *(continued)*3. Authorized School District Consultant *(If Applicable)*

First Name	Dan	Last Name	Casey
Title	Partner		
Firm Name	Moak Casey and Associates LP		
Phone Number	512-485-7878	Fax Number	512-485-7888
Mobile Number <i>(optional)</i>	N/A	Email Address	dcasey@moakcasey.com

4. On what date did the district determine this application complete? June 29, 2021

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

First Name	Stanley	Last Name	Thai
Title	President	Organization	Supermax Healthcare Inc.
Street Address	1899 Sequoia Drive		
Mailing Address	Aurora		
City	Illinois	State	60506
Phone Number	630-362-3888	ZIP	N/A
Mobile Number <i>(optional)</i>	N/A	Fax Number	maxterusa@aol.com
		Business Email Address	

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

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

First Name	CK	Last Name	Tan
Title	CEO	Organization	Supermax Healthcare Inc.
Street Address	1899 Sequoia Drive		
Mailing Address	Aurora		
City	Illinois	State	60506
Phone Number	630-898-8886	ZIP	N/A
Mobile Number <i>(optional)</i>	N/A	Fax Number	cktan@supermax-inc.com
		Business Email Address	

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

SECTION 2: Applicant Information (*continued*)

4. Authorized Company Consultant (If Applicable)

Greg	Maxim
First Name	Last Name
Partner	
Title	
Cummings Westlake LLC	
Firm Name	
713-266-4456	N/A
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 the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

- 1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$75,000	Check
Payment Amount	Transaction Type
Supermax Healthcare Inc.	Alvin ISD
Payor	Payee
June 28, 2021	
Date transaction was processed	

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? Maxter Healthcare Inc.
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32079844703
3. Parent Company Name Supermax Healthcare Inc.
4. Parent Company Tax ID 27-2105941
5. NAICS code 339113
6. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 6a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (*corporation, limited liability corporation, etc*) Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☐ Yes ☒ No
- 2a. If yes, attach in **Tab 3** a copy of the most recently submitted 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.

SECTION 5: Applicant Business Structure *(continued)*

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

Maxter Healthcare Inc.

2c. Reporting Entity Taxpayer Number

32079844703

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

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

*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

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. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
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

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement November 2021
 2. Estimated commencement of construction December 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2022
 4. First year of limitation (YYYY) January 1, 2023
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations December 2022

SECTION 10: The Property

1. County or counties in which the proposed project will be located Brazoria
2. Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Alvin ISD; 100%; \$1.0052 <small>(Name, tax rate and percent of project)</small>	I&S (ISD): Alvin ISD; 100%; \$0.3925 <small>(Name, tax rate and percent of project)</small>
County: Brazoria County; 100%; \$0.092017 <small>(Name, tax rate and percent of project)</small>	City: N/A <small>(Name, tax rate and percent of project)</small>
Hospital District: N/A <small>(Name, tax rate and percent of project)</small>	Water District: Drainage District #5; 100%; \$0.142736 <small>(Name, tax rate and percent of project)</small>
Other (describe): Emergency District #3; 100%; \$0.100 <small>(Name, tax rate and percent of project)</small>	Other (describe): See Tab 6 <small>(Name, tax rate and percent of project)</small>

SECTION 10: The Property *(continued)*

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: N/A
*(Incentive type, percentage, start and end year)*City: N/A
*(Incentive type, percentage, start and end year)*Hospital District: N/A
*(Incentive type, percentage, start and end year)*Water District: N/A
*(Incentive type, percentage, start and end year)*Other (describe): N/A
*(Incentive type, percentage, start and end year)*Other (describe): N/A
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
- 6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.
7. 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
- 7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$30,000,000
2. What is the amount of appraised value limitation for which you are applying? \$30,000,000
- 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 specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - 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
 - 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: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- 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**);
 - 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**);
 - a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
 - Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? ☐ Yes ☒ No
- Note:** Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property (*continued*)

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:
- legal description of the land (**Tab 9**);
 - 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**);
 - owner (**Tab 9**);
 - the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
 - 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:
- evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (**Tab 16**);
 - legal description of reinvestment zone (**Tab 16**);
 - order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - guidelines and criteria for creating the zone (**Tab 16**); and
 - 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? September 2021

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 within the project boundary**. 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 within the project boundary 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 (statement 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 within the project boundary in response to statements 1 and 2 of this section, provide the following supporting information in **Tab 10**:
- maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - other information of sufficient detail and description.
4. Total estimated market value of existing property within the project boundary (that property described in response to statement 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 statement 2): \$ 0.00

Note: Investment for the property listed in statement 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 number of new qualifying jobs you are committing to create? 25
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 200
3. 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
- 3a. If yes, attach evidence of industry standard 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.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission 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 available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
- a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,155.25
- b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 2,416.98
- c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 1,269.55
5. 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)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? \$ 66,016.50
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 66,020.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
9. 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
- 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. 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
- 10a. 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, and C 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 an entity other than the Comptroller's office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print
here

Carol Nelson

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

06/29/2021

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

Kim & THAI aka

Stanley Thai

Print Name (Authorized Company Representative (Applicant))

President

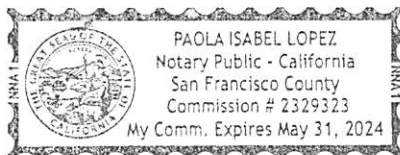
Title

sign
here

Signature (Authorized Company Representative (Applicant))

6/25/2021

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

25th day of June, 2021

Notary Public in and for the State of Texas Blifanie

My Commission expires: May 31, 2024

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

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

ATTACHMENT	
1	Sections 1-16
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including 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 c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation
14	Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>



TAB 2

Proof of Payment of Application Fee

Please find on the attached page, documentation of the wire transfer in the amount of \$75,000 for the application fee to Alvin Independent School District.

Payment Detail ACH Report

Page 1 of 3

Customer ID:	30060091	Effective Date:	06/28/2021	Entry Date:	06/24/2021	Initiated By:	YING1899
ACH Company ID:	3333311949	Payment ID:	1,788	Debits:	0	Credits:	1
ACH Company Name:	SUPERMAX H	# of Entries:	12	Type:	Template	Recurring:	None
Template Code:	5400	Currency:	USD	Status:	Released	Approvals Received:	1
Template Name:	Professional Fees	Transaction Type:	Corporate/Vendor Payments	Discretionary Data:		Last Approver:	CTAN01
Same Day ACH:	N						

Beneficiary Name	Beneficiary ID	Status	Account Number	Account Type	Routing Number	Bank Name	Debits Dollar Amount	Credits Dollar Amount	Prenote (Y/N)	Hold (Y/N)	Entry ID
Alvin ISD General Fund		EN	2807424375	Checking	121000248	WELLS FARGO BANK, NA	0.00	75,000.00	N	N	132694959

Addenda: Chapter 313 Application Fee for Maxter Healthcare Inc



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)

See Attached



TAB 4

Detailed Description of the Project

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.

Maxter Healthcare Inc. is proposing to build up to an estimated 2.4 million square feet of manufacturing, R&D and distribution space on a minimum 150-200 acres campus. The facility would facilitate large scale manufacture of Nitrile Gloves catering to the US markets and export market to the top 25 largest US trading partners. The R&D facility would become the center for both Polymer Technology, New Materials and Engineering in the form of Automation & Robotic manufacturing process. The distribution center would cater to Southern US states and the Latin American market.

Below is a list of the new major equipment comprising this plant as follows:

- Glove production lines complete with Auto-Dipping, Auto-Stripping, Auto-Stacking , Auto-Packing & Auto-Cartoning.
- Process Compounding tanks , Process Raw Material Storage Tanks , Process Coagulant Master-Batch Tanks
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- R&D machinery and equipment
- laboratory machinery and equipment
- Quality Control equipment with Artificial Intelligence technologies .
- warehouse & handling equipment for distribution & logistic activities.
- Stage #2 Process Water Treatment Equipment for recycling the treated water for production use .

Also included in this application are all of the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.



TAB 5

Documentation to assist in determining if limitation is a determining factor.

Maxter Healthcare Inc.'s parent company – SUPERMAX Healthcare Inc. ("SUPERMAX") -- is one of the world's largest manufacturer, distributor and marketer of high-quality medical gloves with a 2020 audited sales revenue of over \$517 million. SUPERMAX currently have 17 manufacturing locations, equipped with state-of-the-art machinery, energy-saving biomass systems and research and development centers. Supermax also has corporate distribution centers and offices based in the USA (Supermax Healthcare, Inc. in Illinois), Brazil, Canada, the United Kingdom, Ireland, Hong Kong, Singapore, and Japan, and collaborates with over 1,200 independent distributors around the world. Today, Supermax produces around 26 billion pieces of gloves per annum with additional production capacities coming online to bring this number up to over 48 billion pieces by 2023 (excluding the USA manufacturing project), meeting about 12%-15% of the world demand for disposable natural and synthetic rubber medical gloves.

SUPERMAX has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital in the United States are New York, North Carolina, Georgia, Florida, and Texas. As a result, SUPERMAX has received an offer letter from the state of Florida. Also, no construction contracts have been negotiated or signed to construct the proposed project.

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The medical latex glove manufacturing market is very competitive. Without the Chapter 313 value limitation, siting the project at Alvin ISD is less attractive.



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)

Brazoria County	100%	\$0.342017
Brazoria County Road and Bridge	100%	\$0.050000
Brazoria County Emergency Serv #3	100%	\$0.100000
Brazoria County Drainage District #5	100%	\$0.142736
Alvin Community College	100%	\$0.183443
Port Freeport	100%	\$0.040100



TAB 7

Description of Qualified Investment

Maxter Healthcare Inc. is proposing to build up to an estimated 2.4 million square feet of manufacturing, R&D and distribution space on a minimum 150-200 acres campus. The facility would facilitate large scale manufacture of Nitrile Gloves catering to the US markets and export market to the top 25 largest US trading partners. The distribution center would cater to Southern US states and the Latin American market.

Below is a list of the major new equipment comprising this plant as follows:

- Glove production lines comprised of equipment associated with Auto-Dipping, Auto-Stripping, Auto-Stacking , Auto-Packing & Auto-Cartoning.
- Process Compounding tanks , Process Raw Material Storage Tanks , Process Coagulant Master-Batch Tanks
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- R&D machinery and equipment
- laboratory machinery and equipment
- Quality Control equipment with Artificial Intelligence technologies .
- warehouse & handling equipment for distribution & logistic activities.
- Stage #2 Process Water Treatment Equipment for recycling the treated water for production use.

Also included in this application are all of the associated concrete foundations, pipe supports, intra-plant piping, intra-plant conduit and connections, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.



TAB 8

Description of Qualified Property

Maxter Healthcare Inc. is proposing to build up to an estimated 2.4 million square feet of manufacturing, R&D and distribution space on a minimum 150-200 acres campus. The facility would facilitate large scale manufacture of Nitrile Gloves catering to the US markets and export market to the top 25 largest US trading partners. The distribution center would cater to Southern US states and the Latin American market.

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- Quality Control equipment with Artificial Intelligence technologies .
- warehouse & handling equipment for distribution & logistic activities.
- Stage #2 Process Water Treatment Equipment for recycling the treated water for production use.

Also included in this application are all of the associated concrete foundations, pipe supports, intra-plant piping, intra-plant conduit and connections, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.



TAB 9

Description of Land

Parcels 1A, 1B and 1C consisting of approximately 212 Acres out of Brazoria County, Texas Central Appraisal District Parcel ID 176707, Abstract 0536 C M Hays, Tracts 1A-1B-1C-3B 234.728Acres.



TAB 10

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

None

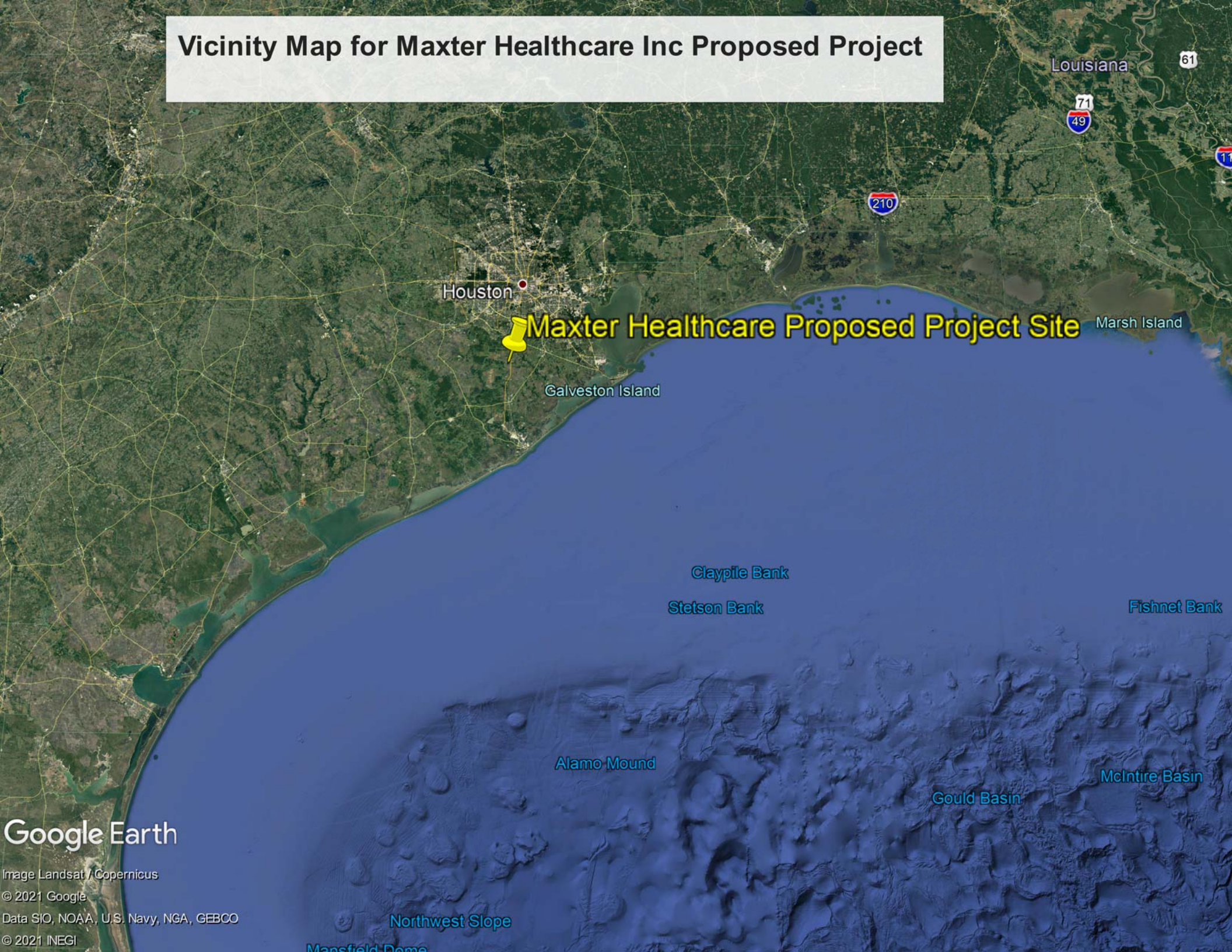


TAB 11

Maps that clearly show:

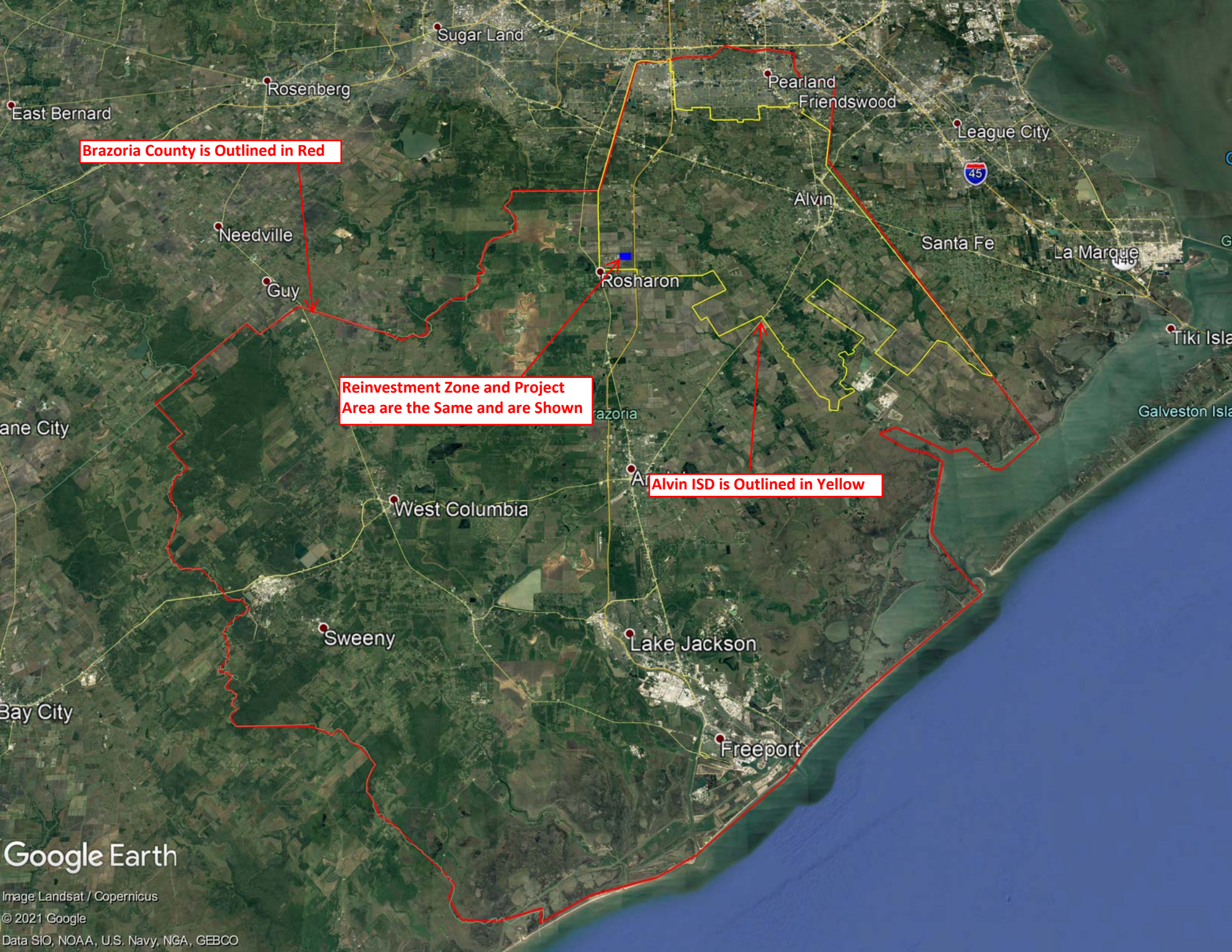
- a) Project vicinity
- b) Qualified investment including location of new building or new improvements.
- c) Qualified property including location of new building or new improvements.
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.

Vicinity Map for Maxter Healthcare Inc Proposed Project



Google Earth

Image Landsat / Copernicus
© 2021 Google
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2021 INEGI



Brazoria County is Outlined in Red

Reinvestment Zone and Project Area are the Same and are Shown

Alvin ISD is Outlined in Yellow



Pearland

Friendswood

Webster

Bacliff

Dickinson

Alvin

Santa Fe

Rosharon

Hitchcock

Alvin ISD is Outlined in Yellow

Reinvestment Zone and Project Area are the Same and are Denoted by Area Shaded Blue

Proposed Maxter Healthcare Project Reinvestment Zone and Project Boundary

Sandy Point

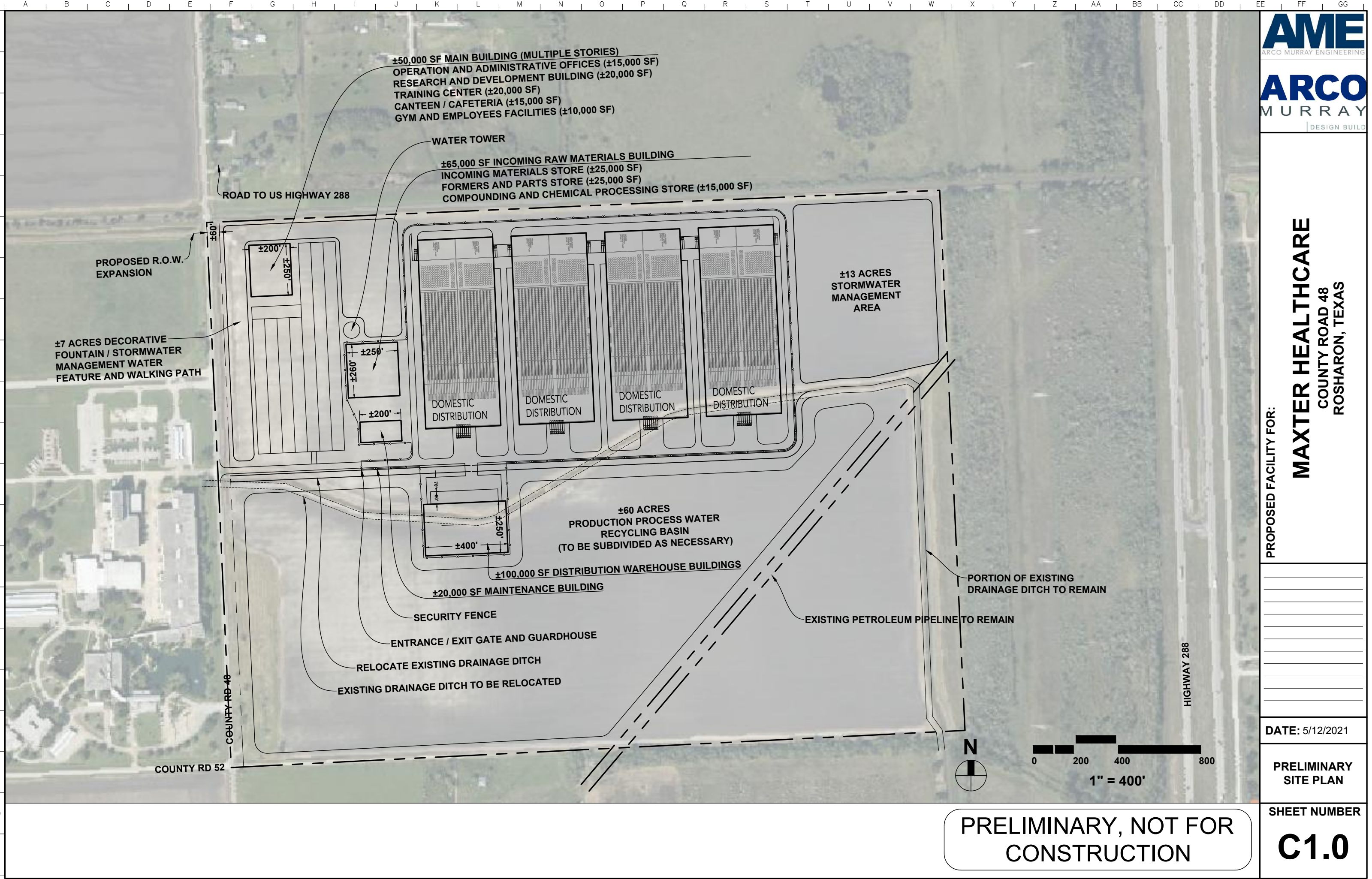


288

521

1462

Rosharon



PROPOSED FACILITY FOR:

MAXTER HEALTHCARE
COUNTY ROAD 48
ROSHARON, TEXAS

PRELIMINARY, NOT FOR
CONSTRUCTION



TAB 12

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

Not Applicable



TAB 13

Calculation of three possible wage requirements with TWC documentation

- 1) Brazoria County average weekly wage for all jobs (all industries)
- 2) Brazoria County average weekly wage for all jobs (manufacturing)
- 3) See attached Council of Governments Regional Wage Calculation and Documentation

**MAXTER HEALTHCARE INC.
TAB 13 TO CHAPTER 313 APPLICATION**

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2020	\$ 1,184	\$ 61,568
SECOND	2020	\$ 1,137	\$ 59,124
THIRD	2020	\$ 1,100	\$ 57,200
FOURTH	2020	\$ 1,200	\$ 62,400
AVERAGE		\$ 1,155.25	\$ 60,073.00

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

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2020	\$ 2,433	\$ 126,516
SECOND	2020	\$ 2,035	\$ 105,820
THIRD	2020	\$ 2,066	\$ 107,432
FOURTH	2020	\$ 2,255	\$ 117,260
AVERAGE		\$ 2,197.25	\$ 114,257.00
X		110%	110%
		\$ 2,416.98	\$ 125,682.70

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

YEAR	AVG WEEKLY WAGES*	ANNUALIZED
2019	\$ 1,154	\$ 60,015
X	110%	110%
	\$ 1,269.55	\$ 66,016.50

* SEE ATTACHED TWC DOCUMENTATION

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	01	Brazoria	Total All	10	Total, All Industries	0	1,184
2020	02	Brazoria	Total All	10	Total, All Industries	0	1,137
2020	03	Brazoria	Total All	10	Total, All Industries	0	1,100
2020	04	Brazoria	Total All	10	Total, All Industries	0	1,200

Year	Period	Area	Ownership	Industry Code	Industry	Level	Average Weekly Wage
2020	01	Brazoria	Private	31-33	Manufacturing	2	2,433
2020	02	Brazoria	Private	31-33	Manufacturing	2	2,035
2020	03	Brazoria	Private	31-33	Manufacturing	2	2,066
2020	04	Brazoria	Private	31-33	Manufacturing	2	2,255

**2019 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	\$22.31	\$46,399
South Plains Association of Governments	2	\$18.97	\$39,448
NORTEX Regional Planning Commission	3	\$20.38	\$42,395
North Central Texas Council of Governments	4	\$32.92	\$68,476
Ark-Tex Council of Governments	5	\$20.09	\$41,780
East Texas Council of Governments	6	\$28.95	\$60,211
West Central Texas Council of Governments	7	\$21.83	\$45,406
Rio Grande Council of Governments	8	\$18.15	\$37,749
Permian Basin Regional Planning Commission	9	\$21.87	\$45,499
Concho Valley Council of Governments	10	\$26.74	\$55,625
Heart of Texas Council of Governments	11	\$22.41	\$46,614
Capital Area Council of Governments	12	\$29.37	\$61,091
Brazos Valley Council of Governments	13	\$17.60	\$36,613
Deep East Texas Council of Governments	14	\$21.06	\$43,796
South East Texas Regional Planning Commission	15	\$25.52	\$53,079
Houston-Galveston Area Council	16	\$28.85	\$60,015
Golden Crescent Regional Planning Commission	17	\$21.43	\$44,565
Alamo Area Council of Governments	18	\$26.64	\$55,401
South Texas Development Council	19	\$18.70	\$38,889
Coastal Bend Council of Governments	20	\$34.94	\$72,668
Lower Rio Grande Valley Development Council	21	\$20.05	\$41,698
Texoma Council of Governments	22	\$18.40	\$38,280
Central Texas Council of Governments	23	\$21.07	\$43,821
Middle Rio Grande Development Council	24	\$22.74	\$47,296
Texas		\$27.25	\$56,673

110% x \$60,015 = \$66,016.50

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

Annual Wage Figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use implementing Chapter 313, Texas Tax Code.



TAB 14

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

See attached Schedules A1, A2, B and C

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				0	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			Pre	0	28,700,000	0	0	28,700,000
	QTP1	2022-2023	2022	184,550,000	154,970,000	0	0	339,520,000
	QTP2	2023-2024	2023	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				184,550,000	183,670,000	0	0	368,220,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				339,520,000				

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

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

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

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

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

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

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

Date 6/11/2021
Applicant Name Maxter Healthcare Inc.
ISD Name Alvin ISD

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

Form 50-296A

Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		184,550,000	183,670,000	0	0	368,220,000
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2021-2022	2021					
	0	2022-2023	2022					
Value limitation period***	1	2023-2024	2023					0
	2	2024-2025	2024					
	3	2025-2026	2025					
	4	2026-2027	2026					
	5	2027-2028	2027					
	6	2028-2029	2028					
	7	2029-2030	2029					
	8	2030-2031	2030					
	9	2031-2032	2031					
	10	2032-2033	2032					
Total Investment made through limitation				184,550,000	183,670,000	0	0	368,220,000
Continue to maintain viable presence	11	2033-2034	2033					
	12	2034-2035	2034					
	13	2035-2036	2035					
	14	2036-2037	2036					
	15	2037-2038	2037					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038					
	17	2039-2040	2039					
	18	2040-2041	2040					
	19	2041-2042	2041					
	20	2042-2043	2042					
	21	2043-2044	2043					
	22	2044-2045	2044					
	23	2045-2046	2045					
	24	2046-2047	2046					
	25	2047-2048	2047					

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

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

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

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

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

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

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

Date

6/11/2021

Applicant Name

Maxter Healthcare Inc.

Form 50-296A

ISD Name

Alvin ISD

Revised October 2020

			Tax Year (Fill 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 before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	0	0	0	0	0	0
	0	2022-2023	2022		14,350,000	0	14,350,000	14,350,000	14,350,000
Value Limitation Period	1	2023-2024	2023	0	179,078,250	182,704,500	352,647,525	352,647,525	30,000,000
	2	2024-2025	2024	0	174,601,290	169,915,185	336,020,716	336,020,716	30,000,000
	3	2025-2026	2025	0	170,236,260	158,021,122	320,356,326	320,356,326	30,000,000
	4	2026-2027	2026	0	165,980,350	146,959,644	305,592,011	305,592,011	30,000,000
	5	2027-2028	2027	0	161,830,840	136,672,468	291,669,685	291,669,685	30,000,000
	6	2028-2029	2028	0	157,785,070	127,105,396	278,535,196	278,535,196	30,000,000
	7	2029-2030	2029	0	153,840,440	118,208,018	266,138,057	266,138,057	30,000,000
	8	2030-2031	2030	0	149,994,430	109,933,457	254,431,214	254,431,214	30,000,000
	9	2031-2032	2031	0	146,244,570	102,238,115	243,370,779	243,370,779	30,000,000
	10	2032-2033	2032	0	142,588,460	95,081,447	232,915,834	232,915,834	30,000,000
Continue to maintain viable presence	11	2033-2034	2033	0	139,023,750	88,425,745	223,028,208	223,028,208	223,028,208
	12	2034-2035	2034	0	135,548,160	82,235,943	213,672,306	213,672,306	213,672,306
	13	2035-2036	2035	0	132,159,460	76,479,427	204,814,916	204,814,916	204,814,916
	14	2036-2037	2036	0	128,855,470	71,125,867	196,425,044	196,425,044	196,425,044
	15	2037-2038	2037	0	125,634,080	66,147,057	188,473,784	188,473,784	188,473,784
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	0	122,493,230	61,516,763	180,934,155	180,934,155	180,934,155
	17	2039-2040	2039	0	119,430,900	57,210,589	173,780,960	173,780,960	173,780,960
	18	2040-2041	2040	0	116,445,130	53,205,848	166,990,686	166,990,686	166,990,686
	19	2041-2042	2041	0	113,534,000	49,481,439	160,541,367	160,541,367	160,541,367
	20	2042-2043	2042	0	110,695,650	46,017,738	154,412,501	154,412,501	154,412,501
	21	2043-2044	2043	0	107,928,260	42,796,496	148,584,931	148,584,931	148,584,931
	22	2044-2045	2044	0	105,230,050	39,800,742	143,040,754	143,040,754	143,040,754
	23	2045-2046	2045	0	102,599,300	37,014,690	137,763,255	137,763,255	137,763,255
	24	2046-2047	2046	0	100,034,320	34,423,661	132,736,798	132,736,798	132,736,798
	25	2047-2048	2047	0	97,533,460	32,014,005	127,946,765	127,946,765	127,946,765

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 4/7/2021
Applicant Name Maxter Healthcare Inc.
ISD Name Alvin ISD

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				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	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)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	350 FTE	52,500	0	0	0
	0	2022-2023	2022	350FTE	52,500	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023	N/A	N/A	200	25	66,020
	2	2024-2025	2024	N/A	N/A	200	25	66,020
	3	2025-2026	2025	N/A	N/A	200	25	66,020
	4	2026-2027	2026	N/A	N/A	200	25	66,020
	5	2027-2028	2027	N/A	N/A	200	25	66,020
	6	2028-2029	2028	N/A	N/A	200	25	66,020
	7	2029-2030	2029	N/A	N/A	200	25	66,020
	8	2030-2031	2030	N/A	N/A	200	25	66,020
	9	2031-2032	2031	N/A	N/A	200	25	66,020
	10	2032-2033	2032	N/A	N/A	200	25	66,020
Years Following Value Limitation Period	11 through 25	2033-2049	2033-2048	N/A	N/A	200	25	66,020

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



TAB 15

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

None



TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as an 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*

- a) Not applicable
- b) Will be submitted once Brazoria County creates the Reinvestment Zone.
- c) Will be submitted once Brazoria County creates the Reinvestment Zone
- d) See Attached

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT
IN A REINVESTMENT ZONE CREATED IN BRAZORIA COUNTY**

WHEREAS, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in Brazoria County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract capital investment and primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote;

WHEREAS, Texas law requires a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization of tax abatement guidelines and criteria;

WHEREAS, a public hearing was held and these Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone in Brazoria County was approved under Court Order 6.K.3 dated June 23, 2020.

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.
- (b) "Abatement Period" means the period during which all or a portion of the value of real property or

tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.

- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.
- (e) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" 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 serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- (u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of

Brazoria County.

- (x) “Tangible personal property” means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the reinvestment zone at any time before the period covered by the agreement with the County.

ABATEMENT AUTHORIZED Section 2

- (a) Authorized Facility. A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) Eligible Property. Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) Ineligible Property. The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by State law.

- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. Commissioners Court shall consider the percent of value and the term of the abatement based upon the overall value of the project and the number of new jobs being created. The term of abatement may be up to 10 years or one-half (1/2) of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1 following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

- (h) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
 - (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site

described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. “Existing facility” is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered “created” employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county union and/or nonunion vendors and services regarding price, quality, safety, availability and ability to perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries.
- (7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$25,000 for projects \$500 million or less in capital investment and no more than \$50,000 for project greater than \$500 million in capital investment nor less than \$2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
- (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
- (10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction, on-going maintenance, and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - Cost to maintain the roads utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
 - Cost to reconstruct the roadway, if needed, will be actual cost to reconstruct the County roads and right-of way incurred by the County and invoiced to the Abatee.

These costs will include all construction costs as well as all related professional services for the repair work.

- Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities. In order to comply with County regulations, Abatee shall schedule and attend a pre-development meeting with the County Engineering Department prior to commencing construction. Abatee shall submit a road use plan to the County Engineering Department at least 3 days prior to attending the pre-development meeting. The road use plan should identify all County roads that may be affected by construction or use of the Abated Facility Site, as well as, the routes of any related pipelines.
- Abatee shall execute a Developer Agreement relating to the reconstruction and repair of affected County roads. Abatee shall not begin construction, of the Abated Facility until the Developer Agreement has been fully executed. Beginning construction prior to the execution of a Developer Agreement will result in the cancellation of the Abatement.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.
- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.

- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; CAD data or a shapefile with the boundaries of the reinvestment zone; and a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed 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 shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the governing body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.
- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of

improvements related to a proposed modernization, expansion or new facility.

- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

APPROVAL Section 4

- (a) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) there would be a substantial adverse effect on the provision of government service or tax base;
 - (2) the Applicant has insufficient financial capacity;
 - (3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,
 - (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and

- (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
- (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*e.g.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the County may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions

of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

ADMINISTRATION Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a 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 company or individual and in accordance with their safety standards.
- (c) Tax Abatement Review Committee:

The Commissioners Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.
- (d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.
- (e) Upon commencement of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners Court. The form of annual report that shall be used by the owner is attached as Attachment A.
- (f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*e.g.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement

granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

- (g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT AND MODIFICATION Section 8

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Brazoria County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Brazoria County. Assignee shall submit a tax abatement application, including financial information to the County Judge's office prior to consideration of assignment. Full assignment of the abatement requires approval by the TARC in addition to approval through public hearing in Commissioners Court. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Brazoria County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Abatement may be modified or amended. A modification or amendment, except those that change the commencement date, correct clerical errors, or make administrative changes (including changes to the notification section or the company name) requires approval through public hearing in Commissioners Court.

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any

compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.

- (f) The notice provisions of Section 3(d) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.
- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective June 23, 2020, and shall remain in force until June 23, 2022, unless amended or superseded, modified, renewed, or eliminated by Commissioners Court prior to that date.

ATTACHMENT A

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

ANNUAL REPORT FORM

ANNUAL REPORT
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: _____

Date of completion all contemplated improvements: _____

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: _____

*Permanent Contract Employees _____

(* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

**Temporary Contract Employees _____

(**List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: _____

Estimated value of Improvements: _____

As of _____

4. Status of production of the completed facility and the productive service capacity of the improvements. (*only applicable to a completed facility that has previously commenced production*)

Is the abated facility currently producing the product or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B.

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space.

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.)

5. Include a list of Brazoria County vendors and services that you have used and attach the same as Attachment A to this Report.

Is the list of Brazoria County vendors and services attached?

Check One
() Yes or () No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

ATTACHMENT B

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

REPORT FORM
After the initial term of the
Tax Abatement Agreement

PRODUCTIVE LIFE REPORT
TAX ABATEMENT TERM COMPLETED
 PURSUANT TO SECTION 5(a)(8) AND 7(f) OF
 THE BRAZORIA COUNTY GUIDELINES &
 CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

Effective Date of Tax Abatement: _____

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product
or similar product described in the tax abatement agreement?

Check One
 () Yes or () No

If the answer to the above question is "No",
please state the date or time period when production ceased
and attach a narrative explanation of the reason for cessation
of production as Attachment A.

If production at this abated facility is
shut down, please state the expected
date or time period, if any, at which/during which
you expect the facility to resume production operations.
If you do not expect to resume production at this
abated facility, please state "plant closed" in
the blank space.

State your estimate of the expected
productive life of the abated facility and its improvements as
measured from the beginning date of production until the expected
permanent cessation of production (*or in other words*, the total number
of years, if any, that you expect the abated facility improvements to be
in service as part of the operations of a producing facility, including
in your total any previous years of production prior to the date of this report.)

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____



TAB 17

Signature and Certification Page; signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

July 23, 2021

Michelle Morris
Rogers, Morris & Grover, L.L.P.
5718 Westheimer Road, Suite 1200
Houston, Texas 77057

Michelle;

Attached please find the hard copies of the Amended Application pages for Maxter Healthcare Inc. (Application # 1619 in Alvin ISD).

The changes to the original Application are as follows in response to the e-mail from the Comptroller staff dated July 14, 2021 which are itemized below.

1 - Schedule A1

- Schedule A1: is the amount listed as “pre” for year 2021? For clarification please confirm that this amount “\$28,700,000” will not be counted as qualified investment.
Schedule A1 has been amended to reflect that 2021 is the “pre” year. Also, this response confirms that the \$28,700,000 listed for that year will not be considered Qualified Investment but will be considered Qualified Property.

2 - Tab 11: Vicinity Map

- Can you make the boundaries darker for the ISD, County, Project boundary/RZ as in my digital copy it is hard to see.
The vicinity map has been edited to more clearly show ISD, County , Project Boundary/Reinvestment Zone boundaries.

3 - Section 6, Question 2

- Under Section 6 Q2 this application is manufacturing. Please be aware you can only apply under one eligibility category, therefore you will need to remove R&D facilities and distribution center from the project description, description of qualified investment, description of qualified property, maps depicting the location of qualified property and from investment schedules. Only items that are in direct support of the glove manufacturing process will be eligible for the limitation.

The initial application broadly described certain property as being related to "R & D". The property in question is not related to an R&D facility and has been redefined in Tabs 4,7 and 8. Similarly, references to R&D in the map have been removed. Investment schedules remain unchanged as a result of the clarification of the property description.

4 - Tabs 7 and 8 and QP Map

- Please verify that all qualified property listed is in support of manufacturing the nitrile gloves.

Tabs 4,7 and 8 have been amended to reflect the function of the equipment verifying that all listed equipment is in support of the manufacturing of nitrile gloves

5 - Schedules

- Verify that all schedules only reflect investment for the manufacturing of Nitrile Gloves.

Per the response to Item 3 above, investment reflected in the schedules as originally submitted reflect investment for the manufacturing of Nitrile gloves. No changes have been made to the schedules related to this inquiry.

Wage Data

- Finally please note the "2020 Manufacturing Average Wages by Council of Government Region Wages for All Occupations," is schedule to be released around July 31, 2021 which can impact your wages listed in Section 14 of the Application.

Responses to the attached inquiry are being supplied as quickly as possible to facilitate completion of the review prior to new wage data being released.

Signature Page

- A new signature page is required for this amendment. Be advised that a copy or picture of the new signature page will suffice with the amendment. Include the submission date and amendment number on each corrected page.

Signature Page is attached

Please let me know if you have questions or need additional information.

Sincerely,



Sam A. Gregson
Senior Consultant

Date 6/11/2021
Applicant Name Maxter Healthcare Inc.
ISD Name Alvin ISD

1619 - Alvin ISD - Maxter Healthcare Inc. - Amendment #1
July 23, 2021

Form 50-296A
Revised October 2020

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)		Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application				0	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		2021	Pre	0	28,700,000	0	0	28,700,000
	QTP1	2022-2023	2022	184,550,000	154,970,000	0	0	339,520,000
	QTP2	2023-2024	2023	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				184,550,000	183,670,000	0	0	368,220,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				339,520,000				

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

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

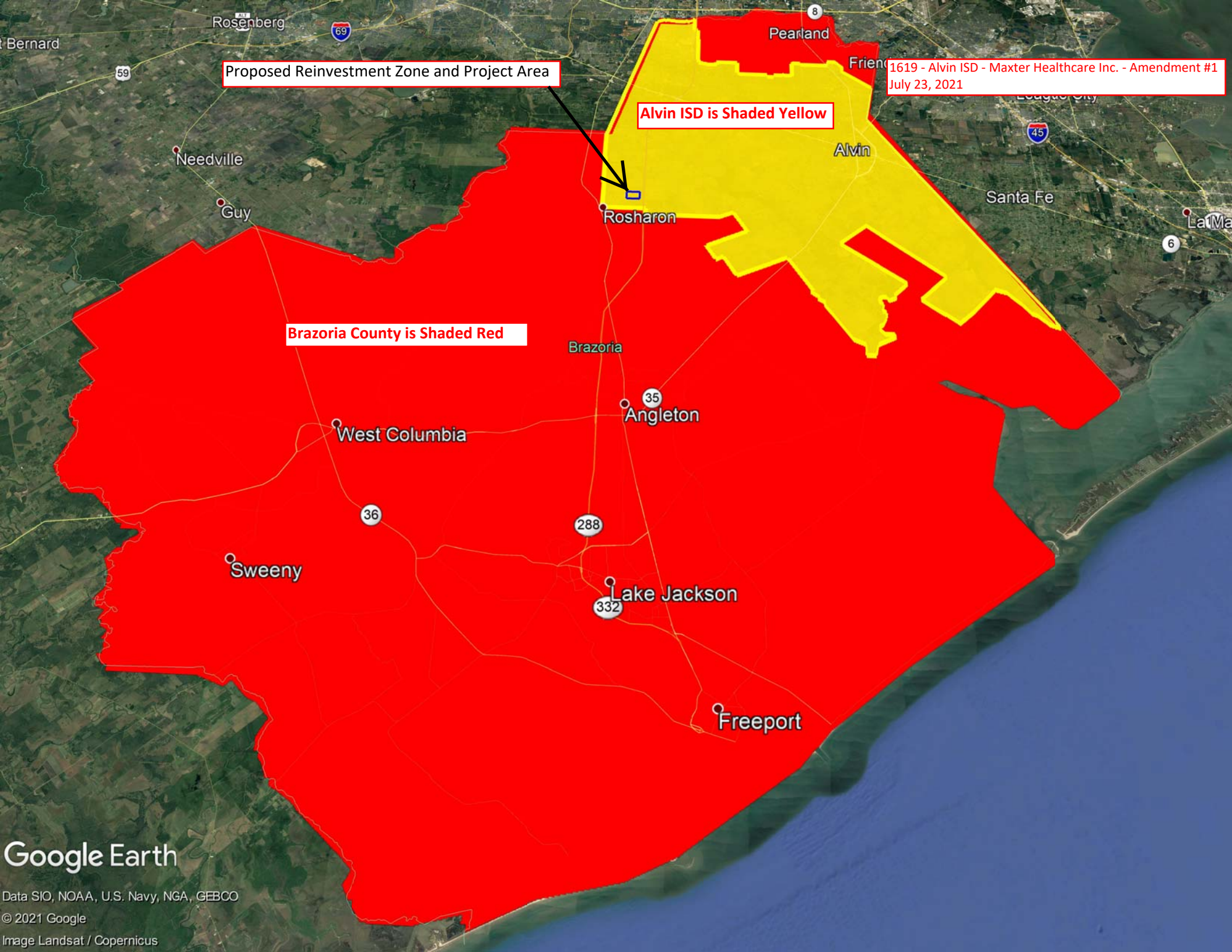
Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

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

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

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

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



Proposed Reinvestment Zone and Project Area

Alvin ISD is Shaded Yellow

Brazoria County is Shaded Red

1619 - Alvin ISD - Maxter Healthcare Inc. - Amendment #1
July 23, 2021

Google Earth

Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2021 Google
Image Landsat / Copernicus



CUMMINGS WESTLAKE

MAXTER HEALTHCARE INC

Chapter 313 Application Alvin ISD

TAB 4

Detailed Description of the Project

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.

Maxter Healthcare Inc. is proposing to build an estimated 2.4 million square feet of manufacturing plant floor space with a design capacity of 400 million nitrile glove pieces per month, per phase (with a total of 4 production phases planned for) on a minimum of 150-200 acres land site. The manufacturing campus will facilitate the large-scale manufacture of Nitrile Gloves, catering domestically to the US as well as export markets (including the top 25 largest US trading partners). This state-of-the-art manufacturing campus will embrace 1) continuous production process improvements (such as improvements in compounding, quality improvement and production efficiencies 2) scalable mechanical, robotics and AI automation 3) environmentally friendly new materials such as biodegradable and compostable polymers; and, 4) new product and specialty product lines for medical and other level 3 viral barrier, laboratory as well as Department of Defense/Federal government applications. Planned temporary onsite warehousing, logistics and fulfilment facilities will also robustly add to overall efficiencies and productivity.

Below is a list of the new major equipment comprising this plant as follows:

- Glove production lines complete with Auto-Dipping, Auto-Stripping, Auto-Stacking, Auto-Packing & Auto-Cartoning.
- Process Compounding tanks, Process Raw Material Storage Tanks, Process Coagulant Master-Batch Tanks.
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- Pre-commercial production process improvement machinery and equipment.
- Laboratory machinery and equipment.
- Quality Control equipment with Artificial Intelligence technologies.
- Warehouse & handling equipment for on-site temporary storage and inventory management.
- Stage #2 Process Water Treatment Equipment for reclaiming process water for production use

Also included in this application are all the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.



CUMMINGS WESTLAKE

MAXTER HEALTHCARE INC

Chapter 313 Application Alvin ISD

TAB 7

Description of Qualified Investment

Maxter Healthcare Inc. is proposing to build an estimated 2.4 million square feet of manufacturing plant floor space with a design capacity of 400 million nitrile glove pieces per month, per phase (with a total of 4 production phases planned for) on a minimum of 150-200 acres land site.

Below is a list of the new major equipment comprising this plant as follows:

- Glove production lines complete with Auto-Dipping, Auto-Stripping, Auto-Stacking, Auto-Packing & Auto-Cartoning.
- Process Compounding tanks, Process Raw Material Storage Tanks, Process Coagulant Master-Batch Tanks.
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- Pre-commercial production process improvement machinery and equipment.
- Laboratory machinery and equipment.
- Quality Control equipment with Artificial Intelligence technologies.
- Warehouse & handling equipment for on-site temporary storage and inventory management.
- Stage #2 Process Water Treatment Equipment for reclaiming process water for production use

Also included in this application are all the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.



CUMMINGS WESTLAKE

MAXTER HEALTHCARE INC

Chapter 313 Application Alvin ISD

TAB 8

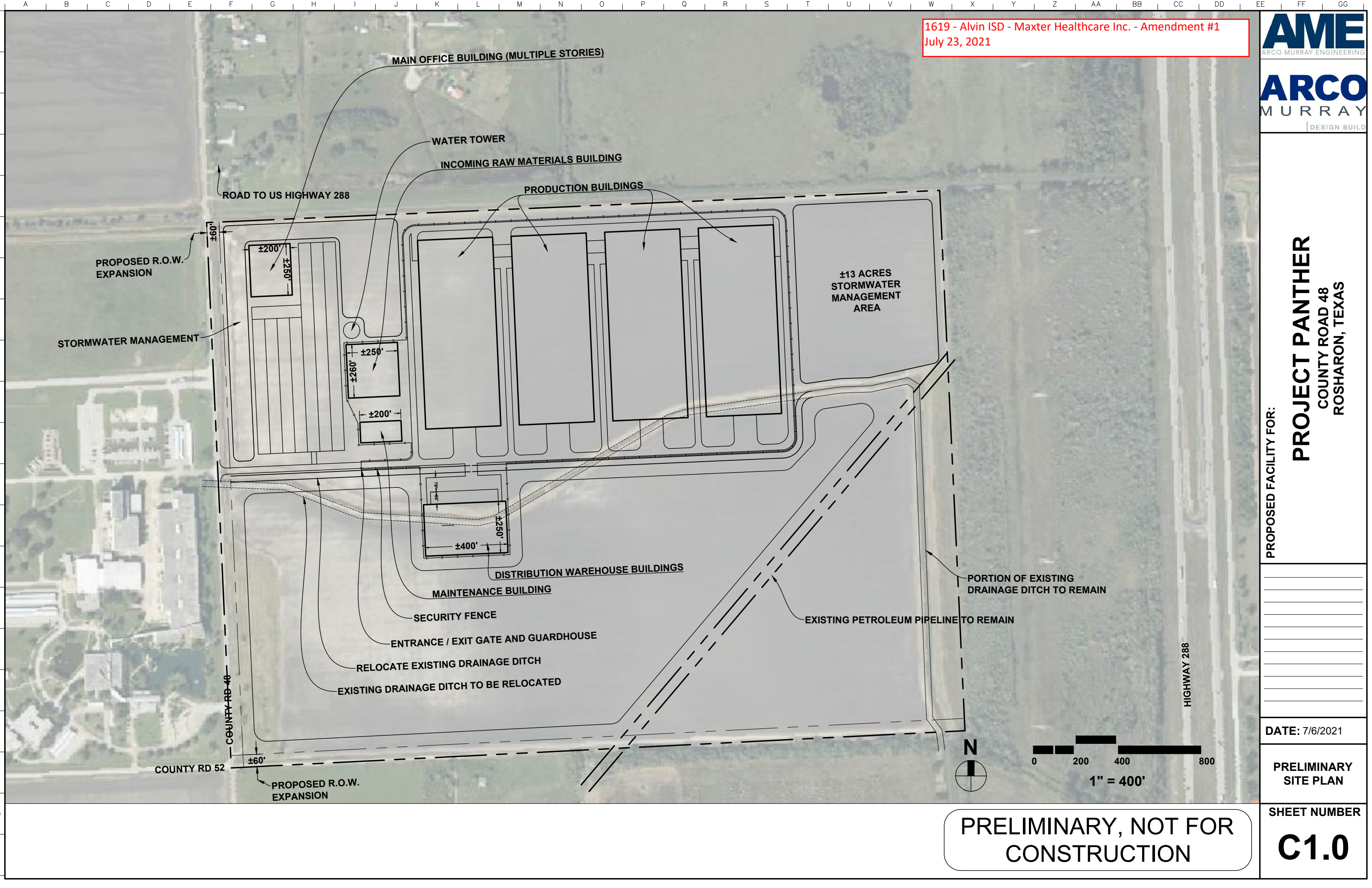
Description of Qualified Property

Maxter Healthcare Inc. is proposing to build an estimated 2.4 million square feet of manufacturing plant floor space with a design capacity of 400 million nitrile glove pieces per month, per phase (with a total of 4 production phases planned for) on a minimum of 150-200 acres land site.

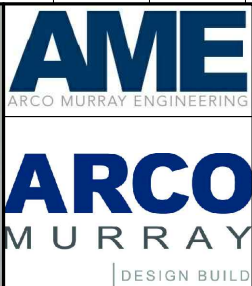
Below is a list of the new major equipment comprising this plant as follows:

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- Laboratory machinery and equipment.
- Quality Control equipment with Artificial Intelligence technologies.
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- Stage #2 Process Water Treatment Equipment for reclaiming process water for production use

Also included in this application are all the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.



1619 - Alvin ISD - Maxter Healthcare Inc. - Amendment #1
July 23, 2021



PROPOSED FACILITY FOR:

PROJECT PANTHER

COUNTY ROAD 48
ROSHARON, TEXAS

DATE: 7/6/2021

PRELIMINARY
SITE PLAN

SHEET NUMBER

C1.0

PRELIMINARY, NOT FOR
CONSTRUCTION

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

Carol Nelson

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

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

Stanley Thai

Print Name (Authorized Company Representative (Applicant))

President

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

July 22, 2021



(Notary Seal)

GIVEN under my hand and seal of office this, the

22nd day of July, 2021Brygith Sanchez
Notary Public in and for the State of Texas ILLINOIS

My Commission expires: 07/10/2025

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.

ATTACHMENT B



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

July 30, 2021

Carol Nelson
Superintendent
Alvin Independent School District
301 East House Street
Alvin, TX 77511

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Alvin Independent School District and Maxter Healthcare Inc, Application 1619

Dear Superintendent Nelson:

On June 29, 2021, the Comptroller's office received Maxter Healthcare Inc's (applicant) application for a limitation on appraised value (Application 1619) from Alvin Independent School District (school district).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on July 30, 2021.


Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Tabita Collazo with our office. She can be reached by email at tabita.collazo@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 5- 5626 or at 512-475- 5626.

Sincerely,

DocuSigned by:


8FDFC70F5753487...
Will Counihan

Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Stanley Thai, Supermax Healthcare Inc.
CK Tan, Supermax Healthcare Inc.
Greg Maxim, Cummings Westlake LLC

ATTACHMENT C



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 22, 2021

Carol Nelson
Superintendent
Alvin Independent School District
301 East House Street
Alvin, TX 77511

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Alvin Independent School
District and Maxter Healthcare Inc., Application 1619

Dear Superintendent Nelson:

On July 30, 2021, the Comptroller issued written notice that Maxter Healthcare Inc. (applicant) submitted a completed application (Application 1619) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 29, 2021, to the Alvin 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 1619.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2021.

Note that any building or improvement existing as of the application review start date of July 30, 2021, 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,

DocuSigned by:

11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Maxter Healthcare Inc. (project) applying to Alvin 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 Maxter Healthcare Inc..

Applicant	Maxter Healthcare Inc.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Alvin ISD
2019-2020 Average Daily Attendance	25,046
County	Brazoria
Proposed Total Investment in District	\$368,220,000
Proposed Qualified Investment	\$339,520,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	200
Average weekly wage of qualifying jobs committed to by applicant	\$1,270
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,270
Minimum annual wage committed to by applicant for qualified jobs	\$66,020
Minimum weekly wage required for non-qualifying jobs	\$1,156.25
Minimum annual wage required for non-qualifying jobs	\$60,125
Investment per Qualifying Job	\$14,728,800
Estimated M&O levy without any limit (15 years)	\$39,428,383
Estimated M&O levy with Limitation (15 years)	\$13,477,362
Estimated gross M&O tax benefit (15 years)	\$25,951,021

Table 2 is the estimated statewide economic impact of Maxter Healthcare Inc. (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	350	432	782	\$18,375,000	\$40,625,000	\$59,000,000
2022	350	449	799	\$18,375,000	\$47,625,000	\$66,000,000
2023	225	412	637	\$13,665,100	\$49,334,900	\$63,000,000
2024	225	407	632	\$13,665,100	\$52,334,900	\$66,000,000
2025	225	389	614	\$13,665,100	\$54,334,900	\$68,000,000
2026	225	369	594	\$13,665,100	\$55,334,900	\$69,000,000
2027	225	350	575	\$13,665,100	\$56,334,900	\$70,000,000
2028	225	335	560	\$13,665,100	\$57,334,900	\$71,000,000
2029	225	324	549	\$13,665,100	\$59,334,900	\$73,000,000
2030	225	318	543	\$13,665,100	\$61,334,900	\$75,000,000
2031	225	315	540	\$13,665,100	\$63,334,900	\$77,000,000
2032	225	317	542	\$13,665,100	\$66,334,900	\$80,000,000
2033	225	307	532	\$13,665,100	\$68,334,900	\$82,000,000
2034	225	308	533	\$13,665,100	\$72,334,900	\$86,000,000
2035	225	311	536	\$13,665,100	\$75,334,900	\$89,000,000
2036	225	316	541	\$13,665,100	\$79,334,900	\$93,000,000

Source: CPA REMI, Maxter Healthcare Inc.

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		Alvin ISD I&S Tax Levy	Alvin ISD M&O Tax Levy	Alvin ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Drainage District #5 Tax Levy	Emergency District #3 Tax Levy	Brazoria County Road and Bridge Tax Levy	Alvin Community College Tax Levy	Port Freeport Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3925	1.0052		0.0920	0.1427	0.1000	0.0500	0.1834	0.0401	
2022	\$14,350,000	\$14,350,000		\$56,324	\$144,246	\$200,570	\$13,204	\$20,483	\$14,350	\$7,175	\$26,324	\$5,754	\$287,860
2023	\$352,647,525	\$352,647,525		\$1,384,142	\$3,544,813	\$4,928,954	\$324,496	\$503,355	\$352,648	\$176,324	\$646,907	\$141,412	\$7,074,095
2024	\$336,020,716	\$336,020,716		\$1,318,881	\$3,377,680	\$4,696,562	\$309,196	\$479,623	\$336,021	\$168,010	\$616,406	\$134,744	\$6,740,562
2025	\$320,356,326	\$320,356,326		\$1,257,399	\$3,220,222	\$4,477,620	\$294,782	\$457,264	\$320,356	\$160,178	\$587,671	\$128,463	\$6,426,335
2026	\$305,592,011	\$305,592,011		\$1,199,449	\$3,071,811	\$4,271,260	\$281,197	\$436,190	\$305,592	\$152,796	\$560,587	\$122,542	\$6,130,164
2027	\$291,669,685	\$291,669,685		\$1,144,804	\$2,931,864	\$4,076,667	\$268,386	\$416,318	\$291,670	\$145,835	\$535,048	\$116,960	\$5,850,882
2028	\$278,535,196	\$278,535,196		\$1,093,251	\$2,799,836	\$3,893,086	\$256,300	\$397,570	\$278,535	\$139,268	\$510,953	\$111,693	\$5,587,405
2029	\$266,138,057	\$266,138,057		\$1,044,592	\$2,675,220	\$3,719,812	\$244,892	\$379,875	\$266,138	\$133,069	\$488,212	\$106,721	\$5,338,719
2030	\$254,431,214	\$254,431,214		\$998,643	\$2,557,543	\$3,556,185	\$234,120	\$363,165	\$254,431	\$127,216	\$466,736	\$102,027	\$5,103,880
2031	\$243,370,779	\$243,370,779		\$955,230	\$2,446,363	\$3,401,593	\$223,942	\$347,378	\$243,371	\$121,685	\$446,447	\$97,592	\$4,882,008
2032	\$232,915,834	\$232,915,834		\$914,195	\$2,341,270	\$3,255,465	\$214,322	\$332,455	\$232,916	\$116,458	\$427,268	\$93,399	\$4,672,282
2033	\$223,028,208	\$223,028,208		\$875,386	\$2,241,880	\$3,117,265	\$205,224	\$318,342	\$223,028	\$111,514	\$409,130	\$89,434	\$4,473,937
2034	\$213,672,306	\$213,672,306		\$838,664	\$2,147,834	\$2,986,498	\$196,615	\$304,987	\$213,672	\$106,836	\$391,967	\$85,683	\$4,286,258
2035	\$204,814,916	\$204,814,916		\$803,899	\$2,058,800	\$2,862,698	\$188,465	\$292,345	\$204,815	\$102,407	\$375,719	\$82,131	\$4,108,579
2036	\$196,425,044	\$196,425,044		\$770,968	\$1,974,465	\$2,745,433	\$180,744	\$280,369	\$196,425	\$98,213	\$360,328	\$78,766	\$3,940,279
2037	\$188,473,784	\$188,473,784		\$739,760	\$1,894,538	\$2,634,298	\$173,428	\$269,020	\$188,474	\$94,237	\$345,742	\$75,578	\$3,780,777
			Total	\$15,395,583	\$39,428,383	\$54,823,966	\$3,609,313	\$5,598,736	\$3,922,442	\$1,961,221	\$7,195,445	\$1,572,899	\$78,684,022

Source: CPA, Maxter Healthcare Inc.

*Tax Rate per \$100 Valuation

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

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		Alvin ISD I&S Tax Levy	Alvin ISD M&O Tax Levy	Alvin ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Drainage District #5 Tax Levy	Emergency District #3 Tax Levy	Brazoria County Road and Bridge Tax Levy	Alvin Community College Tax Levy	Port Freeport Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3925	1.0052		0.0920	0.1427	0.1000	0.0500	0.1834	0.0401	
2022	\$14,350,000	\$14,350,000		\$56,324	\$144,246	\$200,570	\$13,204	\$20,483	\$14,350	\$7,175	\$26,324	\$5,754	\$287,860
2023	\$352,647,525	\$30,000,000		\$1,384,142	\$301,560	\$1,685,702	\$324,496	\$503,355	\$352,648	\$176,324	\$646,907	\$141,412	\$3,830,842
2024	\$336,020,716	\$30,000,000		\$1,318,881	\$301,560	\$1,620,441	\$309,196	\$479,623	\$336,021	\$168,010	\$616,406	\$134,744	\$3,664,442
2025	\$320,356,326	\$30,000,000		\$1,257,399	\$301,560	\$1,558,959	\$294,782	\$457,264	\$320,356	\$160,178	\$587,671	\$128,463	\$3,507,673
2026	\$305,592,011	\$30,000,000		\$1,199,449	\$301,560	\$1,501,009	\$281,197	\$436,190	\$305,592	\$152,796	\$560,587	\$122,542	\$3,359,913
2027	\$291,669,685	\$30,000,000		\$1,144,804	\$301,560	\$1,446,364	\$268,386	\$416,318	\$291,670	\$145,835	\$535,048	\$116,960	\$3,220,579
2028	\$278,535,196	\$30,000,000		\$1,093,251	\$301,560	\$1,394,811	\$256,300	\$397,570	\$278,535	\$139,268	\$510,953	\$111,693	\$3,089,129
2029	\$266,138,057	\$30,000,000		\$1,044,592	\$301,560	\$1,346,152	\$244,892	\$379,875	\$266,138	\$133,069	\$488,212	\$106,721	\$2,965,059
2030	\$254,431,214	\$30,000,000		\$998,643	\$301,560	\$1,300,203	\$234,120	\$363,165	\$254,431	\$127,216	\$466,736	\$102,027	\$2,847,897
2031	\$243,370,779	\$30,000,000		\$955,230	\$301,560	\$1,256,790	\$223,942	\$347,378	\$243,371	\$121,685	\$446,447	\$97,592	\$2,737,205
2032	\$232,915,834	\$30,000,000		\$914,195	\$301,560	\$1,215,755	\$214,322	\$332,455	\$232,916	\$116,458	\$427,268	\$93,399	\$2,632,572
2033	\$223,028,208	\$223,028,208		\$875,386	\$2,241,880	\$3,117,265	\$205,224	\$318,342	\$223,028	\$111,514	\$409,130	\$89,434	\$4,473,937
2034	\$213,672,306	\$213,672,306		\$838,664	\$2,147,834	\$2,986,498	\$196,615	\$304,987	\$213,672	\$106,836	\$391,967	\$85,683	\$4,286,258
2035	\$204,814,916	\$204,814,916		\$803,899	\$2,058,800	\$2,862,698	\$188,465	\$292,345	\$204,815	\$102,407	\$375,719	\$82,131	\$4,108,579
2036	\$196,425,044	\$196,425,044		\$770,968	\$1,974,465	\$2,745,433	\$180,744	\$280,369	\$196,425	\$98,213	\$360,328	\$78,766	\$3,940,279
2037	\$188,473,784	\$188,473,784		\$739,760	\$1,894,538	\$2,634,298	\$173,428	\$269,020	\$188,474	\$94,237	\$345,742	\$75,578	\$3,780,777
			Total	\$15,395,583	\$13,477,362	\$28,872,946	\$3,609,313	\$5,598,736	\$3,922,442	\$1,961,221	\$7,195,445	\$1,572,899	\$52,733,001
			Diff	\$0	\$25,951,021	\$25,951,021	\$0	\$0	\$0	\$0	\$0	\$0	\$25,951,021
Assumes School Value Limitation.													

Source: CPA, Maxter Healthcare Inc.
*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 Maxter Healthcare Inc. (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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$144,246	\$144,246	\$0	\$0
Limitation Period (10 Years)	2023	\$301,560	\$445,806	\$3,243,253	\$3,243,253
	2024	\$301,560	\$747,366	\$3,076,120	\$6,319,373
	2025	\$301,560	\$1,048,926	\$2,918,662	\$9,238,035
	2026	\$301,560	\$1,350,486	\$2,770,251	\$12,008,286
	2027	\$301,560	\$1,652,046	\$2,630,304	\$14,638,590
	2028	\$301,560	\$1,953,606	\$2,498,276	\$17,136,865
	2029	\$301,560	\$2,255,166	\$2,373,660	\$19,510,525
	2030	\$301,560	\$2,556,726	\$2,255,983	\$21,766,508
	2031	\$301,560	\$2,858,286	\$2,144,803	\$23,911,311
	2032	\$301,560	\$3,159,846	\$2,039,710	\$25,951,021
Maintain Viable Presence (5 Years)	2033	\$2,241,880	\$5,401,726	\$0	\$25,951,021
	2034	\$2,147,834	\$7,549,560	\$0	\$25,951,021
	2035	\$2,058,800	\$9,608,359	\$0	\$25,951,021
	2036	\$1,974,465	\$11,582,824	\$0	\$25,951,021
	2037	\$1,894,538	\$13,477,362	\$0	\$25,951,021
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$1,818,750	\$15,296,112	\$0	\$25,951,021
	2039	\$1,746,846	\$17,042,959	\$0	\$25,951,021
	2040	\$1,678,590	\$18,721,549	\$0	\$25,951,021
	2041	\$1,613,762	\$20,335,311	\$0	\$25,951,021
	2042	\$1,552,154	\$21,887,465	\$0	\$25,951,021
	2043	\$1,493,576	\$23,381,041	\$0	\$25,951,021
	2044	\$1,437,846	\$24,818,887	\$0	\$25,951,021
	2045	\$1,384,796	\$26,203,683	\$0	\$25,951,021
	2046	\$1,334,270	\$27,537,953	\$0	\$25,951,021
	2047	\$1,286,121	\$28,824,074	\$0	\$25,951,021
		\$28,824,074	is greater than	\$25,951,021	
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, Maxter Healthcare Inc.

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 Maxter Healthcare Inc’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 Maxter Healthcare Inc. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “SUPERMAX has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital in the United States are New York, North Carolina, Georgia, Florida, and Texas. As a result, SUPERMAX has received an offer letter from the state of Florida. Also, no construction contracts have been negotiated or signed to construct the proposed project.”
 - B. “The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The medical latex glove manufacturing market is very competitive. Without the Chapter 313 value limitation, siting the project at Alvin ISD is less attractive.”
- Comptroller Research
 - A. On December 21, 2020 *The Edge Markets* reported that Supermax Corp incorporated a new subsidiary, Maxter Healthcare Inc to manufacture medical gloves and personal protective equipment. Maxter’s principal intent is the “building of a national headquarters in the US.”
- Provided by Applicant
 - A. “Maxter Healthcare Inc.’s parent company – SUPERMAX Healthcare Inc. (“SUPERMAX”) -- is one of the world’s largest manufacturer, distributor and marketer of high-quality medical gloves with a 2020 audited sales revenue of over \$517 million. SUPERMAX currently have 17 manufacturing locations, equipped with state-of-the-art machinery, energy-saving biomass systems and

research and development centers. Supermax also has corporate distribution centers and offices based in the USA (Supermax Healthcare, Inc. in Illinois), Brazil, Canada, the United Kingdom, Ireland, Hong Kong, Singapore, and Japan, and collaborates with over 1,200 independent distributors around the world. Today, Supermax produces around 26 billion pieces of gloves per annum with additional production capacities coming online to bring this number up to over 48 billion pieces by 2023 (excluding the USA manufacturing project), meeting about 12%-15% of the world demand for disposable natural and synthetic rubber medical gloves.”

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 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

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement November 2021
 2. Estimated commencement of construction December 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2022
 4. First year of limitation (YYYY) January 1, 2023
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations December 2022

SECTION 10: The Property

1. County or counties in which the proposed project will be located Brazoria
2. Central Appraisal District (CAD) that will be responsible for appraising the property Brazoria CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): Alvin ISD; 100%; \$1.0052 <small>(Name, tax rate and percent of project)</small>	I&S (ISD): Alvin ISD; 100%; \$0.3925 <small>(Name, tax rate and percent of project)</small>
County: Brazoria County; 100%; \$0.092017 <small>(Name, tax rate and percent of project)</small>	City: N/A <small>(Name, tax rate and percent of project)</small>
Hospital District: N/A <small>(Name, tax rate and percent of project)</small>	Water District: Drainage District #5; 100%; \$0.142736 <small>(Name, tax rate and percent of project)</small>
Other (describe): Emergency District #3; 100%; \$0.100 <small>(Name, tax rate and percent of project)</small>	Other (describe): See Tab 6 <small>(Name, tax rate and percent of project)</small>

Supporting Information

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



TAB 5

Documentation to assist in determining if limitation is a determining factor.

Maxter Healthcare Inc.'s parent company – SUPERMAX Healthcare Inc. ("SUPERMAX") -- is one of the world's largest manufacturer, distributor and marketer of high-quality medical gloves with a 2020 audited sales revenue of over \$517 million. SUPERMAX currently have 17 manufacturing locations, equipped with state-of-the-art machinery, energy-saving biomass systems and research and development centers. Supermax also has corporate distribution centers and offices based in the USA (Supermax Healthcare, Inc. in Illinois), Brazil, Canada, the United Kingdom, Ireland, Hong Kong, Singapore, and Japan, and collaborates with over 1,200 independent distributors around the world. Today, Supermax produces around 26 billion pieces of gloves per annum with additional production capacities coming online to bring this number up to over 48 billion pieces by 2023 (excluding the USA manufacturing project), meeting about 12%-15% of the world demand for disposable natural and synthetic rubber medical gloves.

SUPERMAX has the option to invest capital in manufacturing plants on a worldwide basis. Current alternative sites under consideration for this project capital in the United States are New York, North Carolina, Georgia, Florida, and Texas. As a result, SUPERMAX has received an offer letter from the state of Florida. Also, no construction contracts have been negotiated or signed to construct the proposed project.

The decision to invest in a particular country or state depends on the economics of the investment in the particular jurisdiction. In the case of the investment in the proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. This project will be reviewed with the Supervisory Board later this year for determination of whether to proceed. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis for investment in Texas. The medical latex glove manufacturing market is very competitive. Without the Chapter 313 value limitation, siting the project at Alvin ISD is less attractive.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Vaccination Tracker

27.81M

Doses administered

MORE DETAILS



MALAYSIA CORPORATE

Select Language ▼

Supermax incorporates new subsidiary in US

Syafiqah Salim / theedgemarkets.com

December 21, 2020 19:45 pm +08



KUALA LUMPUR (Dec 21): Supermax Corp Bhd has incorporated a new wholly-owned subsidiary, Maxter Healthcare Inc, in Delaware, US, to manufacture medical gloves and other personal protective equipment.

Incorporated last Friday, Maxter Healthcare's intended principal activities include "the building of a national headquarters in the US", according to Supermax's stock exchange filing today.

“Maxter Healthcare Inc was incorporated with an issued and paid-up share capital of US\$1. Subsequent to the incorporation, the issued and paid-up share capital will be increased to US\$100 million (about RM404.5 million, based on exchange rate of US\$1 = RM4.045 on Dec 21, 2020).

“The initial paid capital is part of the total allocation of US\$550 million capital investment for Medical Glove Plant #18, when both Phase #1 & #2 are completed and commissioned,” it said, but did not elaborate.

The group said the proposed capital investment will be financed through a combination of internal funds and bank borrowings, the ratio of which will be decided later.

Shares in Supermax closed up five sen or 0.73% at RM6.89 today, giving the group a market value of RM18.75 billion. A total of 13.68 million shares were transacted.

Edited by Tan Choe Choe

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A final message from Finance Minister Tengku Zafrul



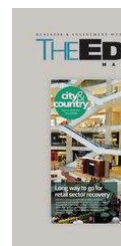
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EVENING 5: PM Muhyiddin steps down



16 Aug | 05:05pm News, Featured

NEWS: Muhyiddin says enough vaccines for all



16 Aug | 04

EDGE W
automot

ATTACHMENT D



Franchise Tax Account Status

As of : 12/08/2021 12:51:11

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

MAXTER HEALTHCARE INC	
Texas Taxpayer Number	32079844703
Mailing Address	4320 LAFAYETTE ST BELLAIRE, TX 77401-5623
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/25/2021
Texas SOS File Number	0804122344
Registered Agent Name	ERIC GEISLER
Registered Office Street Address	4320 LAFAYETTE STREET BELLAIRE, TX 77401

ATTACHMENT E

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED
MAXTER HEALTHCARE INC. PROJECT IN THE
ALVIN INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1619)**

PREPARED BY



MOAKCASEY
PROVEN LEADERS ADVANCING TEXAS SCHOOLS

**OCTOBER 4, 2021
REVISED**

Executive Summary

Maxter Healthcare Inc. (Company) has requested that the Alvin Independent School District (AISD) 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 AISD on June 29, 2021, the Company plans to invest \$352.6 million in additional taxable value 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 Maxter Healthcare 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, AISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in the 2023-24 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 and after.

MCA's revised 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, and the recent House Bill 1525. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

The revisions included in this report reflect updated data related to AISD's participation in a tax increment reinvestment zone (TIRZ) authorized under Chapter 311 of the Texas Tax Code. Participation in the TIRZ affects tax collections and the property values used to calculate AISD's state aid calculations and recapture, if it is in effect. The AISD participation in the TIRZ ends after the 2028-29 school year and the estimated \$2.2 billion in TIRZ taxable value will return to the District's local tax base. The TIRZ-related adjustments increased the estimated revenue protection payments by about \$366,000 in the initial limitation year of the Agreement.

Total Revenue Loss Payment owed to AISD	\$4.49 million
---	----------------

Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$20.5 million
---	----------------

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. A Completeness Letter was issued for this application on July 30, 2021.

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. The Certificate for this application was issued on September 22, 2021.

Prior to the receipt of the Comptroller's certificate, Rogers, Morris & Grover, LLP (Ms. Micki Morris) contacted the school district to discuss the value limitation agreement and began negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

Prior to final board meeting, Ms. Morris 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 and HB 1525, for those districts subject to recapture. 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. Since AISD is not subject to recapture based on the calculations shown below, this issue is not a factor in the evaluation of the financial impact of this application.

Another significant school funding change in HB 3 was 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 regarding 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 48.256(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 is set to expire on December 31, 2022, but its expiration is not expected to affect the eligibility of the current application for a Chapter 313 agreement.

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 1525 implementation are determined by TEA.](#)

Legislative action on school funding in HB 3 in 2019 and the recent HB 1525 update 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, if applicable.

ADA:	26,562
Local M&O Tax Base	\$9.37 billion
	Local Certified Value: \$11.55 billion
	TIRZ Value: \$2,179,486,095
	1998 Captured Appraised Value for TIRZ: \$4,143,160
2020-21 M&O Tax Rate:	\$1.0052 per \$100 of Taxable Value
2021-22 Projected M&O Tax Rate:	\$0.9696 per \$100 of Taxable Value
2021-22 Projected I&S Tax Rate:	\$0.4281 per \$100 of Taxable Value

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

M&O Impact of the Maxter Healthcare Project on AISD

A school finance model is established to make a calculation of the “Baseline Revenue Model” (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the “Value Limitation Revenue Model” (Table 3) by adding the project’s limited value of \$30 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$4.49 million over the course of the Agreement, with all the loss reflected in the first limitation year (2023-24). Table 5 summarizes the key calculations.

As noted above, these estimates are based on static school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system, inclusive of the TIRZ change identified in this revised report. Based on the summary data in Table 4 that highlights the differences between the two models, neither the value limitation nor the expiration of the TIRZ trigger recapture under current law. Future underlying value growth could trigger that action, but it is not a factor in the static analysis based on current values undertaken here.

Table 1 – Base District Information with Maxter Healthcare Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	Sec. 48.256(d)	Sec. 48.256(d)	DPV Value with Project per WADA	DPV Value with Limitation per WADA
						District Revenue Protection District Property Value with Project	District Revenue Protection District Property Value with Limitation		
	2021-22	26,562.49	38,527.13	\$0.9696	\$0.4281	\$8,446,714,263	\$8,446,714,263	\$219,241	\$219,241
QTP1	2022-23	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,487,349,318	\$7,487,349,318	\$194,340	\$194,340
QTP2/VL1	2023-24	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,501,699,318	\$7,501,699,318	\$194,712	\$194,712
VL2	2024-25	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,839,996,843	\$7,517,349,318	\$203,493	\$195,118
VL3	2025-26	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,823,370,034	\$7,517,349,318	\$203,061	\$195,118
VL4	2026-27	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,807,705,644	\$7,517,349,318	\$202,655	\$195,118
VL5	2027-28	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,792,941,329	\$7,517,349,318	\$202,272	\$195,118
VL6	2028-29	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,779,019,003	\$7,517,349,318	\$201,910	\$195,118
VL7	2029-30	26,562.49	38,527.13	\$0.9696	\$0.4281	\$7,765,884,514	\$7,517,349,318	\$201,569	\$195,118
VL8	2030-31	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,262,546,909	\$9,026,408,852	\$240,416	\$234,287
VL9	2031-32	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,250,840,066	\$9,026,408,852	\$240,112	\$234,287
VL10	2032-33	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,239,779,631	\$9,026,408,852	\$239,825	\$234,287
VP1	2033-34	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,229,324,686	\$9,026,408,852	\$239,554	\$234,287
VP2	2034-35	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,219,437,060	\$9,219,437,060	\$239,297	\$239,297
VP3	2035-36	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,210,081,158	\$9,210,081,158	\$239,054	\$239,054
VP4	2036-37	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,201,223,768	\$9,201,223,768	\$238,825	\$238,825
VP5	2037-38	26,562.49	38,527.13	\$0.9696	\$0.4281	\$9,192,833,896	\$9,192,833,896	\$238,607	\$238,607

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

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

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
	2021-22	\$77,892,554	\$170,092,532	\$0	\$12,958,667	\$33,008,254	\$0	-\$14,466	\$293,937,541
QTP1	2022-23	\$78,009,459	\$178,067,732	\$0	\$12,978,117	\$38,982,080	\$0	-\$14,414	\$308,022,974
QTP2/VL1	2023-24	\$80,819,125	\$177,948,441	\$0	\$13,445,549	\$40,280,311	\$0	-\$14,948	\$312,478,478
VL2	2024-25	\$80,680,906	\$175,136,174	\$0	\$13,422,554	\$37,878,553	\$0	-\$14,922	\$307,103,265
VL3	2025-26	\$80,550,688	\$175,274,392	\$0	\$13,400,890	\$37,937,167	\$0	-\$14,897	\$307,148,240
VL4	2026-27	\$80,427,952	\$175,404,610	\$0	\$13,380,471	\$37,964,001	\$0	-\$14,874	\$307,162,160
VL5	2027-28	\$80,312,216	\$175,527,346	\$0	\$13,361,217	\$38,030,664	\$0	-\$14,852	\$307,216,591
VL6	2028-29	\$80,203,029	\$175,643,082	\$0	\$13,343,051	\$38,054,541	\$0	-\$14,831	\$307,228,872
VL7	2029-30	\$97,336,574	\$175,752,269	\$0	\$16,193,490	\$46,291,612	\$0	-\$18,151	\$335,555,794
VL8	2030-31	\$97,239,255	\$163,310,515	\$0	\$16,177,300	\$36,153,474	\$0	-\$18,133	\$312,862,411
VL9	2031-32	\$97,147,310	\$163,407,834	\$0	\$16,162,003	\$36,202,636	\$0	-\$18,116	\$312,901,667
VL10	2032-33	\$97,060,398	\$163,499,779	\$0	\$16,147,543	\$36,231,704	\$0	-\$18,099	\$312,921,325
VP1	2033-34	\$96,946,109	\$163,586,691	\$0	\$16,128,530	\$36,249,980	\$0	-\$18,084	\$312,893,226
VP2	2034-35	\$96,869,889	\$163,668,887	\$0	\$16,115,850	\$36,267,263	\$0	-\$18,069	\$312,903,820
VP3	2035-36	\$96,797,730	\$163,746,663	\$0	\$16,103,844	\$36,283,617	\$0	-\$18,054	\$312,913,800
VP4	2036-37	\$96,729,380	\$163,820,294	\$0	\$16,092,474	\$36,327,871	\$0	-\$18,042	\$312,951,977
VP5	2037-38	\$96,664,603	\$163,890,039	\$0	\$16,081,697	\$36,342,544	\$0	-\$18,029	\$312,960,854
		\$1,511,687,177	\$2,887,777,280	\$0	\$251,493,247	\$638,486,272	\$0	-\$280,981	\$5,289,162,995

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

M&O Impact on the Taxpayer

Under the assumptions used here, the potential net tax benefits from the value limitation total \$25 million over the life of the agreement. The AISD revenue losses are expected to total approximately \$4.49 million, which is estimated at that level for the initial 2023-24 limitation year. The potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$20.5 million, prior to any negotiations with Maxter Healthcare on supplemental payments.

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 2023-24 school year. Under the standard agreement, these calculations are based on whatever school finance and property tax laws are in effect each year. Future legislative action in 2023 or later sessions on school funding formulas could affect these calculations.

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
	2021-22	\$77,892,554	\$170,092,532	\$0	\$12,958,667	\$33,008,254	\$0	-\$14,466	\$293,937,541
QTP1	2022-23	\$78,009,459	\$178,067,732	\$0	\$12,978,117	\$38,982,080	\$0	-\$14,414	\$308,022,974
QTP2/VL1	2023-24	\$78,136,956	\$177,948,441	\$0	\$12,999,327	\$38,915,241	\$0	-\$14,595	\$307,985,370
VL2	2024-25	\$78,136,956	\$177,818,342	\$0	\$12,999,327	\$38,815,757	\$0	-\$14,587	\$307,755,795
VL3	2025-26	\$78,136,956	\$177,818,342	\$0	\$12,999,327	\$38,815,757	\$0	-\$14,579	\$307,755,803
VL4	2026-27	\$78,136,956	\$177,818,342	\$0	\$12,999,327	\$38,815,757	\$0	-\$14,572	\$307,755,810
VL5	2027-28	\$78,136,956	\$177,818,342	\$0	\$12,999,327	\$38,815,757	\$0	-\$14,565	\$307,755,817
VL6	2028-29	\$78,136,956	\$177,818,342	\$0	\$12,999,327	\$38,815,757	\$0	-\$14,559	\$307,755,823
VL7	2029-30	\$95,373,558	\$177,818,342	\$0	\$15,866,911	\$47,392,789	\$0	-\$17,893	\$336,433,707
VL8	2030-31	\$95,373,558	\$165,273,531	\$0	\$15,866,911	\$36,818,191	\$0	-\$17,887	\$313,314,304
VL9	2031-32	\$95,373,558	\$165,273,531	\$0	\$15,866,911	\$36,818,191	\$0	-\$17,882	\$313,314,309
VL10	2032-33	\$95,373,558	\$165,273,531	\$0	\$15,866,911	\$36,818,191	\$0	-\$17,877	\$313,314,314
VP1	2033-34	\$96,946,109	\$165,273,531	\$0	\$16,128,530	\$37,429,789	\$0	-\$18,084	\$315,759,875
VP2	2034-35	\$96,869,889	\$163,668,887	\$0	\$16,115,850	\$36,267,263	\$0	-\$18,069	\$312,903,820
VP3	2035-36	\$96,797,730	\$163,746,663	\$0	\$16,103,844	\$36,283,617	\$0	-\$18,054	\$312,913,800
VP4	2036-37	\$96,729,380	\$163,820,294	\$0	\$16,092,474	\$36,327,871	\$0	-\$18,042	\$312,951,977
VP5	2037-38	\$96,664,603	\$163,890,039	\$0	\$16,081,697	\$36,342,544	\$0	-\$18,029	\$312,960,854
		\$1,490,225,692	\$2,909,238,764	\$0	\$247,922,785	\$645,482,806	\$0	-\$278,154	\$5,292,591,893

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
	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2023-24	-\$2,682,169	\$0	\$0	-\$446,222	-\$1,365,070	\$0	\$353	-\$4,493,108
VL2	2024-25	-\$2,543,950	\$2,682,168	\$0	-\$423,227	\$937,204	\$0	\$335	\$652,530
VL3	2025-26	-\$2,413,732	\$2,543,950	\$0	-\$401,563	\$878,590	\$0	\$318	\$607,563
VL4	2026-27	-\$2,290,996	\$2,413,732	\$0	-\$381,144	\$851,756	\$0	\$302	\$593,650
VL5	2027-28	-\$2,175,260	\$2,290,996	\$0	-\$361,890	\$785,093	\$0	\$287	\$539,226
VL6	2028-29	-\$2,066,073	\$2,175,260	\$0	-\$343,724	\$761,216	\$0	\$272	\$526,951
VL7	2029-30	-\$1,963,016	\$2,066,073	\$0	-\$326,579	\$1,101,177	\$0	\$258	\$877,913
VL8	2030-31	-\$1,865,697	\$1,963,016	\$0	-\$310,389	\$664,717	\$0	\$246	\$451,893
VL9	2031-32	-\$1,773,752	\$1,865,697	\$0	-\$295,092	\$615,555	\$0	\$234	\$412,642
VL10	2032-33	-\$1,686,840	\$1,773,752	\$0	-\$280,632	\$586,487	\$0	\$222	\$392,989
VP1	2033-34	\$0	\$1,686,840	\$0	\$0	\$1,179,809	\$0	\$0	\$2,866,649
VP2	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		-\$21,461,485	\$21,461,484	\$0	-\$3,570,462	\$6,996,534	\$0	\$2,827	\$3,428,898

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

Table 5 - Estimated Financial Impact of the Maxter Healthcare Project Property Value Limitation Request Submitted to AISD at \$0.9696 per \$100 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
	2021-22	\$0	\$0	\$0.9696	\$0	\$0	\$0
QTP1	2022-23	\$14,350,000	\$14,350,000	\$0.9696	\$0	\$0	\$0
QTP2/VL1	2023-24	\$352,647,525	\$30,000,000	\$0.9696	\$3,128,390	-\$4,493,108	-\$1,364,718
VL2	2024-25	\$336,020,716	\$30,000,000	\$0.9696	\$2,967,177	\$0	\$2,967,177
VL3	2025-26	\$320,356,326	\$30,000,000	\$0.9696	\$2,815,295	\$0	\$2,815,295
VL4	2026-27	\$305,592,011	\$30,000,000	\$0.9696	\$2,672,140	\$0	\$2,672,140
VL5	2027-28	\$291,669,685	\$30,000,000	\$0.9696	\$2,537,149	\$0	\$2,537,149
VL6	2028-29	\$278,535,196	\$30,000,000	\$0.9696	\$2,409,797	\$0	\$2,409,797
VL7	2029-30	\$266,138,057	\$30,000,000	\$0.9696	\$2,289,595	\$0	\$2,289,595
VL8	2030-31	\$254,431,214	\$30,000,000	\$0.9696	\$2,176,085	\$0	\$2,176,085
VL9	2031-32	\$243,370,779	\$30,000,000	\$0.9696	\$2,068,843	\$0	\$2,068,843
VL10	2032-33	\$232,915,834	\$30,000,000	\$0.9696	\$1,967,472	\$0	\$1,967,472
VP1	2033-34	\$223,028,208	\$223,028,208	\$0.9696	\$0	\$0	\$0
VP2	2034-35	\$213,672,306	\$213,672,306	\$0.9696	\$0	\$0	\$0
VP3	2035-36	\$204,814,916	\$204,814,916	\$0.9696	\$0	\$0	\$0
VP4	2036-37	\$196,425,044	\$196,425,044	\$0.9696	\$0	\$0	\$0
VP5	2037-38	\$188,473,784	\$188,473,784	\$0.9696	\$0	\$0	\$0
					\$25,031,944	-\$4,493,108	\$20,538,836

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 and HB 1525.
- 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 AISD levying a \$0.4281 per \$100 I&S rate in the 2021-22 school year. While the application indicates the potential of 225 new jobs, AISD will continue to be a fast-growth district for the foreseeable future and should be able to accommodate any additional student enrollment associated with the new plant's employees and their families for those who reside in AISD.

Based on the currently available I&S data, AISD is scheduled to receive approximately 12% of its debt service needs through state aid from the Existing Debt Allotment (EDA) for the 2021-22 school year. In the initial years of the Maxter Healthcare project, any additional I&S taxes collected from the project site may offset some or all of the relatively small amount of state aid received from these programs. As the I&S tax base of AISD continues to grow, it will become ineligible for state facilities funding and the additional I&S taxes associated with this project will be a benefit for local taxpayers.



**Estimated Financial Impact of the #1619 - Maxter Healthcare Inc.
Chapter 313 Property Value Limitation Request Submitted to Alvin ISD**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
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	Article IV Estimated Revenue Protection Payment	Estimated Net Tax Benefits	Article VI Supplemental Payment (45%)	Total Negotiated Payments to School District	Potential Company Tax Benefit
QTP0	2021-22	\$0	\$0	\$0.9696	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2022-23	\$14,350,000	\$14,350,000	\$0.9696	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2023-24	\$352,647,525	\$30,000,000	\$0.9696	\$3,128,390	-\$4,403,737	-\$1,275,347	\$0	\$4,403,737	-\$1,275,347
VL2	2024-25	\$336,020,716	\$30,000,000	\$0.9696	\$2,967,177	\$0	\$2,967,177	\$1,335,230	\$1,335,230	\$1,631,947
VL3	2025-26	\$320,356,326	\$30,000,000	\$0.9696	\$2,815,295	\$0	\$2,815,295	\$1,266,883	\$1,266,883	\$1,548,412
VL4	2026-27	\$305,592,011	\$30,000,000	\$0.9696	\$2,672,140	\$0	\$2,672,140	\$1,202,463	\$1,202,463	\$1,469,677
VL5	2027-28	\$291,669,685	\$30,000,000	\$0.9696	\$2,537,149	\$0	\$2,537,149	\$1,141,717	\$1,141,717	\$1,395,432
VL6	2028-29	\$278,535,196	\$30,000,000	\$0.9696	\$2,409,797	\$0	\$2,409,797	\$1,084,409	\$1,084,409	\$1,325,388
VL7	2029-30	\$266,138,057	\$30,000,000	\$0.9696	\$2,289,595	\$0	\$2,289,595	\$1,030,318	\$1,030,318	\$1,259,277
VL8	2030-31	\$254,431,214	\$30,000,000	\$0.9696	\$2,176,085	\$0	\$2,176,085	\$979,238	\$979,238	\$1,196,847
VL9	2031-32	\$243,370,779	\$30,000,000	\$0.9696	\$2,068,843	\$0	\$2,068,843	\$930,979	\$930,979	\$1,137,864
VL10	2032-33	\$232,915,834	\$30,000,000	\$0.9696	\$1,967,472	\$0	\$1,967,472	\$885,362	\$885,362	\$1,082,110
VP1	2033-34	\$223,028,208	\$223,028,208	\$0.9696	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2034-35	\$213,672,306	\$213,672,306	\$0.9696	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2035-36	\$204,814,916	\$204,814,916	\$0.9696	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2036-37	\$196,425,044	\$196,425,044	\$0.9696	\$0	\$0	\$0			\$0
VP5	2037-38	\$188,473,784	\$188,473,784	\$0.9696	\$0	\$0	\$0			\$0
TOTALS					\$25,031,944	-\$4,403,737	\$20,628,207	\$9,856,599	\$14,260,336	\$10,771,608

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

Fully taxable for I&S

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

Actual amount and when paid is negotiated during Agreement process

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

ATTACHMENT F



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

December 9, 2021

Carol Nelson
Superintendent
Alvin Independent School District
301 East House Street
Alvin, TX 77511

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Alvin Independent School District and Maxter Healthcare Inc, Application 1619

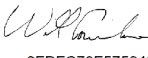
Dear Superintendent Nelson:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Alvin Independent School District and Maxter Healthcare Inc (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Tabita Collazo with our office. She can be reached by email at tabita.collazo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 5-5626, or at 512-475-5626.

Sincerely,

DocuSigned by:

8FDFC70F5753487...
Will Counihan
Director
Data Analysis & Transparency Division

cc: Dan Casey, Moak, Casey & Associates
Stanley Thai, Supermax Healthcare Inc.
CK Tan, Supermax Healthcare Inc.
Greg Maxim, Cummings Westlake LLC

ATTACHMENT G

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

by and between

ALVIN INDEPENDENT DISTRICT

and

MAXTER HEALTHCARE INC.

(Texas Taxpayer ID #32079844703)

Comptroller Application #1619

Dated

December 14, 2021

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

STATE OF TEXAS §

COUNTY OF BRAZORIA §

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 **ALVIN 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 **MAXTER HEALTHCARE INC.**, Texas Taxpayer Identification Number 32079844703 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 June 29, 2021, the Superintendent of Schools of the Alvin 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 June 29, 2021, 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 July 30, 2021 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 Brazoria County Appraisal District established in Brazoria County, Texas (the “Brazoria 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 22, 2021, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

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 December 14, 2021, 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 December 14, 2021, 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 December 9, 2021, 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 December 14, 2021, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and

Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means Maxter Healthcare Inc., (Texas Taxpayer ID #32079844703), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter C of the TEXAS TAX CODE) filed with the District by the Applicant on June 29, 2021. 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 Brazoria County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Alvin Independent School District.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Brazoria County, Texas.

“District” or “School District” means the Alvin 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 Limitation Period of this Agreement, an amount equal to the Net Tax Benefit to the Applicant.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of 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 \$50,000.00 or an amount equal to \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance of for the preceding school year rounded to the nearest whole number, 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 the Tax Year 2022, which is the Tax Year that includes the Qualifying Time Period commencement under this Agreement as provided in Section 2.3.C.i.. The Annual Limit 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.

“Applicable School Finance Law” means the State constitution and laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools and school districts generally and the District specifically, in accordance with all provisions thereof applicable to any terms of this Agreement at the time any computation, calculation or obligation of either Party under this Agreement is required to be performed or for the period to which such computation, calculation or obligation relates, as applicable. The term includes any amendments or successor statutes that may be adopted in the future which affect the calculation of the District’s Maintenance and Operations Tax Revenue or the Applicant’s ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

“Commercial Operations” means the date on which Applicant declares that the construction of the project has been substantially completed, trial operation of the project has been completed, and the project is ready for dispatch.

“Cumulative Payments” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“Lost M&O Revenue” shall have the meaning set forth in Section 4.2

“Maintenance and Operations Tax Revenue” means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE, or any other statutory provision as well as any amendment or successor statute to these provisions, minus (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iii) above may be amended by Applicable School Finance Law from time to time. Maintenance and Operations Tax Revenue shall be the net amount of all such revenues, payments or other amount which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

“New M&O Revenue” means, with respect to any school year, the total State and local Maintenance and Operations Tax Revenue that the District actually received for such school year.

“Net Tax Benefit” means, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such

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

“Original M&O Revenue” means, with respect to any school year, the total State and local Maintenance and Operations Tax 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 been subject to the ad valorem maintenance and operations tax at the tax rate actually adopted by the District for the applicable Tax Year. For purposes of this calculation, the Third Party will base its calculations upon the District’s taxable value of property for the preceding year as certified by the Appraisal District for all taxable accounts in the District, *less* the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt service (interest and sinking fund) ad valorem tax purposes.

“Third Party” shall have the meaning set forth in Section 4.3.

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 July 30, 2021, 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 December 14, 2021.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2022; and
- ii. Ends on December 31, 2023.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2023, the first complete Tax Year that begins after the date of the commencement of Commercial Operations; and

ii. Ends on December 31, 2032.

E. The Final Termination Date for this Agreement is December 31, 2037.

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. \$30,000,000.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.054 of the TEXAS TAX CODE.

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

- A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,270 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, manufacturing, as outlined in Section 313.024(b)(1) of the TEXAS TAX CODE and to the extent applicable that is consistent with the definitions of those terms used in Section 313.024(e)(1) of the TEXAS TAX CODE.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

Subject to the limitations contained in this Agreement, it is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE and Section 48.256 (d) of the TEXAS EDUCATION CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. Subject to the limitations contained in this Agreement, **it is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

Subject to the limitations contained in this Agreement, the calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time in the first year of the Tax Limitation Period, and every year thereafter during the term of this Agreement.

Section 4.2. CALCULATING LOST M&O REVENUE.

Subject to the limitations contained in this Agreement, the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the first year of the Tax Limitation Period and ending on December 31st of the last year of the Tax Limitation Period (the “Lost M&O Revenue”) shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement, the Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law for each year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant’s Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under this Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which

isolates only the full Maintenance and Operations Tax Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the “Third Party”) selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

Section 4.4. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant’s Qualified Property, by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District’s certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If 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 at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party 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 appeal or for any other reason, the Taxable Value of the Applicant’s Qualified Investment is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the Applicant, but subject to the provisions of Section 4.7 below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents.

The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. PAYMENT BY APPLICANT.

Subject to Section 4.9 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. Subject to the limitation set forth in this Section 4.7 below, by such date, the Applicant shall also pay any amount billed by the Third Party 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 for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. In no year shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.7 exceeding Fifteen Thousand Dollars (\$15,000). Except that, for any Tax Year outside of the Tax Limitation Period and for which the required Comptroller's Biennial Report is not due, Applicant shall not be responsible for the payment of an aggregate amount of fees and expensed under this Section 4.7 which exceeds Eight Thousand Dollars (8,000).

Section 4.8. STATUTORY CHANGES AFFECTING M&O REVENUE.

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by 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 that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article 4, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses 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 caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS.

In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking the responsibility for the payment of all of the amounts set forth under Article IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement.

It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

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 the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the preceding school year.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT.

A. In addition to the Supplemental Payment limitation set forth in Section 6.2 of this Agreement, during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

1. the "Applicant's Stipulated Supplemental Payment Amount," which is hereby defined as forty-five percent (45 %) of the Applicant's "Net Tax Benefit," as such term is defined in Section 1.2, above; or
2. the "Aggregate Limit," as such term is defined in Section 1.2, above.

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 the Texas Tax Code Section 313.027(i), as such limit is allowed to be increased by the Legislature for any future year of the Agreement.

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT.

The Parties agree that for each Tax Year during the term of this Agreement beginning with the commencement Date, the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 6.3, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Minus,

Any amounts previously paid to the District under Article IV;

Multiplied by,

The number .45

Minus,

Any amounts previously paid to the District under Sections 6.2 and/or 6.3
with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party 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 the Commencement Date and continuing thereafter through the third full Tax Year following the end of the Tax Limitation Period defined in Section 2.3(D)(ii) - (Tax Year 2023 through Tax Year 2032), the District, or its successor beneficiary should one be designated under Section 6.7 below shall not be entitled to receive Supplemental Payments, computed under Sections 6.3 and 6.4 above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 6.2 and 6.3 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article IV, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third full Tax Year following last year 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.

All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit

and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.4

- (a) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.
- (b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.7.

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 ninety-six (96) 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 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 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 Brazoria 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 Brazoria 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 90 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 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the 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 \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (*e.g.*, by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Alvin Independent School District
Attn: Superintendent
301 East House Street
Alvin, Texas 77511
cnelson@alvinisd.net

With a copy to:

Michelle R. Morris
Rogers, Morris & Grover, LLP
5718 Westheimer Rd., Suite 1200
Houston, Texas 77057
mmorris@rmgllp.com

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

[Insert name, address, phone number, fax number and e-mail address for the Applicant]

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

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 Brazoria 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 and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

A. all payments, including liquidated damage and tax payments, have been made;

B. all reports have been submitted;

- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ____ day of _____, 2021.

MAXTER HEALTHCARE INC.

**ALVIN INDEPENDENT SCHOOL
DISTRICT**

By: _____
[INSERT NAME]
[INSERT TITLE]

By: _____
Earl Humbird
President, Board of Trustees

ATTEST:

Nicole Tonini
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Agreement for Limitation on Appraised Value
Between Alvin ISD and Maxter Healthcare Inc.
[Insert Date]
Exhibit 1

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

October 26, 2021

THE COMMISSIONERS' COURT OF BRAZORIA COUNTY
SPECIAL MEETING

ORDER NO. 7.M.3

RE: The Maxter Healthcare, Inc. Tax Abatement Application: Order Creating Reinvestment Zone and Granting Tax Abatement

Designation of Reinvestment Zone:

Whereas, a public hearing was held on the Designation of the Brazoria County Reinvestment Zone No. 21-05 and the public was given an opportunity to speak and present evidence for or against such designation; and

Whereas, notice of the hearing was given in the manner as provided by law;

Therefore, based upon the information presented to the Court and the public hearing, the Court finds that the designation of this zone would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property included in the zone and would contribute to the economic development of the County.

Further that approximately 200 acres-that will be specifically described in the approved agreement-be designated the Brazoria County Reinvestment Zone No. 21-05 for tax abatement purposes in accordance with the guidelines and criteria of Brazoria County and applicable law.

Granting of Tax Abatement:

It is Ordered that the application for tax abatement of Maxter Healthcare, Inc. attached hereto be granted in accordance with the Guidelines and Criteria for Granting Tax Abatement in the Brazoria County Reinvestment Zone No. 21-05 created in Brazoria County for a term of seven (7) years, and at 100% abatement of eligible real and personal properties; Said Company will be investing \$340,000,000.00 dollars and creating 100 new jobs in Brazoria County. Said project will bring in 25 construction jobs at the start of construction, 300 construction jobs at the peak of construction and finish with 35 construction jobs.

The Tax Abatement Review Committee met on October 18, 2021 to review the application and voted to recommend the granting of said tax abatement.

Further that the County Judge is authorized to execute a tax abatement agreement with MAXTER HEALTHCARE, INC. in accordance with the same guidelines and criteria.

County: Brazoria
Project: Terra Rossharon
M&B No: 21-170
CS Job No: 21121

METES AND BOUNDS DESCRIPTION OF 214.559 ACRES

Being a tract of land containing 214.559 acres, located in the Lavaca Land Navigation Company Survey, Section 12, Abstract 536, in Brazoria County, Texas; Said 214.559 acre tract being all of a called 214.559 acre tract of land recorded in the name of Curtis Joe Mowery, Et. Al., in Brazoria County Clerk's File Number (B.C.C.F. No.) 1998020702; Said 214.559 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System, of 1983, South Central Zone):

BEGINNING, at a 5/8-inch iron rod found at the southwest corner of said 214.559 acre tract and the herein described tract, same being the northwest corner of a called 25 acre tract of land recorded in the name of Stent Assets, LLC, in B.C.C.F. No. 2017047100, on the east Right-of-Way (R.O.W.) line of County Road 48 (sixty feet wide as monumented);

THENCE, North 02° 35' 02" West, with the west line of said 214.559 acre tract and with the east R.O.W. line of said County Road 48, a distance of 2,643.13 feet to a 5/8-inch iron rod found at the northwest corner of said 214.559 acre tract and the herein described tract;

THENCE, North 87° 32' 34" East, with the north line of said 214.559 acre tract, at a distance of 1,744.96 feet pass the southwest corner of a called 115.388 acre tract of land recorded in the name of Old South Plantation, Inc., in B.C.C.F. No. 1997017454, continuing with the north line of said 214.559 acre tract and the south line of said 11.388 acre tract a total distance of 3,546.11 feet to a one-inch iron pipe found at the northeast corner of said 214.559 acre tract and the herein described tract, same being the northwest corner of the north remainder of a called 14.69 acre tract of land recorded in the name of Talmadge Layne Crowe, Jr., in B.C.C.F. No. 19996001230;

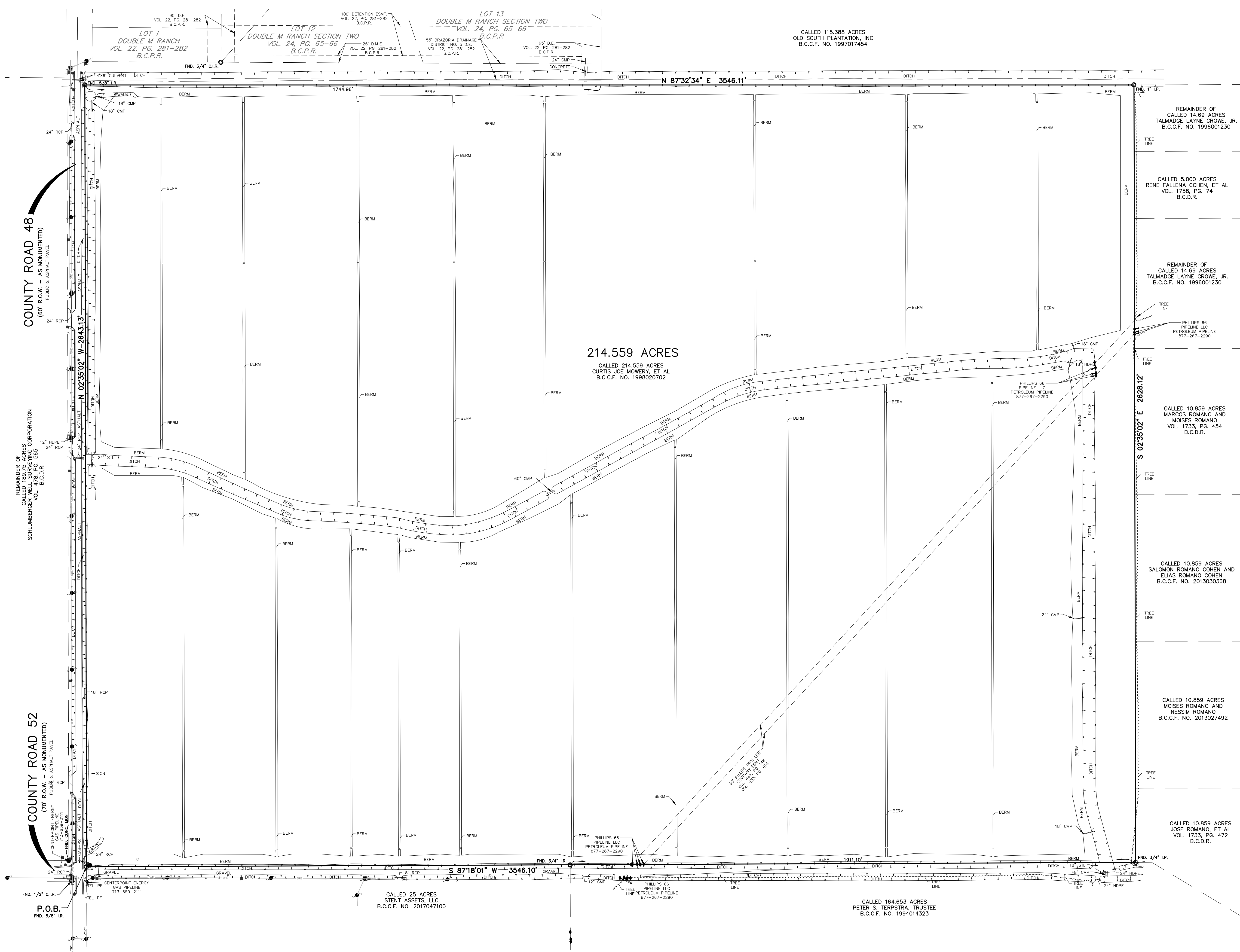
THENCE, South 02° 35' 02" East, with the east line of said 214.559 acre tract and the west lines of said north remainder tract, a called 5.000 acre tract of land recorded in the name of Rene Fallena Cohen, Et. Al., in Volume 1758, Page 74, of the Brazoria County Deed Records (B.C.D.R.), the south remainder of said 14.69 acre tract, a called 10.859 acre tract of land recorded in the name of Marcos and Moises Romano in Volume 1733, Page 454, of the B.C.D.R., a called 10.859 acre tract of land recorded in the name of Salomon and Elias Romano Cohen in B.C.C.F. No. 2013030368, a called 10.859 acre tract of land recorded in the name of Moises and Nessim Romano in B.C.C.F. No. 2013027492, and a called 10.859 acre tract of land recorded in the name of Jose Romano, Et. Al., in Volume 1733, Page 472, of the B.C.D.R., respectively, a distance of 2,628.12 feet to a 3/4-inch iron pipe found at the southeast corner of said 214.559 acre tract and the herein described tract, same being the westerly southwest corner of said 10.859 acre Jose Romano, Et. Al. tract, on the north line of a called 164.653 acre tract of land recorded in the name of Peter S. Terpstra, Trustee, in B.C.C.F. No. 1994014323;

THENCE, South 87° 18' 01" West, with the south line of said 214.559 acre tract and with the north lines of said 164.653 acre tract and aforesaid 25 acre tract, at a distance of 1,911.10 feet pass a 3/4-inch iron rod found at the northwest corner of said 164.653 acre tract and the northeast corner of aforesaid 25 acre tract, continuing in all a distance of 3,546.10 feet to the **POINT OF BEGINNING** and containing 214.559 acres of land.

An ALTA/NSPS Land Title Survey of the herein described tract was prepared in conjunction with and accompanies this description.

Chris Rhodes, R.P.L.S.
Texas Registration Number 6532

CIVIL-SURV LAND SURVEYING, LC
PH: (713) 839-9181
September 3, 2021



ABBREVIATIONS

B.C.C.F. = BRAZORIA COUNTY CLERK'S FILE
B.C.D.R. = BRAZORIA COUNTY DEED RECORDS
B.C.P.R. = BRAZORIA COUNTY MAP RECORDS
No. = NUMBER
Pg. = PAGE
R.O.W. = RIGHT OF WAY
VOL. = VOLUME
GAS-PS = GAS LINE PAINT STRIPE
GAS-PP = GAS LINE PIN FLAG
TEL-PP = TELEPHONE LINE PIN FLAG
FND. = FOUND
I.R. = IRON ROD
C.I.R. = CAPPED IRON ROD
CONC. MON. = CONCRETE MONUMENT
CMP = CORRUGATED METAL PIPE
HDPE = HIGH-DENSITY POLYETHYLENE PIPE
RCP = REINFORCED CONCRETE PIPE
STL = STEEL PIPE
P.O.B. = POINT OF BEGINNING

LEGEND

x88.90' ELEVATION
x66.10' TOP OF CURB
x61.75' GUTTER
x66.30' FLOWLINE
BOLLARD
POWER POLE
DOWN GUT
SIGN
TELEPHONE ENCLOSURE
TELEPHONE CABLE MARKER
GAS VALVE
PIPELINE MARKER
TOP OF BANK
CENTERLINE OF DITCH
RECORD INFORMATION
PIPE RAIL FENCE
OVERHEAD ELECTRIC LINE
ASPHALT

METES AND BOUNDS DESCRIPTION OF 214.559 ACRES

Being a tract of land containing 214.559 acres, located in the Lavaca Land Navigation Company Survey, Section 12, Abstract 536, in Brazoria County, Texas; Said 214.559 acre tract being all of a called 214.559 acre tract of land recorded in the name of Curtis Joe Mowery, Et Al, in Brazoria County Clerk's File Number (B.C.C.F. No.) 1998020702; Said 214.559 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System, of 1983, South Central Zone):

BEGINNING, at a 5/8-inch iron rod found at the southwest corner of said 214.559 acre tract and the herein described tract, same being the northwest corner of a called 25 acre tract of land recorded in the name of Stent Assets, LLC, in B.C.C.F. No. 2017047100, on the east Right-of-Way (R.O.W.) line of County Road 48 (sixty feet wide as monument);

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THENCE, North 87° 32' 34" East, with the north line of said 214.559 acre tract, at a distance of 1,744.96 feet pass the southwest corner of a called 115.388 acre tract of land recorded in the name of Old South Plantation, Inc., in B.C.C.F. No. 1997017454, continuing with the north line of said 214.559 acre tract and the south line of said 11.388 acre tract a total distance of 3,546.11 feet to a one-inch iron pipe found at the northeast corner of said 214.559 acre tract and the herein described tract, same being the northwest corner of the north remainder of a called 14.69 acre tract of land recorded in the name of Talmadge Layne Crowe, Jr., in B.C.C.F. No. 19996001230;

THENCE, South 02° 35' 02" East, with the east line of said 214.559 acre tract and the west lines of said north remainder tract, a called 5.000 acre tract of land recorded in the name of Rene Fallena Cohen, Et Al, in Volume 1758, Page 74, of the Brazoria County Deed Records (B.C.D.R.), the south remainder of said 14.69 acre tract, a called 10.859 acre tract of land recorded in the name of Marcos and Moises Romano in Volume 1733, Page 454, of the B.C.D.R., a called 10.859 acre tract of land recorded in the name of Salomon and Elias Romano Cohen in B.C.C.F. No. 2013030368, and a called 10.859 acre tract of land recorded in the name of Salomon and Elias Romano Cohen in B.C.C.F. No. 2013027462, and a called 10.859 acre tract of land recorded in the name of Jose Romano, Et Al, in Volume 1733, Page 472, of the B.C.D.R., respectively, a distance of 2,628.12 feet to a 3/4-inch iron pipe found at the southeast corner of said 214.559 acre tract and the herein described tract, same being the westerly southwest corner of said 10.859 acre Jose Romano, Et Al, tract, on the north line of a called 164.653 acre tract of land recorded in the name of Moises and Messim Romano in B.C.C.F. No. 2013027462, and a called 10.859 acre tract of land recorded in the name of Peter S. Terpstra, Trustee, in B.C.C.F. No. 1994014323;

THENCE, South 87° 18' 01" West, with the south line of said 214.559 acre tract and with the north lines of said 164.653 acre tract and of said 25 acre tract, at a distance of 1,911.10 feet pass a 3/4-inch iron rod found at the northwest corner of said 164.653 acre tract and the northeast corner of of said 25 acre tract, continuing in a distance of 3,546.10 feet to the POINT OF BEGINNING and containing 214.559 acres of land.

NOTES

- THIS SURVEY WAS PREPARED WITH THE BENEFIT OF A COMMITMENT FOR TITLE INSURANCE ISSUED BY ALAMO TITLE INSURANCE, G.F. No. ATCH-BIF-AT0121100456F, EFFECTIVE DATE OF COMMITMENT JULY 1, 2021, ISSUE DATE OF COMMITMENT JULY 14, 2021, WITH REGARD TO ANY RECORDED EASEMENTS, RIGHTS-OF-WAY OR SETBACKS AFFECTING THE SUBJECT PROPERTY. NO ADDITIONAL RESEARCH REGARDING THE EXISTENCE OF EASEMENTS, RESTRICTIONS, OR OTHER MATTERS OF RECORD HAS BEEN PERFORMED BY THE SURVEYOR.
- BEARINGS SHOWN HEREON ARE BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH CENTRAL ZONE.
- VISIBLE, ABOVE GROUND UTILITIES WERE LOCATED AS PER ALTA/NSPS 2021 MINIMUM STANDARD DETAIL REQUIREMENTS SECTION SEV.
- THE SURVEYOR WAS NOT PROVIDED A ZONING REPORT.
- NO BUILDINGS OR STRIPED PARKING SPACES EXIST ON THE SURVEYED PROPERTY.
- THERE WAS NO OBSERVED EVIDENCE OF RECENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS.
- THERE WAS NO EVIDENCE OF RECENT STREET OR SIDEWALK CONSTRUCTION OR REPAIRS. THE SURVEYOR HAS NO KNOWLEDGE OF ANY PROPOSED CHANGES IN STREET RIGHT-OF-WAY LINES.
- THE SURVEYOR CARRIES PROFESSIONAL LIABILITY INSURANCE.
- A METES AND BOUNDS DESCRIPTION OF THE SURVEYED PROPERTY WAS PREPARED IN CONJUNCTION WITH AND ACCOMPANIES THIS SURVEY.

SCHEDULE "B", ITEM 10 EXCEPTION NOTES*:

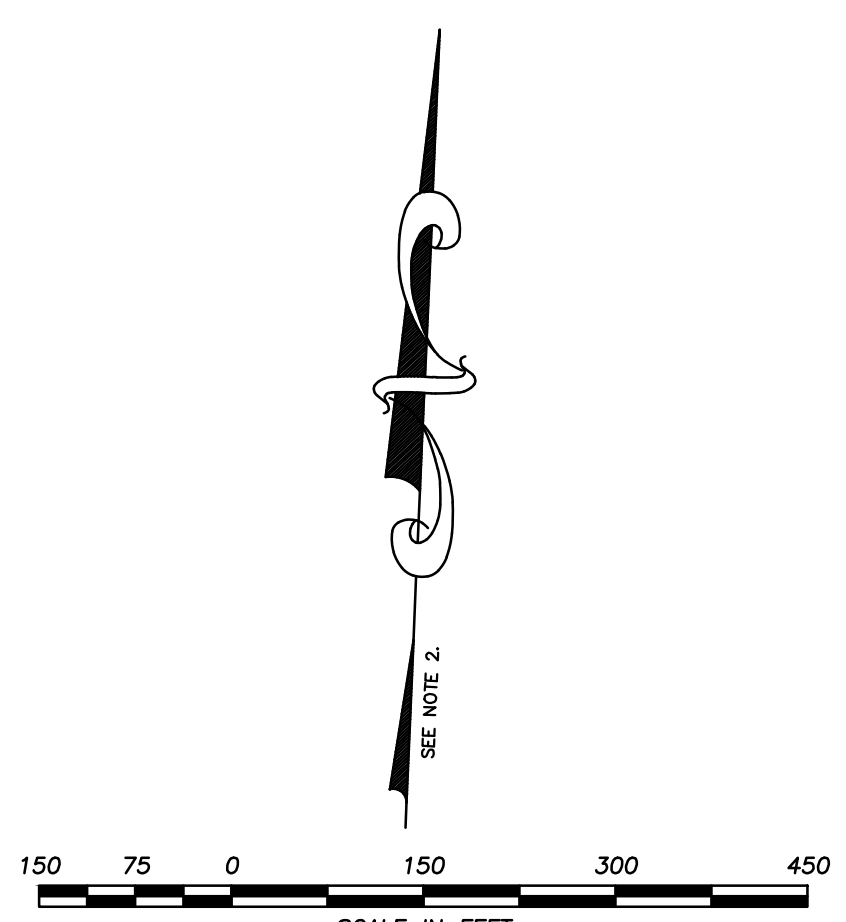
10(c)-SOUTH TEXAS WATER COMPANY CANAL ESMT., VOL. 301, PG. 421 AND VOL. 324, PG. 83, B.C.D.R., AFFECTS SURVEYED PROPERTY, BLANKET IN NATURE, NOT PLOTTABLE

10(g)-30" PHILLIPS PIPELINE COMPANY ESMT., VOL. 647, PG. 148, AFFECTS SURVEYED PROPERTY, PLOTTED HEREON

10(g)-30" PHILLIPS PIPELINE COMPANY ESMT., VOL. 933, PG. 616, AFFECTS SURVEYED PROPERTY, PLOTTED HEREON

10(f)-30" PHILLIPS PIPELINE COMPANY ESMT., VOL. 1426, PG. 419, AFFECTS SURVEYED PROPERTY, UNLOCATABLE. LOCATION OF EASEMENT IS BASED ON UNDERGROUND FEATURES WHICH WERE NOT VISIBLE FROM THE SURFACE, NOT PLOTTABLE HEREON

*ONLY THOSE ITEMS LISTED IN SCHEDULE "B" OF THE COMMITMENT FOR TITLE INSURANCE REFERENCED HEREON AND RELISTED ABOVE WERE CONSIDERED IN PREPARATION OF THIS SURVEY.



FLOOD STATEMENT: THE FEDERAL EMERGENCY MANAGEMENT AGENCY'S FLOOD INSURANCE RATE MAP FOR BRAZORIA COUNTY, TEXAS AND UNINCORPORATED AREAS, COMMUNITY NO. 485458, DATED DECEMBER 30, 2020, INDICATES THAT THIS TRACT IS WITHIN ZONE "X" UNSHADED AREAS DETERMINED TO BE OUTSIDE THE 1% ANNUAL CHANCE FLOODPLAIN AS SHOWN ON MAP AND PANEL NO. 480302275K. THIS DETERMINATION HAS BEEN MADE BY SCALING THE PROPERTY ON THE ABOVE REFERENCED MAP AND IS NOT THE RESULT OF AN ELEVATION SURVEY. WARNING: IF THIS SITE IS NOT WITHIN AN IDENTIFIED SPECIAL FLOOD HAZARD AREA, THIS STATEMENT DOES NOT IMPLY THAT THE PROPERTY AND/OR THE STRUCTURES THEREON WILL BE FREE FROM FLOODING OR FLOOD DAMAGE ON RARE OCCASIONS, GREATER FLOODS CAN AND WILL OCCUR AND FLOOD HEIGHTS MAY BE INCREASED BY MAN-MADE OR NATURAL CAUSES. THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF THE SURVEYOR.

TO: MAXTER HEALTH CARE, INC.; CURTIS JOE MOWERY, CURT MOWERY, AND ROONEY MOWERY; AND ALAMO TITLE INSURANCE

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH 2021 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1-4, 6(G), 7(G), 8, 9, 13, AND 18-18 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON AUGUST 18, 2021.

DATED THIS 3rd DAY OF SEPTEMBER, 2021.

PRELIMINARY FOR REVIEW
09/03/2021

CHRIS RHODES
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO.: 6532

DATE:	09/03/21	10590 WESTOFFICE DRIVE, SUITE #100 HOUSTON, TEXAS 77042 OFFICE: (713) 839-9181
SCALE:	1" = 150'	
BOOK NO.:		
DRAWN BY:	S.L.	
CHECKED BY:	M.H.	
PROJECT NO.:	CS 21121	
DRAWING NO.:	1 OF 4	

Civil-Surv
Land Surveying, LLC

TSPELS No. 10143000
Email: michoel@civil-survey.net

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT
IN A REINVESTMENT ZONE CREATED IN BRAZORIA COUNTY**

WHEREAS, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the tax-payers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in Brazoria County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract capital investment and primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote;

WHEREAS, Texas law requires a public hearing regarding the proposed adoption, amendment, repeal, or reauthorization of tax abatement guidelines and criteria;

WHEREAS, a public hearing was held and these Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone in Brazoria County was approved under Court Order 6.K.3 dated June 23, 2020.

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain property in a reinvestment zone designated by Brazoria County for economic development purposes.
- (b) "Abatement Period" means the period during which all or a portion of the value of real property or

tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.

- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.
- (e) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" 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 serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be reactivated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety, financial condition, environmental record, quality or ability to perform.
- (u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of

Brazoria County.

- (x) “Tangible personal property” means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the reinvestment zone at any time before the period covered by the agreement with the County.

ABATEMENT AUTHORIZED Section 2

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, convalescent homes, assisted living homes/centers, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, property already subject to real or personal property tax(es) moved from one location in Brazoria County to the reinvestment zone, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by State law.

- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. Commissioners Court shall consider the percent of value and the term of the abatement based upon the overall value of the project and the number of new jobs being created. The term of abatement may be up to 10 years or one-half (1/2) of the productive life of the improvement, whichever is less. The “productive life” will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1 following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond ten (10) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

- (h) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:
- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
 - (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site

described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. “Existing facility” is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized “existing facility” in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered “created” employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County union and/or nonunion vendors and services where applicable in the construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county union and/or nonunion vendors and services regarding price, quality, safety, availability and ability to perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal residents prior to seeking workers from other countries.
- (7) will annually, for the term of the abatement, contribute .000207 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000207 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$25,000 for projects \$500 million or less in capital investment and no more than \$50,000 for project greater than \$500 million in capital investment nor less than \$2,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
- (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest of the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
- (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
- (10) Will be wholly responsible for all County roads and right-of-way (including bridges, culverts, ditches, etc.) and damages caused thereto as a result of the construction, on-going maintenance, and operations of the Abated Facility Site as well as associated facilities to the Abated Facility Site, including but not limited to, the following:
 - Cost to maintain the roads utilized for construction of the Abated Facility Site in an effort to keep the road safe for the traveling public will be tracked by the County and invoiced on a regular basis to the Abatee.
 - Cost to reconstruct the roadway, if needed, will be actual cost to reconstruct the County roads and right-of way incurred by the County and invoiced to the Abatee.

These costs will include all construction costs as well as all related professional services for the repair work.

- Abatee shall coordinate with the County Engineering Department regarding any and all use of County roads and right-of-way for construction, maintenance and operation of Abated Facility Site in accordance with County regulations in place for use of County facilities. In order to comply with County regulations, Abatee shall schedule and attend a pre-development meeting with the County Engineering Department prior to commencing construction. Abatee shall submit a road use plan to the County Engineering Department at least 3 days prior to attending the pre-development meeting. The road use plan should identify all County roads that may be affected by construction or use of the Abated Facility Site, as well as, the routes of any related pipelines.
- Abatee shall execute a Developer Agreement relating to the reconstruction and repair of affected County roads. Abatee shall not begin construction, of the Abated Facility until the Developer Agreement has been fully executed. Beginning construction prior to the execution of a Developer Agreement will result in the cancellation of the Abatement.

- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.
- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.

- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; CAD data or a shapefile with the boundaries of the reinvestment zone; and a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed 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 shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the governing body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.
- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of

improvements related to a proposed modernization, expansion or new facility.

- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

APPROVAL Section 4

- (a) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) there would be a substantial adverse effect on the provision of government service or tax base;
 - (2) the Applicant has insufficient financial capacity;
 - (3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,
 - (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and

- (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
- (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*e.g.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the County may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions

of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

ADMINISTRATION Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify the eligible jurisdictions which levy taxes on the amount of the assessment.
- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a 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 company or individual and in accordance with their safety standards.
- (c) Tax Abatement Review Committee:

The Commissioners Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.
- (d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.
- (e) Upon commencement of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners Court. The form of annual report that shall be used by the owner is attached as Attachment A.
- (f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*e.g.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement

granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

- (g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT AND MODIFICATION Section 8

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Brazoria County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Brazoria County. Assignee shall submit a tax abatement application, including financial information to the County Judge's office prior to consideration of assignment. Full assignment of the abatement requires approval by the TARC in addition to approval through public hearing in Commissioners Court. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Brazoria County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

Abatement may be modified or amended. A modification or amendment, except those that change the commencement date, correct clerical errors, or make administrative changes (including changes to the notification section or the company name) requires approval through public hearing in Commissioners Court.

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above) and meeting of the TARC, the application will be placed on the next Commissioners Court meeting for consideration. If there are any

compliance problems with the application (including any problems to be resolved or amendments to the application to be made), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office. No Application shall be placed on the Agenda if the application fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.

- (f) The notice provisions of Section 3(d) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.
- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective June 23, 2020, and shall remain in force until June 23, 2022, unless amended or superseded, modified, renewed, or eliminated by Commissioners Court prior to that date.

ATTACHMENT A

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

ANNUAL REPORT FORM

ANNUAL REPORT
PURSUANT TO SECTION 5(a)(7) AND 7(e) OF
THE BRAZORIA COUNTY GUIDELINES &
CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

1. Commencement and/or completion date of the contemplated improvements described in the tax abatement agreement.

Date of commencement of construction: _____

Date of completion all contemplated improvements: _____

2. Number of permanent employees, contract employees and temporary contract employees currently employed by you at the tax abated facility location or construction site as of the date of this Report. (See definitions below).

Permanent Employees: _____

*Permanent Contract Employees _____

(* List contract employees employed on a full-time, 40 hours per week equivalency basis and who are expected to be employed on a full-time basis for the duration of the abatement period. Do not include temporary contract employees.)

**Temporary Contract Employees _____

(**List temporary contract employees who are employed for a temporary period ending prior to expiration of the tax abatement term)

3. Status of construction of the contemplated improvements, percentage of construction completed and Owner's estimate of taxable value of constructed improvements on the date of the Report.

Percentage of construction completed: _____

Estimated value of Improvements: _____

As of _____

4. Status of production of the completed facility and the productive service capacity of the improvements. (*only applicable to a completed facility that has previously commenced production*)

Is the abated facility currently producing the product or similar product described in the tax abatement agreement?

Check One
() Yes or () No

If the answer to the above question is "No", please state the date or time period when production ceased and attach a narrative explanation of the reason for cessation of production as Attachment B.

If production at this abated facility is shut down, please state the expected date or time period, if any, at which/during which you expect the facility to resume production operations. If you do not expect to resume production at this abated facility, please state "plant closed" in the blank space.

State your estimate of the expected productive life of the abated facility and its improvements as measured from the beginning date of production until the expected permanent cessation of production (*or in other words*, the total number of years, if any, that you expect the abated facility improvements to be in service as part of the operations of a producing facility, including in your total any previous years of production prior to the date of this report.)

5. Include a list of Brazoria County vendors and services that you have used and attach the same as Attachment A to this Report.

Is the list of Brazoria County vendors and services attached?

Check One
() Yes or () No

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

ATTACHMENT B

(TO THE BRAZORIA COUNTY GUIDELINES & CRITERIA FOR GRANTING TAX
ABATEMENT)

(This form is located at www.brazoria-county.com)

REPORT FORM
After the initial term of the
Tax Abatement Agreement

PRODUCTIVE LIFE REPORT
TAX ABATEMENT TERM COMPLETED
 PURSUANT TO SECTION 5(a)(8) AND 7(f) OF
 THE BRAZORIA COUNTY GUIDELINES &
 CRITERIA ON TAX ABATEMENT

RE: TAX ABATEMENT AGREEMENT

_____ (Company/Owner Name)

REINVESTMENT ZONE (RZ) NO. _____ (Number of RZ, if applicable)

Effective Date of Tax Abatement: _____

1. Status of production of the completed facility and the productive service capacity of the improvements.

Is the abated facility currently producing the product
or similar product described in the tax abatement agreement?

Check One
 () Yes or () No

If the answer to the above question is "No",
please state the date or time period when production ceased
and attach a narrative explanation of the reason for cessation
of production as Attachment A.

If production at this abated facility is
shut down, please state the expected
date or time period, if any, at which/during which
you expect the facility to resume production operations.
If you do not expect to resume production at this
abated facility, please state "plant closed" in
the blank space.

State your estimate of the expected
productive life of the abated facility and its improvements as
measured from the beginning date of production until the expected
permanent cessation of production (*or in other words*, the total number
of years, if any, that you expect the abated facility improvements to be
in service as part of the operations of a producing facility, including
in your total any previous years of production prior to the date of this report.)

To the best of my knowledge, the above information and estimates are true and correct.

Owner: _____

By: _____

Printed Name: _____

Title/Position _____

Date: _____

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

Agreement for Limitation on Appraised Value
Between Alvin ISD and Maxter Healthcare Inc.
[Insert Date]
Exhibit 1

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

EXHIBIT 1



TAB 9

Description of Land

Parcels 1A, 1B and 1C consisting of approximately 212 Acres out of Brazoria County, Texas Central Appraisal District Parcel ID 176707, Abstract 0536 C M Hays, Tracts 1A-1B-1C-3B 234.728Acres.

Proposed Maxter Healthcare Project Reinvestment Zone and Project Boundary

Sandy Point



288

521

1462

Rosharon

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Agreement for Limitation on Appraised Value
Between Alvin ISD and Maxter Healthcare Inc.
[Insert Date]
Exhibit 1

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

EXHIBIT 2



CUMMINGS WESTLAKE

MAXTER HEALTHCARE INC

Chapter 313 Application Alvin ISD

TAB 7

Description of Qualified Investment

Maxter Healthcare Inc. is proposing to build an estimated 2.4 million square feet of manufacturing plant floor space with a design capacity of 400 million nitrile glove pieces per month, per phase (with a total of 4 production phases planned for) on a minimum of 150-200 acres land site.

Below is a list of the new major equipment comprising this plant as follows:

- Glove production lines complete with Auto-Dipping, Auto-Stripping, Auto-Stacking, Auto-Packing & Auto-Cartoning.
- Process Compounding tanks, Process Raw Material Storage Tanks, Process Coagulant Master-Batch Tanks.
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- Pre-commercial production process improvement machinery and equipment.
- Laboratory machinery and equipment.
- Quality Control equipment with Artificial Intelligence technologies.
- Warehouse & handling equipment for on-site temporary storage and inventory management.
- Stage #2 Process Water Treatment Equipment for reclaiming process water for production use

Also included in this application are all the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Agreement for Limitation on Appraised Value
Between Alvin ISD and Maxter Healthcare Inc.
[Insert Date]
Exhibit 1

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

EXHIBIT 3



CUMMINGS WESTLAKE

MAXTER HEALTHCARE INC

Chapter 313 Application Alvin ISD

TAB 8

Description of Qualified Property

Maxter Healthcare Inc. is proposing to build an estimated 2.4 million square feet of manufacturing plant floor space with a design capacity of 400 million nitrile glove pieces per month, per phase (with a total of 4 production phases planned for) on a minimum of 150-200 acres land site.

Below is a list of the new major equipment comprising this plant as follows:

- Glove production lines complete with Auto-Dipping, Auto-Stripping, Auto-Stacking, Auto-Packing & Auto-Cartoning.
- Process Compounding tanks, Process Raw Material Storage Tanks, Process Coagulant Master-Batch Tanks.
- Air-Compressors
- Waste-water treatment equipment and associated tanks.
- Pre-commercial production process improvement machinery and equipment.
- Laboratory machinery and equipment.
- Quality Control equipment with Artificial Intelligence technologies.
- Warehouse & handling equipment for on-site temporary storage and inventory management.
- Stage #2 Process Water Treatment Equipment for reclaiming process water for production use

Also included in this application are all the associated new concrete foundations, new pipe supports, new intra-plant piping, new intra-plant conduit and connections, new control loops, new safety systems, new fire water protection, new insulation, new pollution control equipment and new utilities necessary to safely operate the new equipment.

EXHIBIT 5 AGREEMENT SCHEDULE

Year	Date of Appraisal	School Year	Tax Year	Summary Description
QTP 1	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
QTP 2/LP1	January 1, 2023	2023-2024	2023	Qualifying Time Period. \$30 million limitation on appraised value.
LP2	January 1, 2024	2024-2025	2024	\$30 million limitation on appraised value.
LP3	January 1, 2025	2025-2026	2025	\$30 million limitation on appraised value.
LP4	January 1, 2026	2026-2027	2026	\$30 million limitation on appraised value.
LP5	January 1, 2027	2027-2028	2027	\$30 million limitation on appraised value.
LP6	January 1, 2028	2028-2029	2028	\$30 million limitation on appraised value.
LP7	January 1, 2029	2029-2030	2029	\$30 million limitation on appraised value.
LP8	January 1, 2030	2030-2031	2030	\$30 million limitation on appraised value.
LP9	January 1, 2031	2031-2032	2031	\$30 million limitation on appraised value.
LP10	January 1, 2032	2032-2033	2032	\$30 million limitation on appraised value.
VP1	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
VP2	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
VP3	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
VP4	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
VP5	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.