FINDINGS
of the
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

Under Chapter 313 of the Texas Tax Code

ON THE APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY

SUBMITTED BY

1POINTFIVE P1, LLC (FOR BUILD 1 OF 6)

Comptroller Application Number 1789

September 20, 2022

RESOLUTION AND FINDINGS OF FACT
of the
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY 1POINTFIVE P1, LLC
(FOR BUILD 1 OF 6)

STATE OF TEXAS	§
COUNTY OF ECTOR	§
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT	§

PREAMBLE

On the 20th day of September, 2022, a public meeting of the Board of Trustees of the Ector County Independent School District (the "Board") was held to solicit input from interested parties on the application for Build 1 of 6, filed by 1PointFive P1, LLC ("1P5P1" or "Applicant") for an appraised value limitation on qualified property under Chapter 313 of the Texas 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 considered the application by 1P5P1 for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District's administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller's Economic Impact Analysis under Texas Tax Code §313.026, the Board, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 19th day of April, 2022, the Board received an Application for Appraised Value Limitation on Qualified Property from 1P5P1, pursuant to Chapter 313 of the Texas Tax Code. The Application was later assigned Comptroller Application No. 1789 (the "Application"). The general nature of Applicant's investment in qualified property set forth in the Application is for a manufacturing project; specifically, one of a series of large-scale Direct Air Capture facilities to produce industrial-grade carbon dioxide gas (CO_2) to capture and sequester the CO_2 for use by Oxy or other customers as a feedstock for enhanced oil recovery (the "Property"). *See* Application (Attachment A, Tab 1 §6.2(5), and Tab 4); *see also* Attachment D. The Board agreed to consider such Application on April 19, 2022, and the District's Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District. The Application was delivered to the Texas Comptroller of Public Accounts ("Comptroller') immediately upon the District's determination that the Application was complete, and the Comptroller acknowledged receipt of the Application on or about April 20, 2022. Thereafter, the Applicant submitted Amendment 1, dated May 13, 2022 (Tab 1, §§10 and 14; Tabs 6, 11, 13, Schedule C in Tab 14, and 16), and the Comptroller issued its notice of completeness and determined the Application complete as of June 2, 2022, the Application Review Start Date. The Applicant then submitted

Supplement 1, dated June 21, 2022 (Schedule B). The Application, Amendment 1 and Supplement 1 are hereafter collectively referred to as the "Application." A copy of the Application and Comptroller's completeness letter dated June 2, 2022, are attached hereto as Attachment A.

The Texas Taxpayer Identification number for 1PointFive P1, LLC is 32076631608. 1P5P1 is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See* Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. See Attachment A (at Tab 2).

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Ector County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value dated August 26, 2022 (the "Certificate Decision"). *See* Attachment C. The Board has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Ector County Independent School District. A copy of the Financial Impact Study prepared by Culwell Consulting and dated June 24, 2022, is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of the Property applicable to 1P5P1's Application in the Ector County Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 1 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. *See* the 2021 Property Value Study Report, "2021 ISD Summary Worksheet" attached hereto as Attachment G; *see also* Attachment D.

After receipt of the completed Application, the District entered into negotiations with 1P5P1 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 §48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised October 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34 Tex. Admin. Code §9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1055(e)(1). *See* copy of September 14, 2022, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of 1P5P1's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

> ***Based on the Application and the Comptroller's Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(1) as a manufacturing facility.***

In support of Finding Number 1, the Comptroller's Certificate Decision states:

> **Determination required by 313.025(h)**
>
> * * *
>
> Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.
>
> * * *
>
> 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. *See also* Attachment A (Tab 1, §6.2(5) and Tab 4) and Attachment D.

Board Finding Number 2.

> ***The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.***

In support of Finding Number 2, the Certificate Decision states:

> **Certification 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.

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

> **Attachment B - Tax Revenue before 25th Anniversary of Limitation Start**
>
> This [table] represents the Comptroller's determination that 1PointFive P1, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

[*see table on next page*]

	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	2026	$779,309	$779,309	$0	$0
	2027	$9,750,428	$10,529,738	$0	$0
	2028	$17,597,892	$28,127,630	$0	$0
Limitation Period (10 Years)	2029	$315,510	$28,443,140	$17,807,963	$17,807,963
	2030	$315,510	$28,758,650	$33,536,065	$51,344,027
	2031	$315,510	$29,074,160	$32,125,582	$83,469,610
	2032	$315,510	$29,389,670	$30,715,100	$114,184,710
	2033	$315,510	$29,705,180	$29,304,618	$143,489,328
	2034	$315,510	$30,020,690	$27,894,136	$171,383,463
	2035	$315,510	$30,336,200	$26,483,653	$197,867,117
	2036	$315,510	$30,651,710	$25,073,171	$222,940,288
	2037	$315,510	$30,967,220	$23,662,689	$246,602,977
	2038	$315,510	$31,282,730	$22,252,207	$268,855,183
Maintain Viable Presence (5 Years)	2039	$21,157,234	$52,439,964	$0	$268,855,183
	2040	$19,746,752	$72,186,716	$0	$268,855,183
	2041	$18,336,270	$90,522,986	$0	$268,855,183
	2042	$16,925,788	$107,448,774	$0	$268,855,183
	2043	$15,515,305	$122,964,079	$0	$268,855,183
Additional Years as Required by 313.026(c)(1) (10 Years)	2044	$14,104,823	$137,068,902	$0	$268,855,183
	2045	$12,694,341	$149,763,243	$0	$268,855,183
	2046	$11,283,859	$161,047,102	$0	$268,855,183
	2047	$9,873,376	$170,920,478	$0	$268,855,183
	2048	$8,462,894	$179,383,372	$0	$268,855,183
	2049	$7,249,389	$186,632,762	$0	$268,855,183
	2050	$7,249,389	$193,882,151	$0	$268,855,183
	2051	$7,249,389	$201,131,540	$0	$268,855,183
	2052	$7,249,389	$208,380,929	$0	$268,855,183
	2053	$7,249,389	$215,630,318	$0	$268,855,183
		$215,630,318	is less than	**$268,855,183**	

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?	No

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, 1PointFive P1, LLC

[*see additional table on next page*]

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2025	7500	6,930	14,430	$375,000,000	$728,000,000	$1,103,000,000	52000000	-27000000	$79,000,000
2026	7500	12,975	20,475	$375,000,000	$1,324,000,000	$1,699,000,000	104000000	-28000000	$132,000,000
2027	7500	12,273	19773	$375,000,000	$1,416,000,000	$1,791,000,000	100000000	-13000000	$113,000,000
2028	7500	7,201	14701	$375,000,000	$1,104,000,000	$1,479,000,000	61000000	9000000	$52,000,000
2029	25	284	309	$1,290,988	$314,709,013	$316,000,000	13000000	44000000	-$31,000,000
2030	25	(621)	-596	$1,290,988	$159,709,013	$161,000,000	10000000	42000000	-$32,000,000
2031	25	(1,068)	-1043	$1,290,988	$56,709,013	$58,000,000	7000000	38000000	-$31,000,000
2032	25	(1,164)	-1139	$1,290,988	-$2,290,988	-$1,000,000	5000000	34000000	-$29,000,000
2033	25	(1,064)	-1039	$1,290,988	-$30,290,988	-$29,000,000	5000000	30000000	-$25,000,000
2034	25	(855)	-830	$1,290,988	-$36,290,988	-$35,000,000	4000000	26000000	-$22,000,000
2035	25	(601)	-576	$1,290,988	-$28,290,988	-$27,000,000	4000000	23000000	-$19,000,000
2036	25	(349)	-324	$1,290,988	-$11,290,988	-$10,000,000	5000000	20000000	-$15,000,000
2037	25	(99)	-74	$1,290,988	$11,709,013	$13,000,000	5000000	17000000	-$12,000,000
2038	25	112	137	$1,290,988	$38,709,013	$40,000,000	5000000	15000000	-$10,000,000
2039	25	209	234	$1,290,988	$55,709,013	$57,000,000	5000000	14000000	-$9,000,000
2040	25	327	352	$1,290,988	$75,709,013	$77,000,000	5000000	12000000	-$7,000,000
2041	25	422	447	$1,290,988	$94,709,013	$96,000,000	5000000	11000000	-$6,000,000
2042	25	483	508	$1,290,988	$112,709,013	$114,000,000	5000000	10000000	-$5,000,000
2043	25	520	545	$1,290,988	$128,709,013	$130,000,000	5000000	9000000	-$4,000,000
2044	25	543	568	$1,290,988	$142,709,013	$144,000,000	5000000	8000000	-$3,000,000
2045	25	547	572	$1,290,988	$151,709,013	$153,000,000	5000000	7000000	-$2,000,000
2046	25	538	563	$1,290,988	$162,709,013	$164,000,000	5000000	6000000	-$1,000,000
2047	25	530	555	$1,290,988	$171,709,013	$173,000,000	5000000	6000000	-$1,000,000
2048	25	512	537	$1,290,988	$182,709,013	$184,000,000	5000000	5000000	$0
2049	25	502	527	$1,290,988	$191,709,013	$193,000,000	5000000	5000000	$0
2050	25	516	541	$1,290,988	$206,709,013	$208,000,000	5000000	4000000	$1,000,000
2051	25	520	545	$1,290,988	$220,709,013	$222,000,000	5000000	4000000	$1,000,000
2052	25	532	557	$1,290,988	$234,709,013	$236,000,000	5000000	4000000	$1,000,000
2053	25	545	570	$1,290,988	$249,709,013	$251,000,000	5000000	4000000	$1,000,000
						Total	$455,000,000	$339,000,000	$116,000,000
							$331,630,318	is greater than	$268,855,183
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

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.

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

> ***The Applicant will create twenty-five (25) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of $51,640 ($993 per week)[1], an amount equal to at least 110% of the average weekly wage for manufacturing jobs in the County as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described in the Application.***

See Attachments A, D and J.

[1] The Comptroller's Analysis rounds these figures to the nearest dollar; the required annual and weekly wages stated in the Application, Tab 1, §14, are $51,639.50 and $993.07, respectively.

Board Finding Number 4.

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

In its Application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least $1,185.50[2] per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See* Attachments A and D.

Board Finding Number 5.

The Applicant states that it one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. 1P5P1 is actively evaluating target sites in other states such as New Mexico, Colorado, Wyoming and Utah, and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the project. Reducing the project's ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. 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 Ector County ISD.

See Attachment A (at Tab 5) and Attachment D (at Attachment C therein).

In support of Finding Number 5, the Comptroller's Certificate Decision states, "[t]he 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."

The Economic Impact Analysis further states:

> **Determination**
> The Comptroller **has determined** that the limitation on appraised value is a determining factor in the 1PointFive P1, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:
> - Per 1PointFive P1, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
>   A. "Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these

[2] The weekly wage stated in the Comptroller's Economic Impact Analysis is rounded up by $1.00; the Application notes a weekly minimum wage for non-qualified jobs of $1,184.50.

jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project."

B. "A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation."

C. "The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO2 sequestration. If the proposed plan to capture, process and sequester CO2 from atmospheric air proves prohibitively expensive to fully scale in Texas, Oxy and its partners could explore other attractive alternatives."

See Attachment D (at Attachment C thereof).

Board Finding Number 6.

The proposed limitation on appraised value for the qualified property is $30,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2022, provides that the District is a Subchapter C, Category 1 District under Texas Tax Code §313.054, with a minimum limitation of $30,000,000. *See* Attachments A and D.

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved and the project is built and operational, will be significant in the long term, with specific reference to revenues used for supporting school district debt.

In support of this Finding, the analysis prepared by Culwell Consulting indicates that the project would add an estimated $3,218,748,180 to the tax base for debt service purposes at the peak investment level for the 2030-31 school year (tax year 2030). *See* Table 3, Attachment E. The project remains fully taxable for debt services taxes. As a result, local taxpayers should see some benefit from the addition of the project to the local I&S tax roll. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be $42,975,000. *See* Table of Estimated Effects of the Ch. 313 Application, Column 12, dated August 12, 2022 ("Estimated Effects Table"), at the last page of Attachment E, and Attachment H (Article VI).

Board Finding Number 8.

> ***Applicant's project, based on the District's enrollment and the potential number of new jobs reported by Applicant, is not expected to have a significant impact on the District's instructional facility needs. Ector County ISD can accommodate the student growth anticipated from this project with its existing facilities.***

See TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 9.

> ***The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the estimated depreciation of value provided by Applicant, is shown in Estimated Effects Table at last page of Attachment E (Column No. 8, labeled "M&O Taxes Paid After Limitation"), and the total amount of M&O taxes that would be imposed on the qualified property with the limitation on appraised valued is estimated to be $116,732,278.***

See also Attachment D.

Board Finding Number 10.

> ***The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the estimated depreciation of value provided by Applicant, is shown in Estimated Effects Table at last page of Attachment E (Column No. 7, labeled "M&O Taxes Paid Before Limitation"), and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised valued is estimated to be $371,961,921.***

See also Attachment D.

Board Finding Number 11.

> ***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 consultants' 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 to 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 Texas Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Texas Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Texas Penal Code §37.03, and a material breach of the Agreement.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 12.

> ***The Applicant (Taxpayer Id. 32076631608) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller's acknowledgment that Applicant's right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.***

See Attachments A, B and C.

Board Finding Number 13.

> ***The project will be located within an area that is currently designated as an enterprise zone. Pursuant to Texas Tax Code §312.2011, designation of an area as an enterprise zone under Chapter 2303 of the Texas Government Code constitutes designation of the area as a reinvestment zone under Chapter 312 of the Texas Tax Code. Portions of Ector County are designated as an enterprise zone based on poverty level. See Tex. Gov't Code §§2303.003(1-c) and .109.***

See Attachment A (Tab 16).

Board Finding Number 14.

> ***Per Applicant's certification in its Application, there are no existing improvements located on the land, and no construction of Qualified Property is scheduled to begin until the third quarter of 2025.***

See Attachment A (Tab 1 at §§7.2 and 9.2, and Tab 10).

Board Finding Number 15.

> ***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, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.***

In support of this Finding, and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Study demonstrates that, pursuant to current school finance law (including Texas Education Code §48.256(d)), the District is projected to receive a revenue protection payment in tax years 2029 and 2030 (school years 2029-30 and 2030-31, respectively) in the total estimated amount of $34,335,287. *See* Attachment E at Estimated Effects Table (Column 10) at last page of Attachment E. Therefore, 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 the Agreement. *See* proposed Agreement, Article IV, at Attachment H, and Estimated Effects Table at last page of Attachment E.

Board Finding Number 16.

> ***The Board finds that 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 and the Superintendent 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 is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 17.

> ***Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve 1P5P1's Application (Build 1 of 6) No. 1789, and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.***

See Attachments D and H.

Board Finding Number 18.

> ***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, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of October, 2020, 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.***

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Ector County Independent School District Board of Trustees, and the Board 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; and,

IT IS FURTHER ORDERED that the Application(Build 1 of 6) No. 1789, attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Ector County 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,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Ector County Independent School District Board of Trustees.

Dated this 20th day of September, 2022.

Ector County Independent School District

By _____
Signature

Steve Brown, President, Board of Trustees
Printed Name and Title

Attest:

By _____
Signature

Chris Stanley
Printed Name and Title
Position 4

LIST OF ATTACHMENTS

Attachment	*Description*
A	Application and Comptroller's Completeness Letter
B	Applicant's Franchise Tax Account Status
C	Comptroller's Certificate Decision Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's "2021 ISD Summary Worksheet" – 2021 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's September 14, 2022 Agreement Review Letter

DocuSign Envelope ID: 499A5DD1-778C-4260-9C51-004C55171BDF

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 2, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
P.O. Box 3912
Odessa, TX 79760

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and 1Pointfive P1, LLC (Build1), Application 1789

Dear Superintendent Muri:

On April 20, 2022, the Comptroller's office received 1Pointfive P1, LLC's (applicant) application for a limitation on appraised value (Application 1789) from Ector County 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 June 2, 2022.

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: Fred Stormer, Underwood Law Firm, P.C.
Derek Wills, 1Pointfive P1, LLC
Josh Barvin, Oxy Low Carbon Ventrues, LLC
Michael Lateur, Kroll, LLC

Tab 1

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

April 19, 2022
Date Application Received by District

Dr. Scott
First Name

Muri
Last Name

Superintendent
Title

Ector County ISD
School District Name

802 N. Sam Houston
Street Address

P.O. Box 3912
Mailing Address

Odessa
City

Texas
State

79760
ZIP

(432) 456-9879
Phone Number

(432) 456-9878
Fax Number

N/A
Mobile Number (optional)

scott.muri@ectorcountyisd.org
Email Address

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

SECTION 1: School District Information *(continued)*

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

Fred	Stormer
First Name	Last Name
Shareholder	
Title	
Underwood Law Firm, PC	
Firm Name	
(806) 379-0306	N/A
Phone Number	Fax Number
N/A	fred.stormer@uwlaw.com
Mobile Number *(optional)*	Email Address

4. On what date did the district determine this application complete? . . . . . April 20, 2022

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Derek	Willis
First Name	Last Name
Vice President and Secretary	1PointFive P1, LLC
Title	Organization
5 Greenway Plaza, Suite 110	
Street Address	
5 Greenway Plaza, Suite 110	
Mailing Address	
Houston / TX / 77046	
City / State / ZIP	
(713) 497-2556	N/A
Phone Number	Fax Number
N/A	Derek_Willis@oxy.com
Mobile Number *(optional)*	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.

Josh	Barvin
First Name	Last Name
Business Development Manager	Oxy Low Carbon Ventures, LLC
Title	Organization
5 Greenway Plaza, Suite 110	
Street Address	
5 Greenway Plaza, Suite 110	
Mailing Address	
Houston / TX / 77046	
City / State / ZIP	
(713) 840-3007	N/A
Phone Number	Fax Number
(832) 607-5092	Josh_Barvin@oxy.com
Mobile Number *(optional)*	Business Email Address

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

SECTION 2: Applicant Information *(continued)*

4. Authorized Company Consultant *(If Applicable)*

Michael
First Name

Lateur
Last Name

Managing Director
Title

Kroll, LLC
Firm Name

(512) 671-5575
Phone Number

N/A
Fax Number

michael.lateur@kroll.com
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.

$ 90,000.00
Payment Amount

Wire Transfer
Transaction Type

Kroll, LLC
Payor

Ector County Independent School District
Payee

April 19, 2022
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? 1PointFive P1, LLC
2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 *(11 digits)* 32076631608
3. Parent Company Name . . . . . 1Point Five Inc.
4. Parent Company Tax ID 86-2318741
5. NAICS code 325120
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

Application #1570, Ector County ISD, 2021

SECTION 5: Applicant Business Structure

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

2a. If yes, attach in **Tab 3** a copy of 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

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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:

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

SECTION 8: Limitation as Determining Factor

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

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

SECTION 9: Projected Timeline

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: December 2022
2. Estimated commencement of construction: Q3 2025
3. Beginning of qualifying time period (MM/DD/YYYY): 01/01/2027
4. First year of limitation (YYYY): 2029

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: Q2 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Ector County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Ector 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):	Ector County ISD, 1.0517, 100% *(Name, tax rate and percent of project)*	I&S (ISD):	Ector County ISD, 0.1262, 100% *(Name, tax rate and percent of project)*
County:	Ector County, 0.3650, 100% *(Name, tax rate and percent of project)*	City:	N/A *(Name, tax rate and percent of project)*
Hospital District:	Ector County HD, 0.1500, 100% *(Name, tax rate and percent of project)*	Water District:	N/A *(Name, tax rate and percent of project)*
Other *(describe)*:	Odessa College, 0.2017, 100% *(Name, tax rate and percent of project)*	Other *(describe)*:	N/A *(Name, tax rate and percent of project)*

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: Pending *(Incentive type, percentage, start and end year)*

City: N/A *(Incentive type, percentage, start and end year)*

Hospital District: Pending *(Incentive type, percentage, start and end year)*

Water District: N/A *(Incentive type, percentage, start and end yeart)*

Other *(describe)*: Odessa College, Pending *(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? . . . . . $ 30,000,000.00

2. What is the amount of appraised value limitation for which you are applying? . . . . . $ 30,000,000.00

   Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? . . . . . ☑ Yes ☐ No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
   a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
   b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
   c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? . . . . . ☑ Yes ☐ No

SECTION 12: 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:
   1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
   1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
   1c. 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
   1d. 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:
   - a. legal description of the land (**Tab 9**);
   - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
   - c. owner (**Tab 9**);
   - d. the current taxable value of the land, attach estimate if land is part of larger parcel (**Tab 9**); and
   - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).

3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? . . . ☑ Yes ☐ No

   3a. If yes, attach the applicable supporting documentation:
   - a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (**Tab 16**);
   - b. legal description of reinvestment zone (**Tab 16**);
   - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
   - d. guidelines and criteria for creating the zone (**Tab 16**); and
   - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)

   3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.

   What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? N/A

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property 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**:
   - a. maps and/or detailed site plan;
   - b. surveys;
   - c. appraisal district values and parcel numbers;
   - d. inventory lists;
   - e. existing and proposed property lists;
   - f. model and serial numbers of existing property; or
   - g. other information of sufficient detail and description.

4. Total estimated market value of existing property 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)) 0
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 . . . . . $ 1,184.50

   b. Qualifying job wage minimum option §313.021(5)(A)
   -110% of the average weekly wage for manufacturing jobs in the county is . . . . . $ 1,674.75

   c. Qualifying job wage minimum option §313.021(5)(B)
   -110% of the average weekly wage for manufacturing jobs in the region is . . . . . $ 993.07

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? . . . . . $ 51,639.50
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? . . . . . $ 51,639.50
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**.

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 *(if applicable)*
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor *(if applicable)*
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property *(if applicable)*
11	Maps that clearly show: a) Project 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 **Note:** Maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information *(if applicable)*
13	Calculation of 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 *(if applicable)*
15	Economic Impact Analysis, other payments made in the state or other economic information *(if applicable)*
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as 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 *(applicant)*

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

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

Tab 3

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

Not Applicable

Tab 4

Detailed Description of the Project

Occidental Petroleum Corporation (Oxy), a leading producer of traditional energy resources, and its subsidiary, Oxy Low Carbon Ventures, LLC (OLCV), have formed 1PointFive, Inc. (1PointFive) to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

1PointFive will further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is its mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO_2) for use and secure geologic sequestration. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tonnes per annum (Mtpa) of atmospheric CO_2. This application pertains to the first of these six proposed builds ("Build 1"). The proposed Build 1 project would capture and permanently sequester approximately 3 million tonnes per annum (Mtpa) of atmospheric CO_2.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO_2 product manufactured by the DAC facilities will either be (1) permanently stored in deep, saline reservoirs, or (2) used as industrial gas feedstock to produce low-carbon products (e.g., sustainable aviation fuels, ethylene, plastics, etc.) or used as a feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO_2 (for utilization) and CO_2-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO_2 Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

Pairing DAC technology with CO_2 sequestration through EOR operations or using DAC CO_2 as a feedstock for producing sustainable aviation fuels would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO_2 credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO_2 emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering's process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO_2 from the Project would be permanently sequestered either in saline reservoirs or by Oxy's EOR operations, but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO_2
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO_2 for permanent sequestration in enhanced oil recovery operations or for use as a feedstock in other industrial applications to produce low-carbon products
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California's Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO_2 offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

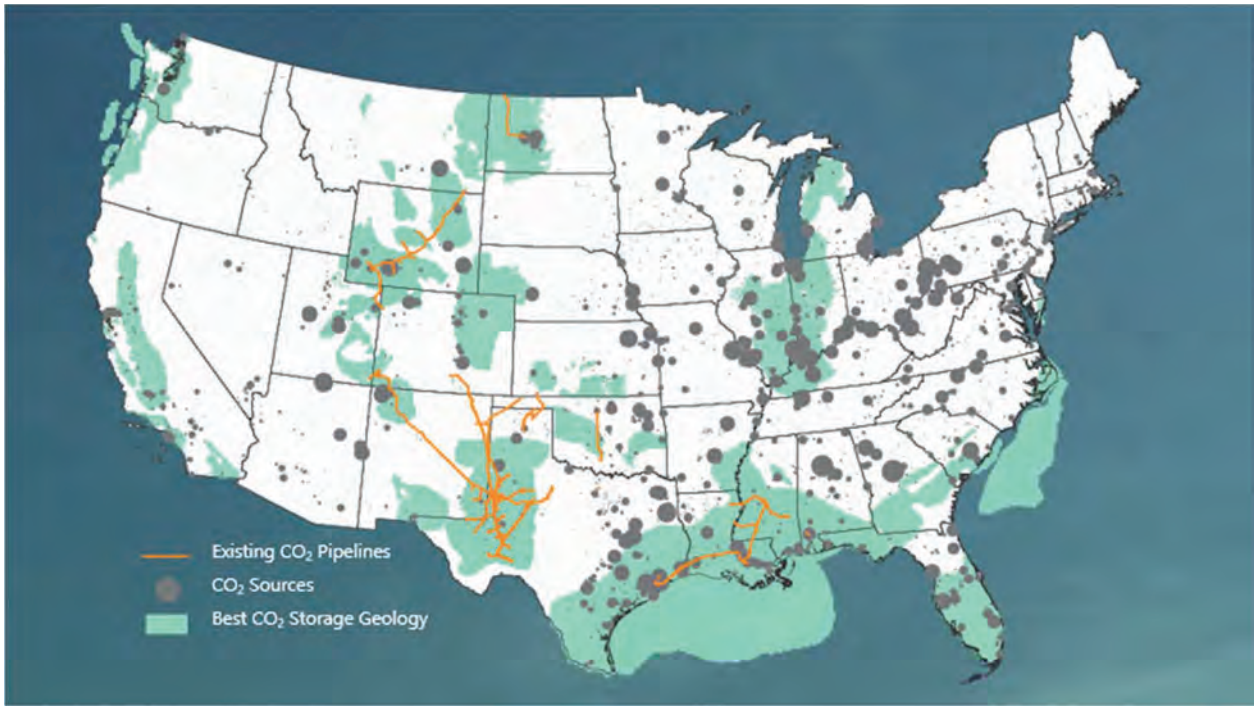
Reducing the Project's ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project.

Kroll, LLC
Austin, TX

A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO_2 sequestration. If the proposed plan to capture, process and sequester CO_2 from atmospheric air proves prohibitively expensive to fully scale in Texas, Oxy and its partners could explore other attractive alternatives.

The following map illustrates CO_2 sequestration hub development potential in the United States:



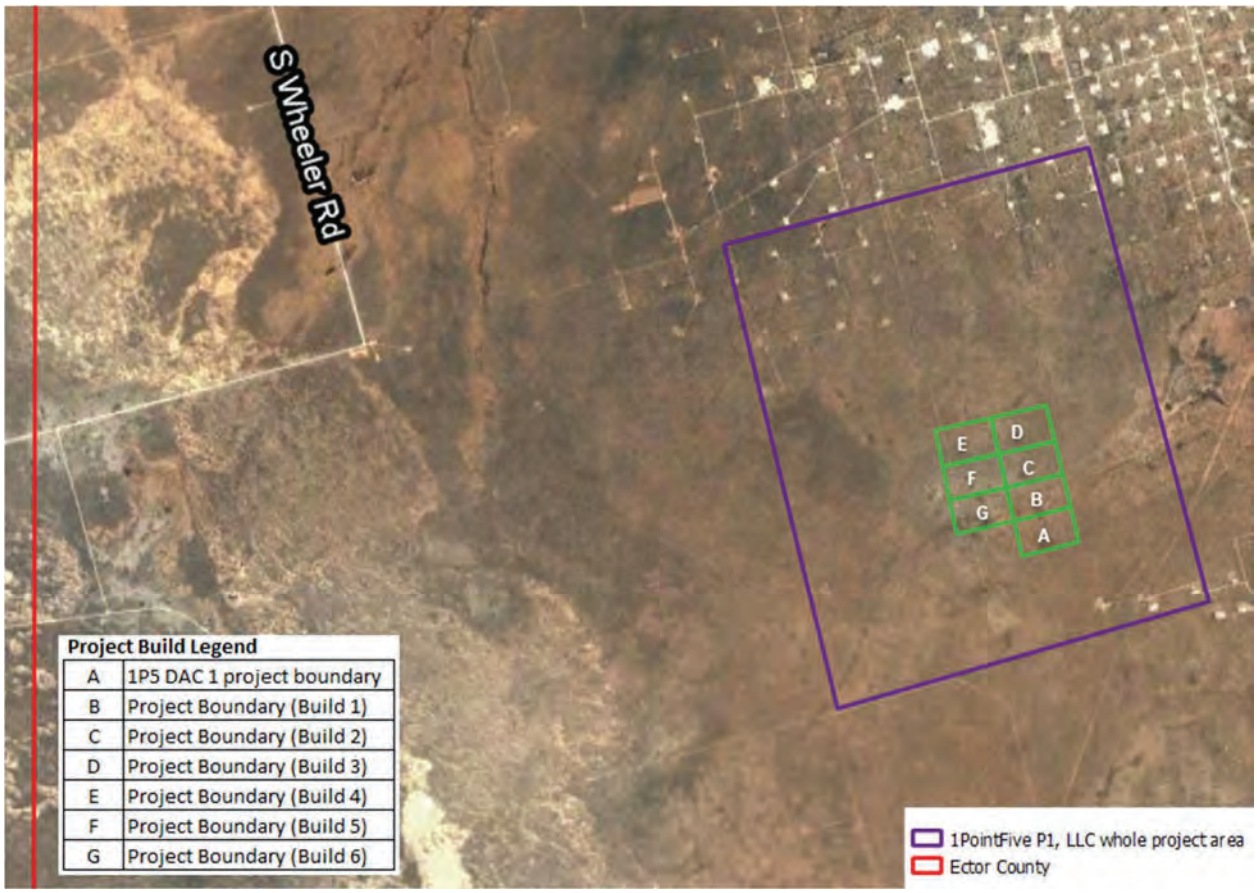
The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO_2 was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO_2 emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

As requested, the map below showcases all builds in the 1PointFive P1, LLC whole project area that represent Application 1570 and Applications 1789-1794.



*Please note the land within the project area is ranch land without identifiable roadways. The lines passing through the project area are dirt and gravel pathways. In the interest of providing landmarks/identifiers, we have included the Ector County West Boundary and S. Wheeler Road to help locate the project.

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO_2 Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO_2 Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

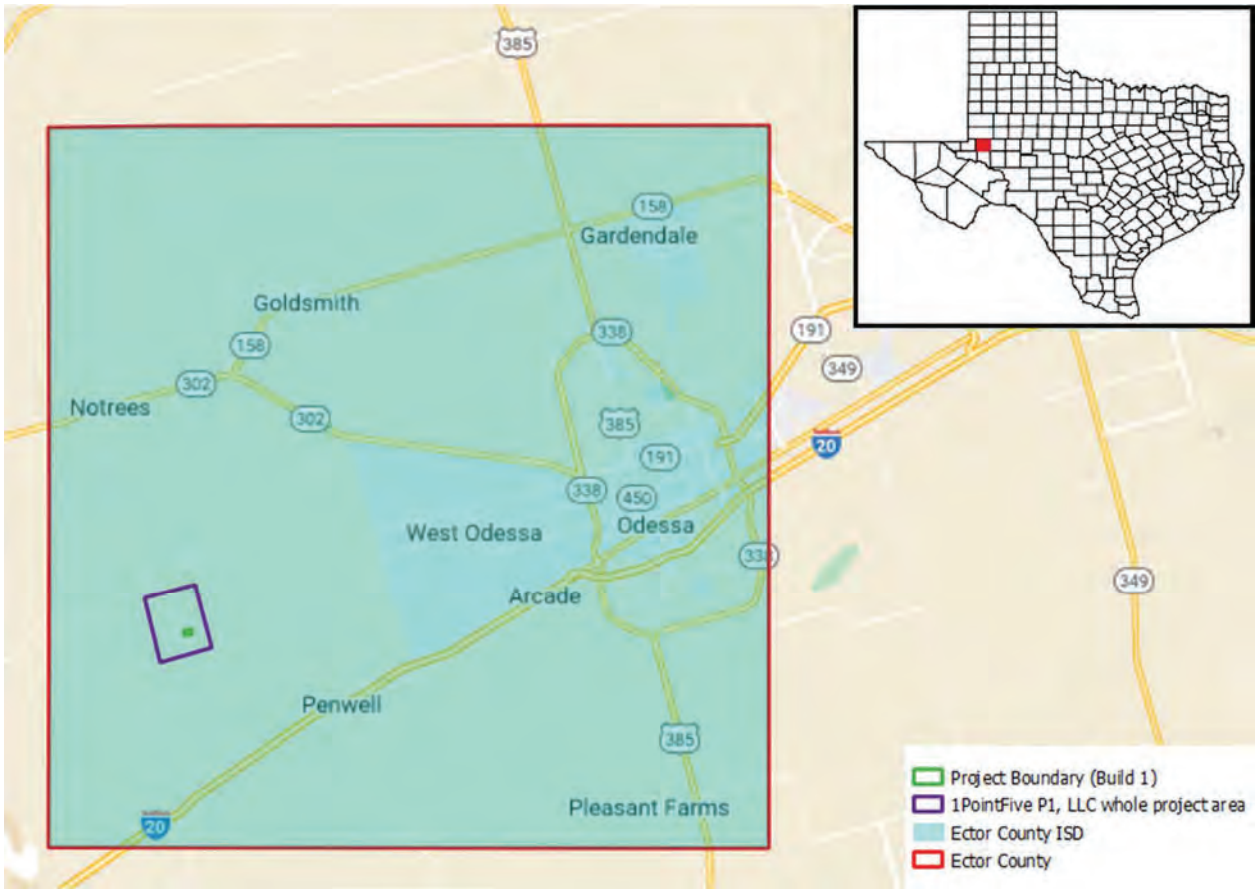
Description of all property not eligible to become qualified property *(if applicable)*

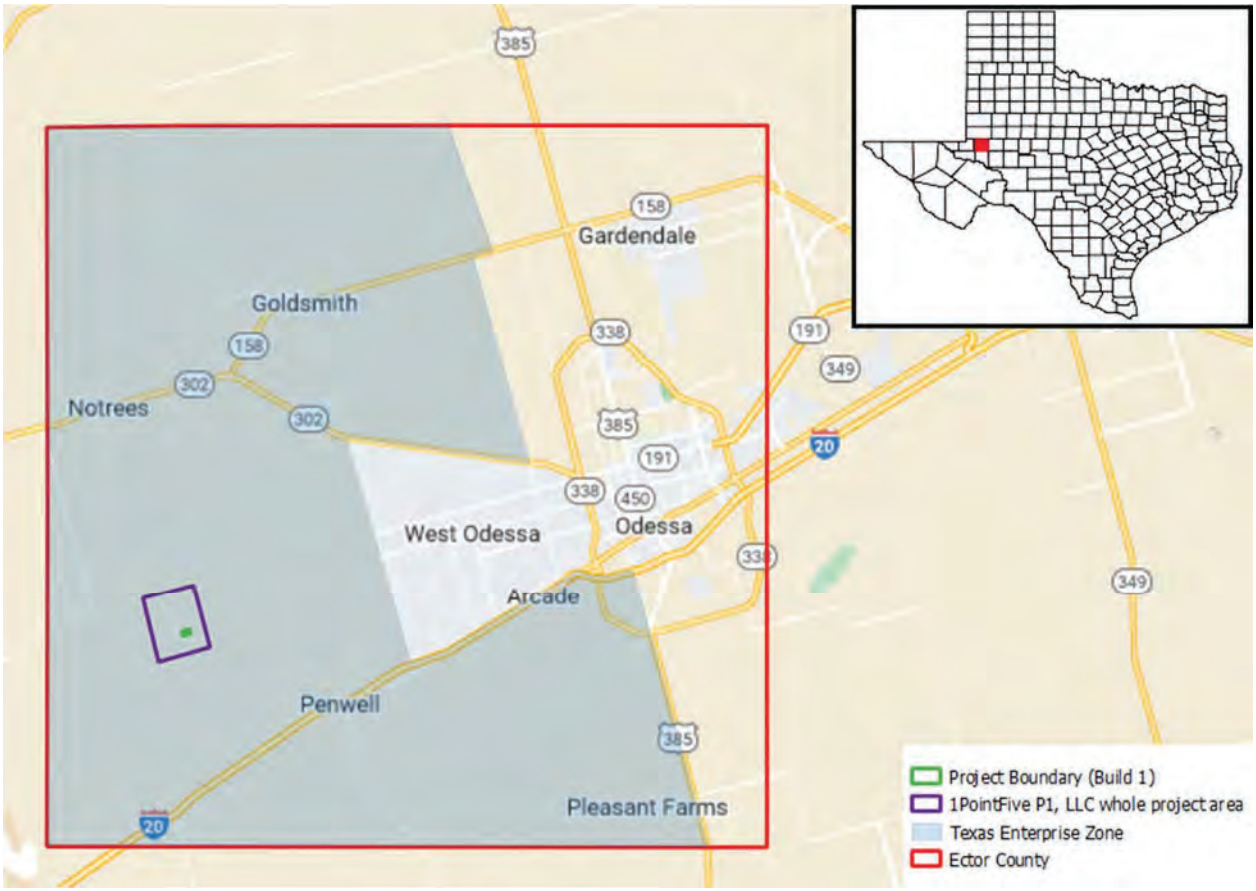
The land on which the Project would be developed would not be claimed as part of the Qualified Property.

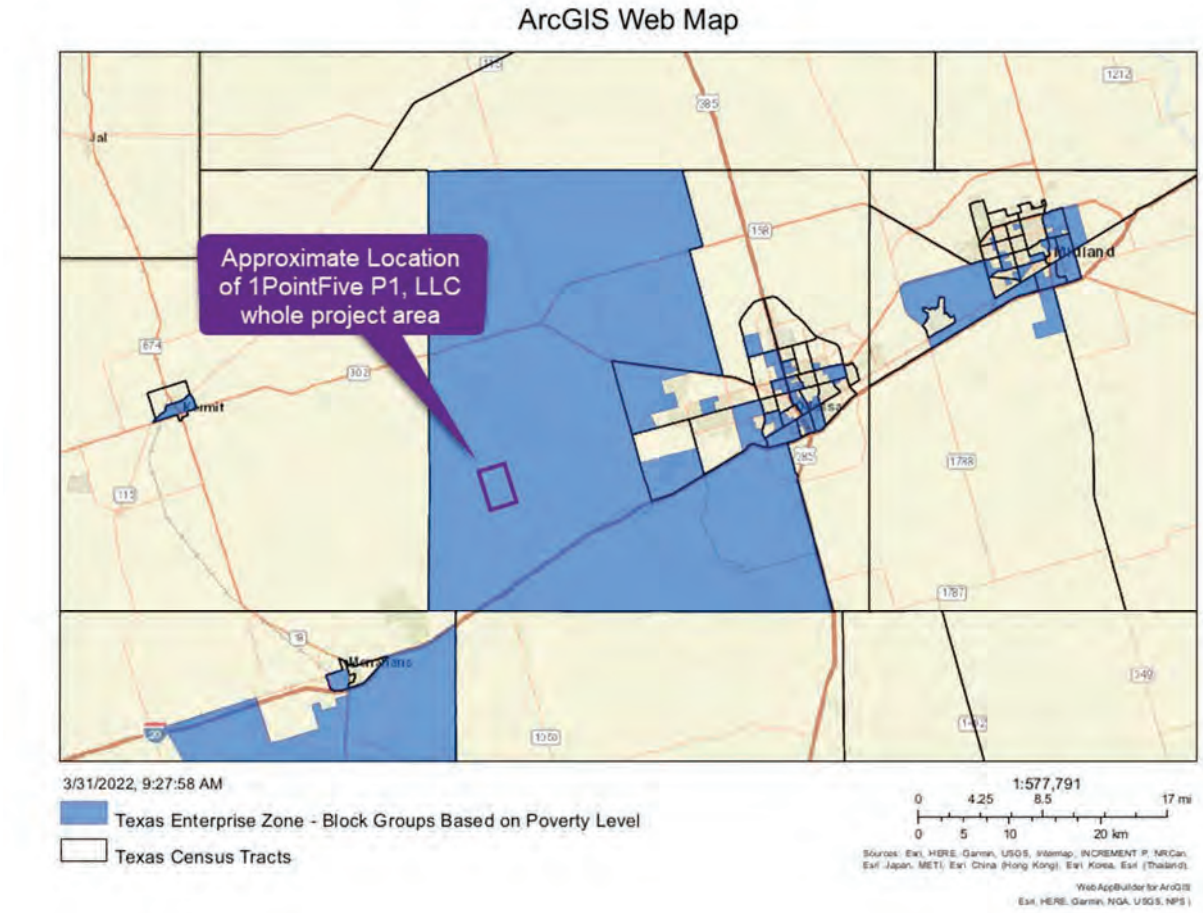
Tab 11

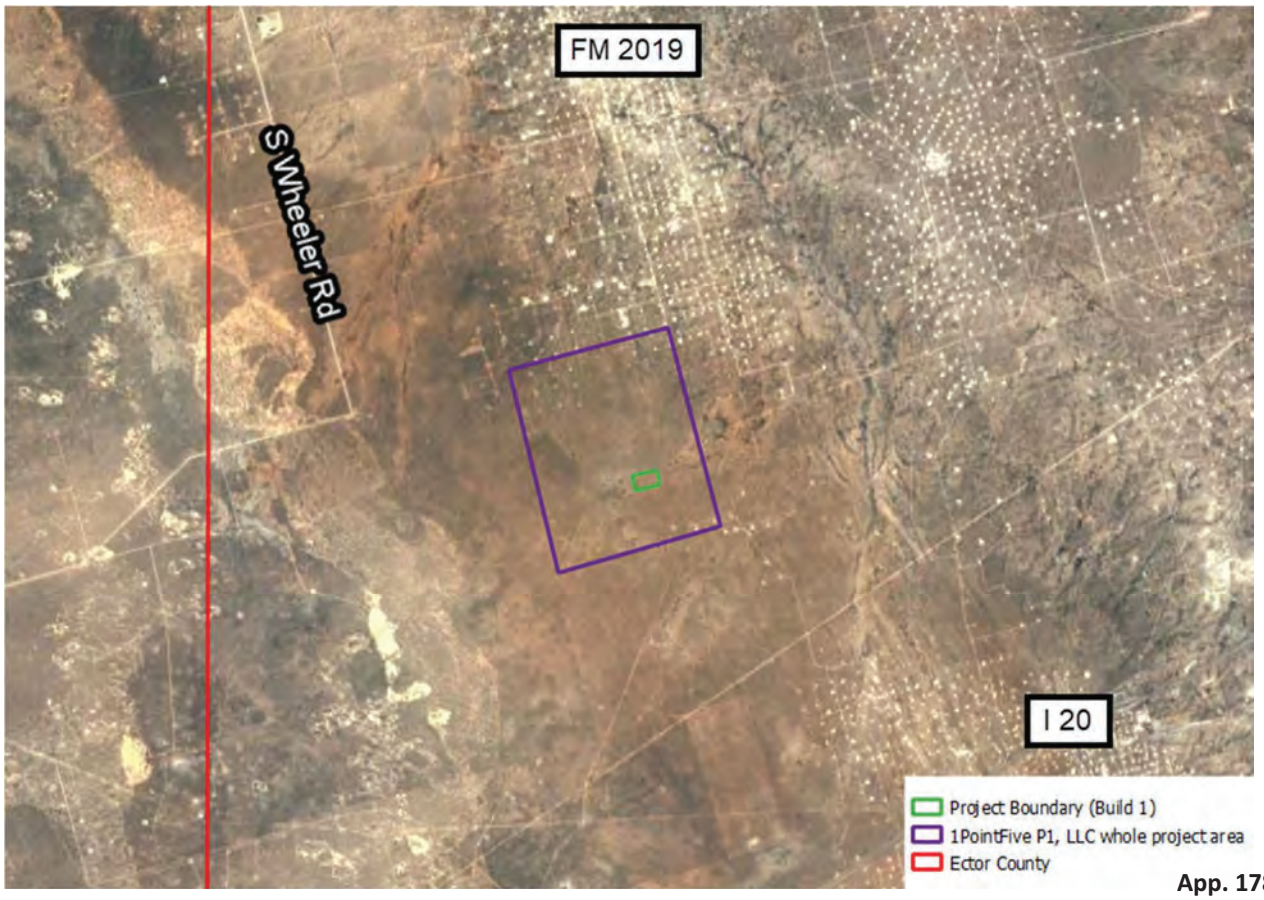
Maps that clearly show:

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


385
158
Gardendale
Goldsmith
158
338
191
349
302
Notrees
302
385
191
20
338
450
Odessa
West Odessa
338
349
Arcade
Penwell
385
Pleasant Farms
20
Project Boundary (Build 1)
1PointFive P1, LLC whole project area
Ector County ISD
Ector County


385
158
Gardendale
Goldsmith
158
338
191
349
302
Notrees
302
385
191
20
338
450
Odessa
West Odessa
338
349
Arcade
Penwell
385
Pleasant Farms
20
Project Boundary (Build 1)
1PointFive P1, LLC whole project area
Texas Enterprise Zone
Ector County


ArcGIS Web Map
Approximate Location of 1PointFive P1, LLC whole project area
Jal
Midland
Odessa
3/31/2022, 9:27:58 AM
Texas Enterprise Zone - Block Groups Based on Poverty Level
Texas Census Tracts
1:577,791
0 4.25 8.5 17 mi
0 5 10 20 km
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),
Web AppBuilder for ArcGIS
Esri, HERE, Garmin, NGA, USGS, NPS


FM 2019
S Wheeler Rd
I 20
Project Boundary (Build 1)
1PointFive P1, LLC whole project area
Ector County

Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

County	Year	Quarter	Ownership	Avg. Weekly Wage
Ector County	2021	1	Total All	1,094
Ector County	2021	2	Total All	1,154
Ector County	2021	3	Total All	1,184
Ector County	2021	4	Total All	1,306
Sum Last 4 Quarters				$ 4,738
Average Weekly Wage				**$ 1,184.50**

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

County	Year	Quarter	Ownership	Avg. Weekly Wage
Ector County	2021	1	Total All	$ 1,425
Ector County	2021	2	Total All	$ 1,484
Ector County	2021	3	Total All	$ 1,457
Ector County	2021	4	Total All	$ 1,724
Sum Last 4 Quarters				$ 6,090
Average Weekly Wage				**$** 1,522.50
110% Average Weekly Wage				**$ 1,674.75**

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

COG Region	Year	Hourly	Annual	Avg. Weekly Wage
Permian Basin	2020	$ 22.57	$ 46,945	$ 902.80
110 % Average Weekly Wage				**$ 993.07**

*Backup documentation provided in following pages

Kroll, LLC
Austin, TX

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2021	01	Ector	Total All	Total, All Industries	1,094
2021	02	Ector	Total All	Total, All Industries	1,154
2021	03	Ector	Total All	Total, All Industries	1,184
2021	04	Ector	Total All	Total, All Industries	1,306

Year	Period	Area	Ownership	Industry	Average Weekly Wage
2021	01	Ector	Private	Manufacturing	1,425
2021	02	Ector	Private	Manufacturing	1,484
2021	03	Ector	Private	Manufacturing	1,457
2021	04	Ector	Private	Manufacturing	1,724

2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	$23.32	$48,501
South Plains Association of Governments	2	$20.42	$42,473
NORTEX Regional Planning Commission	3	$20.64	$42,928
North Central Texas Council of Governments	4	$32.34	$67,261
Ark-Tex Council of Governments	5	$21.30	$44,299
East Texas Council of Governments	6	$29.28	$60,904
West Central Texas Council of Governments	7	$21.54	$44,797
Rio Grande Council of Governments	8	$19.02	$39,552
Permian Basin Regional Planning Commission	9	$22.57	$46,945
Concho Valley Council of Governments	10	$27.28	$56,739
Heart of Texas Council of Governments	11	$23.41	$48,696
Capital Area Council of Governments	12	$29.96	$62,326
Brazos Valley Council of Governments	13	$18.41	$38,286
Deep East Texas Council of Governments	14	$21.07	$43,829
South East Texas Regional Planning Commission	15	$27.38	$56,957
Houston-Galveston Area Council	16	$29.83	$62,050
Golden Crescent Regional Planning Commission	17	$22.09	$45,945
Alamo Area Council of Governments	18	$27.45	$57,101
South Texas Development Council	19	$19.20	$39,945
Coastal Bend Council of Governments	20	$35.39	$73,603
Lower Rio Grande Valley Development Council	21	$20.70	$43,056
Texoma Council of Governments	22	$19.18	$39,897
Central Texas Council of Governments	23	$21.34	$44,390
Middle Rio Grande Development Council	24	$22.98	$47,809
Texas		$28.00	$58,233

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: August 2021.
Data published annually, next update will likely be July 31, 2022
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 and Wage Statistics (OEWS) 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)*

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

Date 4/19/2022

Applicant Name 1PointFive P1, LLC

ISD Name Ector County ISD

Form 50-296A

Revised October 2020

PROPERTY INVESTMENT AMOUNTS

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

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B: New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C: Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D: Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E: **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district				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	2022-2023	2022	$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	0	2023-2024	2023	$0	$0	$0	$0	$0
	0	2024-2025	2024	$0	$0	$0	$0	$0
	0	2025-2026	2025	$130,289,811	$27,369,689	$0	$0	$157,659,500
	0	2026-2027	2026	$1,499,847,822	$315,069,678	$0	$0	$1,814,917,500
Complete tax years of qualifying time period	QTP1	2027-2028	2027	$1,311,988,095	$275,606,405	$0	$0	$1,587,594,500
	QTP2	2028-2029	2028	$87,869,872	$18,458,628	$0	$0	$106,328,500
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$3,029,995,600	$636,504,400	$0	$0	$3,666,500,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$1,693,923,000				

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.

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

Date 4/19/2022

Applicant Name 1PointFive P1, LLC

ISD Name Ector County ISD

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 not 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*	0 - DY3	TOTALS FROM SCHEDULE A1		Enter amounts from TOTAL row in Schedule A1 in the row below				
				$3,029,995,600	$636,504,400	$0	$0	$3,666,500,000
Value limitation period***	1	2029-2030	2029	$0	$0	$0	$0	$0
	2	2030-2031	2030	$0	$0	$0	$0	$0
	3	2031-2032	2031	$0	$0	$0	$0	$0
	4	2032-2033	2032	$0	$0	$0	$0	$0
	5	2033-2034	2033	$0	$0	$0	$0	$0
	6	2034-2035	2034	$0	$0	$0	$0	$0
	7	2035-2036	2035	$0	$0	$0	$0	$0
	8	2036-2037	2036	$0	$0	$0	$0	$0
	9	2037-2038	2037	$0	$0	$0	$0	$0
	10	2038-2039	2038	$0	$0	$0	$0	$0
Total Investment made through limitation				$3,029,995,600	$636,504,400	$0	$0	$3,666,500,000
Continue to maintain viable presence	11	2039-2040	2039			$0		$0
	12	2040-2041	2040			$0		$0
	13	2041-2042	2041			$0		$0
	14	2042-2043	2042			$0		$0
	15	2043-2044	2043			$0		$0
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044			$0		$0
	17	2045-2046	2045			$0		$0
	18	2046-2047	2046			$0		$0
	19	2047-2048	2047			$0		$0
	20	2048-2049	2048			$0		$0
	21	2049-2050	2049			$0		$0
	22	2050-2051	2050			$0		$0
	23	2051-2052	2051			$0		$0
	24	2052-2053	2052			$0		$0
	25	2053-2054	2053			$0		$0

* 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 5/13/2022

Applicant Name 1PointFive P1, LLC

ISD Name Ector County ISD

App#1789-1PointFiveP1,LLC-EctorCountyISD-SupplementOne-06-21-22

Form 50-296A

Revised October 2020

				Qualified Property			Estimated Taxable Value		
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period *Insert as many rows as necessary*	0	2022-2023	2022	$0	$0	$0	$0	$0	$0
	0	2023-2024	2023	$0	$0	$0	$0	$0	$0
	0	2024-2025	2024	$0	$0	$0	$0	$0	$0
	0	2025-2026	2025	$0	$0	$0	$0	$0	$0
	0	2026-2027	2026	$0	$13,684,845	$65,144,905	$4,729,785	$74,099,965	$74,099,965
	QTP 1	2027-2028	2027	$0	$171,219,684	$815,068,816	$59,177,310	$927,111,190	$927,111,190
	QTP 2	2028-2029	2028	$0	$309,022,886	$1,471,062,864	$106,805,145	$1,673,280,605	$1,673,280,605
Value Limitation Period	1	2029-2030	2029	$0	$318,252,200	$1,514,997,800	$109,995,000	$1,723,255,000	$30,000,000
	2	2030-2031	2030	$0	$594,441,153	$2,829,759,039	$205,452,012	$3,218,748,180	$30,000,000
	3	2031-2032	2031	$0	$569,672,772	$2,711,852,414	$196,891,511	$3,084,633,675	$30,000,000
	4	2032-2033	2032	$0	$544,904,392	$2,593,945,790	$188,331,011	$2,950,519,171	$30,000,000
	5	2033-2034	2033	$0	$520,136,011	$2,476,039,166	$179,770,511	$2,816,404,666	$30,000,000
	6	2034-2035	2034	$0	$495,367,630	$2,358,132,541	$171,210,010	$2,682,290,161	$30,000,000
	7	2035-2036	2035	$0	$470,599,249	$2,240,225,917	$162,649,510	$2,548,175,656	$30,000,000
	8	2036-2037	2036	$0	$445,830,868	$2,122,319,293	$154,089,010	$2,414,061,151	$30,000,000
	9	2037-2038	2037	$0	$421,062,487	$2,004,412,668	$145,528,509	$2,279,946,646	$30,000,000
	10	2038-2039	2038	$0	$396,294,106	$1,886,506,044	$136,968,009	$2,145,832,141	$30,000,000
Continue to maintain viable presence	11	2039-2040	2039	$0	$371,525,725	$1,768,599,420	$128,407,509	$2,011,717,636	$2,011,717,636
	12	2040-2041	2040	$0	$346,757,344	$1,650,692,795	$119,847,008	$1,877,603,131	$1,877,603,131
	13	2041-2042	2041	$0	$321,988,963	$1,532,786,171	$111,286,508	$1,743,488,626	$1,743,488,626
	14	2042-2043	2042	$0	$297,220,582	$1,414,879,547	$102,726,008	$1,609,374,121	$1,609,374,121
	15	2043-2044	2043	$0	$272,452,201	$1,296,972,922	$94,165,507	$1,475,259,616	$1,475,259,616
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2044-2045	2044	$0	$247,683,821	$1,179,066,298	$85,605,007	$1,341,145,111	$1,341,145,111
	17	2045-2046	2045	$0	$222,915,440	$1,061,159,674	$77,044,507	$1,207,030,606	$1,207,030,606
	18	2046-2047	2046	$0	$198,147,059	$943,253,049	$68,484,006	$1,072,916,102	$1,072,916,102
	19	2047-2048	2047	$0	$173,378,678	$825,346,425	$59,923,506	$938,801,597	$938,801,597
	20	2048-2049	2048	$0	$148,610,297	$707,439,801	$51,363,006	$804,687,092	$804,687,092
	21	2049-2050	2049	$0	$127,300,880	$605,999,120	$43,998,000	$689,302,000	$689,302,000
	22	2050-2051	2050	$0	$127,300,880	$605,999,120	$43,998,000	$689,302,000	$689,302,000
	23	2051-2052	2051	$0	$127,300,880	$605,999,120	$43,998,000	$689,302,000	$689,302,000
	24	2052-2053	2052	$0	$127,300,880	$605,999,120	$43,998,000	$689,302,000	$689,302,000
	25	2053-2054	2053	$0	$127,300,880	$605,999,120	$43,998,000	$689,302,000	$689,302,000

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

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date 5/13/2022

Applicant Name 1PointFive P1, LLC

ISD Name Ector County ISD

Form 50-296A

Revised October 2020

				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 *Insert as many rows as necessary*	0	2022-2023	2022	0	$0	0	0	$0
	0	2023-2024	2023	0	$0	0	0	$0
	0	2024-2025	2024	0	$0	0	0	$0
	0	2025-2026	2025	7,500	$50,000	0	0	$0
	0	2026-2027	2026	7,500	$50,000	0	0	$0
	QTP 1	2027-2028	2027	7,500	$50,000	0	0	$0
	QTP 2	2028-2029	2028	7,500	$50,000	0	0	$0
Value Limitation Period *The qualifying time period could overlap the value limitation period.*	1	2029-2030	2029	0	$0	0	25	$51,639.50
	2	2030-2031	2030	0	$0	0	25	$51,639.50
	3	2031-2032	2031	0	$0	0	25	$51,639.50
	4	2032-2033	2032	0	$0	0	25	$51,639.50
	5	2033-2034	2033	0	$0	0	25	$51,639.50
	6	2034-2035	2034	0	$0	0	25	$51,639.50
	7	2035-2036	2035	0	$0	0	25	$51,639.50
	8	2036-2037	2036	0	$0	0	25	$51,639.50
	9	2037-2038	2037	0	$0	0	25	$51,639.50
	10	2038-2039	2038	0	$0	0	25	$51,639.50
Years Following Value Limitation Period	11 through 25	2039-2054	2053	0	$0	0	25	$51,639.50

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)*

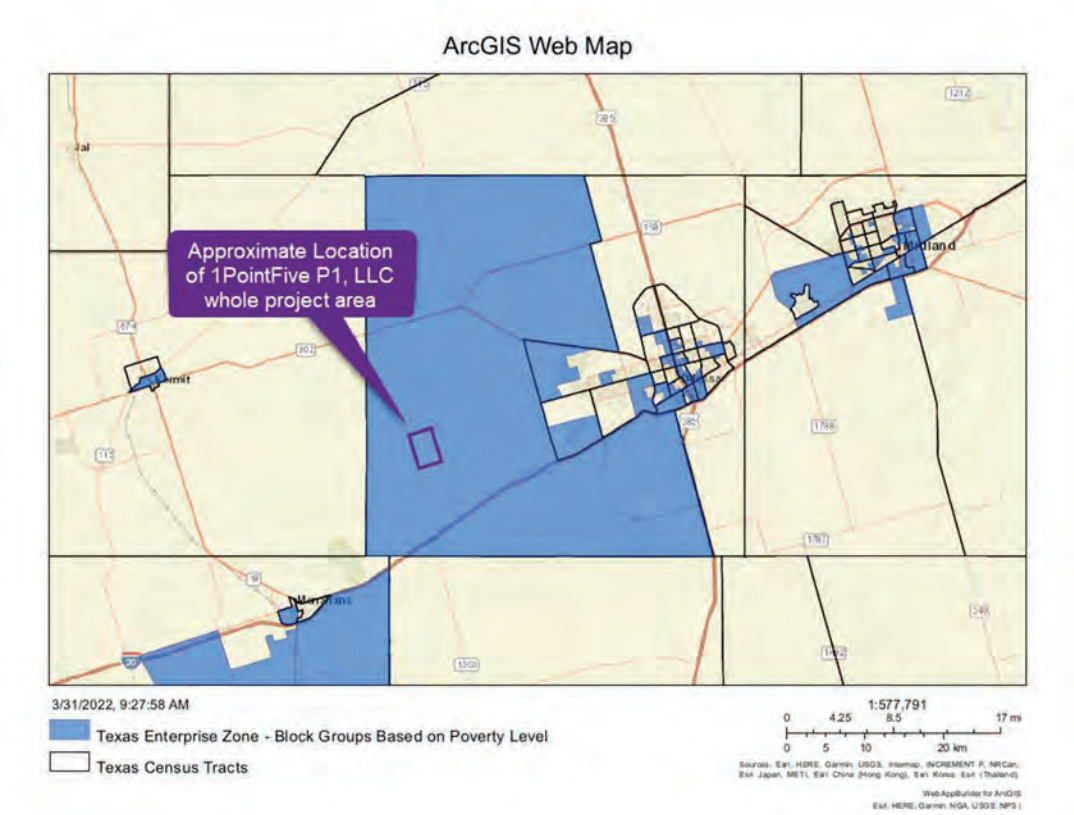
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office

The area qualifies as an enterprise zone as defined by the Governor's Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

SECTION 16: Authorized Signatures and Applicant Certification

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

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

1. Authorized School District Representative Signature

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

print here ▶ Dr. Scott Muri
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ▶ [signature]
Signature *(Authorized School District Representative)*

4-19-22
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 ▶ Derek Willis
Print Name *(Authorized Company Representative (Applicant))*

Vice President and Secretary
Title

sign here ▶ [signature]
Signature *(Authorized Company Representative (Applicant))*

4/18/22
Date

AMANDA AMARO
Notary Public, State of Texas
Comm. Expires 11-04-2024
Notary ID 130890124

(Notary Seal)

GIVEN under my hand and seal of office this, the

18 day of April, 2022

Amanda A. Amaro
Notary Public in and for the State of Texas

My Commission expires: 11-4-2024

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.

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 ▶ Scott Muri — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here ▶ — Signature *(Authorized School District Representative)*

5-17-22 — 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 ▶ Derek Willis — Print Name *(Authorized Company Representative (Applicant))*

Vice President and Secretary — Title

sign here ▶ — Signature *(Authorized Company Representative (Applicant))*

5/16/22 — Date

AMANDA AMARO
Notary Public, State of Texas
Comm. Expires 11-04-2024
Notary ID 130890124

(Notary Seal)

GIVEN under my hand and seal of office this, the

16 day of May, 2022

Notary Public in and for the State of Texas

My Commission expires: 11-04-2024

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.

Franchise Tax Account Status

As of : 09/08/2022 17:58:10

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

1POINTFIVE P1, LLC	
Texas Taxpayer Number	32076631608
Mailing Address	PO BOX 300 TULSA, OK 74102-0300
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/10/2020
Texas SOS File Number	0803827489
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

August 26, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
P.O. Box 3912
Odessa, TX 79760

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and 1PointFive P1, LLC, Application 1789

Dear Superintendent Muri:

On June 2, 2022, the Comptroller issued written notice that 1PointFive P1, LLC (applicant) submitted a completed application (Application 1789) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on April 19, 2022, to the Ector County Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

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

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

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 1789.

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, 2022**.

Note that any building or improvement existing as of the application review start date of June 2, 2022, 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.

DocuSign Envelope ID: 235026CD-D96D-4635-84A1-621CE25A79F2

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:
Lisa Craven
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 1PointFive P1, LLC (project) applying to Ector County Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of 1PointFive P1, LLC.

Applicant	1PointFive P1, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Ector County ISD
2020-2021 Average Daily Attendance	28,560
County	Ector
Proposed Total Investment in District	$3,666,500,000
Proposed Qualified Investment	$1,693,923,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2027-2028
Number of new qualifying jobs committed to by applicant	25
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$993
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$993
Minimum annual wage committed to by applicant for qualified jobs	$51,640
Minimum weekly wage required for non-qualifying jobs	$1,185.50
Minimum annual wage required for non-qualifying jobs	$61,646
Investment per Qualifying Job	$146,660,000
Estimated M&O levy without any limit (15 years)	$391,819,263
Estimated M&O levy with Limitation (15 years)	$122,964,079
Estimated gross M&O tax benefit (15 years)	$268,855,183

Table 2 is the estimated statewide economic impact of 1PointFive P1, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2025	7500	6,930	14,430	$375,000,000	$728,000,000	$1,103,000,000
2026	7500	12,975	20,475	$375,000,000	$1,324,000,000	$1,699,000,000
2027	7500	12,273	19773	$375,000,000	$1,416,000,000	$1,791,000,000
2028	7500	7,201	14701	$375,000,000	$1,104,000,000	$1,479,000,000
2029	25	284	309	$1,290,988	$314,709,013	$316,000,000
2030	25	(621)	-596	$1,290,988	$159,709,013	$161,000,000
2031	25	(1,068)	-1043	$1,290,988	$56,709,013	$58,000,000
2032	25	(1,164)	-1139	$1,290,988	-$2,290,988	-$1,000,000
2033	25	(1,064)	-1039	$1,290,988	-$30,290,988	-$29,000,000
2034	25	(855)	-830	$1,290,988	-$36,290,988	-$35,000,000
2035	25	(601)	-576	$1,290,988	-$28,290,988	-$27,000,000
2036	25	(349)	-324	$1,290,988	-$11,290,988	-$10,000,000
2037	25	(99)	-74	$1,290,988	$11,709,013	$13,000,000
2038	25	112	137	$1,290,988	$38,709,013	$40,000,000
2039	25	209	234	$1,290,988	$55,709,013	$57,000,000
2040	25	327	352	$1,290,988	$75,709,013	$77,000,000

Source: CPA REMI, 1PointFive P1, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County ISD M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hospital District Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1262	1.0517		0.3650	0.1500	0.2017	
2026	$74,099,965	$74,099,965		$93,514	$779,309	$872,823	$270,465	$111,150	$149,460	$1,403,898
2027	$927,111,190	$927,111,190		$1,170,014	$9,750,428	$10,920,443	$3,383,956	$1,390,667	$1,869,983	$17,565,049
2028	$1,673,280,605	$1,673,280,605		$2,111,680	$17,597,892	$19,709,572	$6,107,474	$2,509,921	$3,375,007	$31,701,974
2029	$1,723,255,000	$1,723,255,000		$2,174,748	$18,123,473	$20,298,221	$6,289,881	$2,584,883	$3,475,805	$32,648,789
2030	$3,218,748,180	$3,218,748,180		$4,062,060	$33,851,575	$37,913,635	$11,748,431	$4,828,122	$6,492,215	$60,982,403
2031	$3,084,633,675	$3,084,633,675		$3,892,808	$32,441,092	$36,333,900	$11,258,913	$4,626,951	$6,221,706	$58,441,470
2032	$2,950,519,171	$2,950,519,171		$3,723,555	$31,030,610	$34,754,165	$10,769,395	$4,425,779	$5,951,197	$55,900,536
2033	$2,816,404,666	$2,816,404,666		$3,554,303	$29,620,128	$33,174,431	$10,279,877	$4,224,607	$5,680,688	$53,359,603
2034	$2,682,290,161	$2,682,290,161		$3,385,050	$28,209,646	$31,594,696	$9,790,359	$4,023,435	$5,410,179	$50,818,669
2035	$2,548,175,656	$2,548,175,656		$3,215,798	$26,799,163	$30,014,961	$9,300,841	$3,822,263	$5,139,670	$48,277,736
2036	$2,414,061,151	$2,414,061,151		$3,046,545	$25,388,681	$28,435,226	$8,811,323	$3,621,092	$4,869,161	$45,736,803
2037	$2,279,946,646	$2,279,946,646		$2,877,293	$23,978,199	$26,855,492	$8,321,805	$3,419,920	$4,598,652	$43,195,869
2038	$2,145,832,141	$2,145,832,141		$2,708,040	$22,567,717	$25,275,757	$7,832,287	$3,218,748	$4,328,143	$40,654,936
2039	$2,011,717,636	$2,011,717,636		$2,538,788	$21,157,234	$23,696,022	$7,342,769	$3,017,576	$4,057,634	$38,114,002
2040	$1,877,603,131	$1,877,603,131		$2,369,535	$19,746,752	$22,116,287	$6,853,251	$2,816,405	$3,787,126	$35,573,069
2041	$1,743,488,626	$1,743,488,626		$2,200,283	$18,336,270	$20,536,553	$6,363,733	$2,615,233	$3,516,617	$33,032,136
2042	$1,609,374,121	$1,609,374,121		$2,031,030	$16,925,788	$18,956,818	$5,874,216	$2,414,061	$3,246,108	$30,491,202
2043	$1,475,259,616	$1,475,259,616		$1,861,778	$15,515,305	$17,377,083	$5,384,698	$2,212,889	$2,975,599	$27,950,269
			Total	$47,016,821	$391,819,263	$438,836,084	$135,983,675	$55,883,702	$75,144,951	$705,848,412

Source: CPA, 1PointFive P1, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Ector 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		Ector County ISD I&S Tax Levy	Ector County ISD M&O Tax Levy	Ector County ISD M&O and I&S Tax Levies	Ector County Tax Levy	Ector County Hospital District Tax Levy	Odessa College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.1262**	**1.0517**		**0.3650**	**0.1500**	**0.2017**	
2026	$74,099,965	$74,099,965		$93,514	$779,309	$872,823	$270,465	$111,150	$149,460	$1,403,898
2027	$927,111,190	$927,111,190		$1,170,014	$9,750,428	$10,920,443	$3,383,956	$1,390,667	$1,869,983	$17,565,049
2028	$1,673,280,605	$1,673,280,605		$2,111,680	$17,597,892	$19,709,572	$6,107,474	$2,509,921	$3,375,007	$31,701,974
2029	$1,723,255,000	$30,000,000		$2,174,748	$315,510	$2,490,258	$6,289,881	$2,584,883	$3,475,805	$14,840,826
2030	$3,218,748,180	$30,000,000		$4,062,060	$315,510	$4,377,570	$11,748,431	$4,828,122	$6,492,215	$27,446,338
2031	$3,084,633,675	$30,000,000		$3,892,808	$315,510	$4,208,318	$11,258,913	$4,626,951	$6,221,706	$26,315,887
2032	$2,950,519,171	$30,000,000		$3,723,555	$315,510	$4,039,065	$10,769,395	$4,425,779	$5,951,197	$25,185,436
2033	$2,816,404,666	$30,000,000		$3,554,303	$315,510	$3,869,813	$10,279,877	$4,224,607	$5,680,688	$24,054,985
2034	$2,682,290,161	$30,000,000		$3,385,050	$315,510	$3,700,560	$9,790,359	$4,023,435	$5,410,179	$22,924,534
2035	$2,548,175,656	$30,000,000		$3,215,798	$315,510	$3,531,308	$9,300,841	$3,822,263	$5,139,670	$21,794,083
2036	$2,414,061,151	$30,000,000		$3,046,545	$315,510	$3,362,055	$8,811,323	$3,621,092	$4,869,161	$20,663,631
2037	$2,279,946,646	$30,000,000		$2,877,293	$315,510	$3,192,803	$8,321,805	$3,419,920	$4,598,652	$19,533,180
2038	$2,145,832,141	$30,000,000		$2,708,040	$315,510	$3,023,550	$7,832,287	$3,218,748	$4,328,143	$18,402,729
2039	$2,011,717,636	$2,011,717,636		$2,538,788	$21,157,234	$23,696,022	$7,342,769	$3,017,576	$4,057,634	$38,114,002
2040	$1,877,603,131	$1,877,603,131		$2,369,535	$19,746,752	$22,116,287	$6,853,251	$2,816,405	$3,787,126	$35,573,069
2041	$1,743,488,626	$1,743,488,626		$2,200,283	$18,336,270	$20,536,553	$6,363,733	$2,615,233	$3,516,617	$33,032,136
2042	$1,609,374,121	$1,609,374,121		$2,031,030	$16,925,788	$18,956,818	$5,874,216	$2,414,061	$3,246,108	$30,491,202
2043	$1,475,259,616	$1,475,259,616		$1,861,778	$15,515,305	$17,377,083	$5,384,698	$2,212,889	$2,975,599	$27,950,269
			Total	**$47,016,821**	**$122,964,079**	**$169,980,901**	**$135,983,675**	**$55,883,702**	**$75,144,951**	**$436,993,229**
			Diff	**$0**	**$268,855,183**	**$268,855,183**	**$0**	**$0**	**$0**	**$268,855,183**
Assumes School Value Limitation.										

Source: CPA, 1PointFive P1, LLC
*Tax Rate per $100 Valuation

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

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that 1PointFive P1, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment 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	2026	$779,309	$779,309	$0	$0
	2027	$9,750,428	$10,529,738	$0	$0
	2028	$17,597,892	$28,127,630	$0	$0
Limitation Period (10 Years)	2029	$315,510	$28,443,140	$17,807,963	$17,807,963
	2030	$315,510	$28,758,650	$33,536,065	$51,344,027
	2031	$315,510	$29,074,160	$32,125,582	$83,469,610
	2032	$315,510	$29,389,670	$30,715,100	$114,184,710
	2033	$315,510	$29,705,180	$29,304,618	$143,489,328
	2034	$315,510	$30,020,690	$27,894,136	$171,383,463
	2035	$315,510	$30,336,200	$26,483,653	$197,867,117
	2036	$315,510	$30,651,710	$25,073,171	$222,940,288
	2037	$315,510	$30,967,220	$23,662,689	$246,602,977
	2038	$315,510	$31,282,730	$22,252,207	$268,855,183
Maintain Viable Presence (5 Years)	2039	$21,157,234	$52,439,964	$0	$268,855,183
	2040	$19,746,752	$72,186,716	$0	$268,855,183
	2041	$18,336,270	$90,522,986	$0	$268,855,183
	2042	$16,925,788	$107,448,774	$0	$268,855,183
	2043	$15,515,305	$122,964,079	$0	$268,855,183
Additional Years as Required by 313.026(c)(1) (10 Years)	2044	$14,104,823	$137,068,902	$0	$268,855,183
	2045	$12,694,341	$149,763,243	$0	$268,855,183
	2046	$11,283,859	$161,047,102	$0	$268,855,183
	2047	$9,873,376	$170,920,478	$0	$268,855,183
	2048	$8,462,894	$179,383,372	$0	$268,855,183
	2049	$7,249,389	$186,632,762	$0	$268,855,183
	2050	$7,249,389	$193,882,151	$0	$268,855,183
	2051	$7,249,389	$201,131,540	$0	$268,855,183
	2052	$7,249,389	$208,380,929	$0	$268,855,183
	2053	$7,249,389	$215,630,318	$0	$268,855,183
		$215,630,318	is less than	**$268,855,183**	

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?	No

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, 1PointFive P1, LLC

	Employment			Personal Income			e en e E pen t re		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	e enue	enditure	et Ta ect
2025	7500	6,930	14,430	$375,000,000	$728,000,000	$1,103,000,000	52000000	-27000000	$79,000,000
2026	7500	12,975	20,475	$375,000,000	$1,324,000,000	$1,699,000,000	104000000	-28000000	$132,000,000
2027	7500	12,273	19773	$375,000,000	$1,416,000,000	$1,791,000,000	100000000	-13000000	$113,000,000
2028	7500	7,201	14701	$375,000,000	$1,104,000,000	$1,479,000,000	61000000	9000000	$52,000,000
2029	25	284	309	$1,290,988	$314,709,013	$316,000,000	13000000	44000000	-$31,000,000
2030	25	(621)	-596	$1,290,988	$159,709,013	$161,000,000	10000000	42000000	-$32,000,000
2031	25	(1,068)	-1043	$1,290,988	$56,709,013	$58,000,000	7000000	38000000	-$31,000,000
2032	25	(1,164)	-1139	$1,290,988	-$2,290,988	-$1,000,000	5000000	34000000	-$29,000,000
2033	25	(1,064)	-1039	$1,290,988	-$30,290,988	-$29,000,000	5000000	30000000	-$25,000,000
2034	25	(855)	-830	$1,290,988	-$36,290,988	-$35,000,000	4000000	26000000	-$22,000,000
2035	25	(601)	-576	$1,290,988	-$28,290,988	-$27,000,000	4000000	23000000	-$19,000,000
2036	25	(349)	-324	$1,290,988	-$11,290,988	-$10,000,000	5000000	20000000	-$15,000,000
2037	25	(99)	-74	$1,290,988	$11,709,013	$13,000,000	5000000	17000000	-$12,000,000
2038	25	112	137	$1,290,988	$38,709,013	$40,000,000	5000000	15000000	-$10,000,000
2039	25	209	234	$1,290,988	$55,709,013	$57,000,000	5000000	14000000	-$9,000,000
2040	25	327	352	$1,290,988	$75,709,013	$77,000,000	5000000	12000000	-$7,000,000
2041	25	422	447	$1,290,988	$94,709,013	$96,000,000	5000000	11000000	-$6,000,000
2042	25	483	508	$1,290,988	$112,709,013	$114,000,000	5000000	10000000	-$5,000,000
2043	25	520	545	$1,290,988	$128,709,013	$130,000,000	5000000	9000000	-$4,000,000
2044	25	543	568	$1,290,988	$142,709,013	$144,000,000	5000000	8000000	-$3,000,000
2045	25	547	572	$1,290,988	$151,709,013	$153,000,000	5000000	7000000	-$2,000,000
2046	25	538	563	$1,290,988	$162,709,013	$164,000,000	5000000	6000000	-$1,000,000
2047	25	530	555	$1,290,988	$171,709,013	$173,000,000	5000000	6000000	-$1,000,000
2048	25	512	537	$1,290,988	$182,709,013	$184,000,000	5000000	5000000	$0
2049	25	502	527	$1,290,988	$191,709,013	$193,000,000	5000000	5000000	$0
2050	25	516	541	$1,290,988	$206,709,013	$208,000,000	5000000	4000000	$1,000,000
2051	25	520	545	$1,290,988	$220,709,013	$222,000,000	5000000	4000000	$1,000,000
2052	25	532	557	$1,290,988	$234,709,013	$236,000,000	5000000	4000000	$1,000,000
2053	25	545	570	$1,290,988	$249,709,013	$251,000,000	5000000	4000000	$1,000,000
						otal			
								i reater t an	

nalys s mmary

I t e ro ect rea ona l li el to enerate ta re enue in an a ount u icient to o et t e le lo a a re ult o t e li itation a ree ent	Ye

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 1PointFive P1, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per 1PointFive P1, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project."
  B. "A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation."
  C. "The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO2 sequestration. If the proposed plan to capture, process and sequester CO2 from atmospheric air proves prohibitively expensive to fully scale in Texas, Oxy and its partners could explore other attractive alternatives."
- Per 1PointFive P1, LLC in Tab 4 of their Application for a Limitation on Appraised Value:
  A. "Occidental Petroleum Corporation (Oxy), a leading producer of traditional energy resources, and its subsidiary, Oxy Low Carbon Ventures, LLC (OLCV), have formed 1PointFive, Inc. (1PointFive) to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere."
  B. "1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO2) for use and secure geologic sequestration. The DAC

facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities."

C. "It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tonnes per annum (Mtpa) of atmospheric CO2. This application pertains to the sixth of these six proposed builds ("Build 6"). The proposed Build 6 project would capture and permanently sequester approximately 5 million tonnes per annum (Mtpa) of atmospheric CO2."

- Per a March 2022 *Low Carbon Ventures* investor update:
  A. "The Capital allocated to 1PointFive, will fund the construction commencement of DAC1 in the Permian Basin, beginning in the second half of 2022, once FEED is complete. The total capital cost of this first industrial-scale DAC plant, is expected to be approximately $800MM to 1Bn. The FEED study is being conducted for a plant initially sized, at 500,000 metric tons of atmospheric capture from a single train, with an option to add a second train, which would enlarge the plant to its full capacity, of 1 million metric tons of atmospheric capture per annum. The scaling factor to double the capacity of DAC1 is estimated to be 1.6."
- Per a June 7, 2022 Oxy news:
  A. "1PointFive has announced a scenario of deploying 70 DAC facilities by 2035, each with an expected capacity of up to 1 million tonnes per year, under current policy and voluntary and compliance market scenarios. The company estimates that up to 135 DAC facilities could be deployed with an increase in global policy initiatives and demand in the voluntary market."
  B. "1PointFive's first DAC facility is progressing through front-end engineering and design (FEED) and is expected to be operational and design (FEED) and is expected to be operational in late 2024 in Texas. Advance product sales for this facility, including agreements with Airbus, Shopify and ThermoFisher, and offtake frameworks, like the agreement with SK Trading International, signal the increasing demand from the voluntary market for large-scale, DAC-enabled climate solutions."
- Per a S&P Global Commodity Insights article dated September 24, 2020:
  A. "Texas leads the nation in oil and gas production in the Permian Basin where more CO2 can be utilized for enhanced oil recovery, while the petrochemicals and industrial hubs along the Texas Gulf Coast produce massive amounts of carbon and hydrogen that can be stored or turned into valuable commodities."
  B. "Ken Medlock, an energy and economics fellow at Rice University's Baker Institute for Public Policy in Houston, said more than a quarter of the US industrial sector's carbon emissions come from Texas, concentrated along the Texas Gulf Coast from the Sabine Pass to Corpus Christi"
  C. "The region also is rich in underground storage options because of the geographic salt domes and saline aquifers that can hold large volumes of CO2."
- Proximity Map for 1PointFive P1, LLC Project
  A. The qualified property for Application #1570-1P5 DAC 1 is placed adjacent to the qualified properties of Applications #1789-#1794 Build #1-#6. (Map Provided)

Supporting Information

a) Section 8 of the Application for a Limitation on Appraised Value
b) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
c) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
d) 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: December 2022
2. Estimated commencement of construction: Q3 2025
3. Beginning of qualifying time period (MM/DD/YYYY): 01/01/2027
4. First year of limitation (YYYY): 2029

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: Q2 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located: Ector County
2. Central Appraisal District (CAD) that will be responsible for appraising the property: Ector 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): Ector County ISD, 1.0517, 100%
(Name, tax rate and percent of project)

I&S (ISD): Ector County ISD, 0.1262, 100%
(Name, tax rate and percent of project)

County: Ector County, 0.3650, 100%
(Name, tax rate and percent of project)

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

Hospital District: Ector County HD, 0.1500, 100%
(Name, tax rate and percent of project)

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

Other *(describe)*: Odessa College, 0.2017, 100%
(Name, tax rate and percent of project)

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

Supporting Information

Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value

Tab 4

Detailed Description of the Project

Occidental Petroleum Corporation (Oxy), a leading producer of traditional energy resources, and its subsidiary, Oxy Low Carbon Ventures, LLC (OLCV), have formed 1PointFive, Inc. (1PointFive) to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

1PointFive will further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is its mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO_2) for use and secure geologic sequestration. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tonnes per annum (Mtpa) of atmospheric CO_2. This application pertains to the first of these six proposed builds ("Build 1"). The proposed Build 1 project would capture and permanently sequester approximately 3 million tonnes per annum (Mtpa) of atmospheric CO_2.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO_2 product manufactured by the DAC facilities will either be (1) permanently stored in deep, saline reservoirs, or (2) used as industrial gas feedstock to produce low-carbon products (e.g., sustainable aviation fuels, ethylene, plastics, etc.) or used as a feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO_2 (for utilization) and CO_2-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO_2 Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

Pairing DAC technology with CO_2 sequestration through EOR operations or using DAC CO_2 as a feedstock for producing sustainable aviation fuels would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO_2 credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO_2 emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Supporting Information

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

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering's process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO_2 from the Project would be permanently sequestered either in saline reservoirs or by Oxy's EOR operations, but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO_2
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO_2 for permanent sequestration in enhanced oil recovery operations or for use as a feedstock in other industrial applications to produce low-carbon products
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California's Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO_2 offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

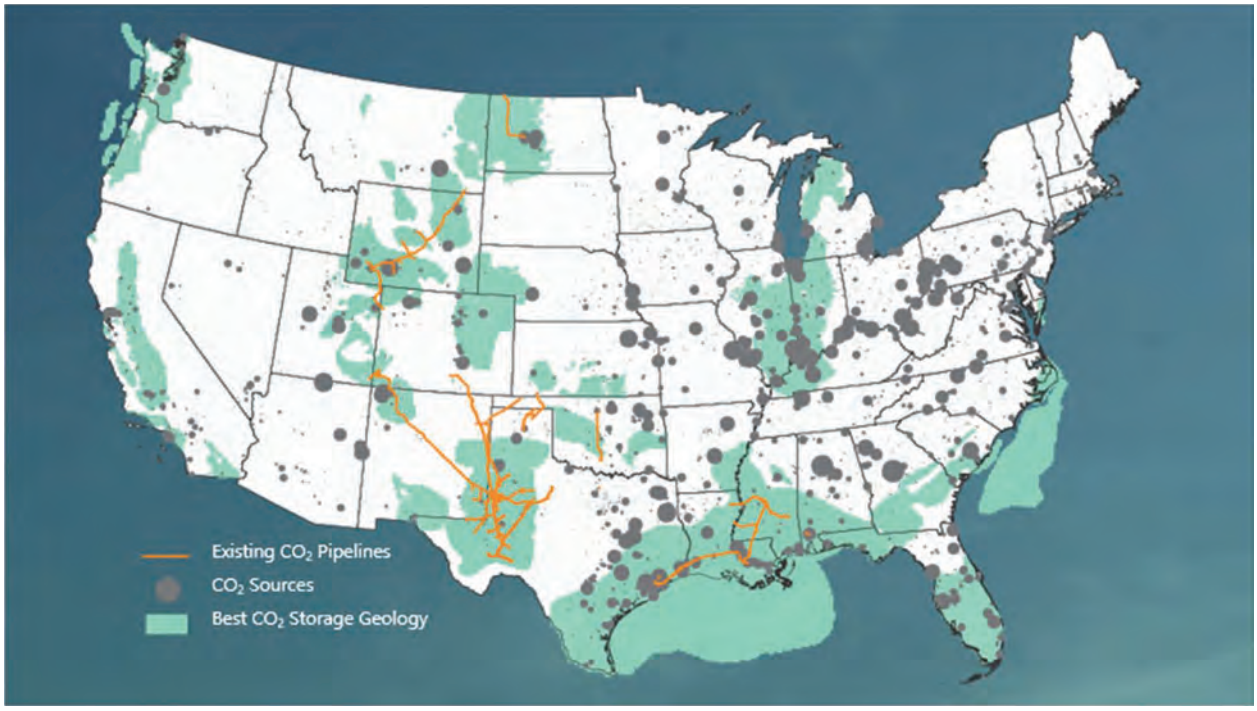
Reducing the Project's ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project.

Kroll, LLC
Austin, TX

A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO_2 sequestration. If the proposed plan to capture, process and sequester CO_2 from atmospheric air proves prohibitively expensive to fully scale in Texas, Oxy and its partners could explore other attractive alternatives.

The following map illustrates CO_2 sequestration hub development potential in the United States:



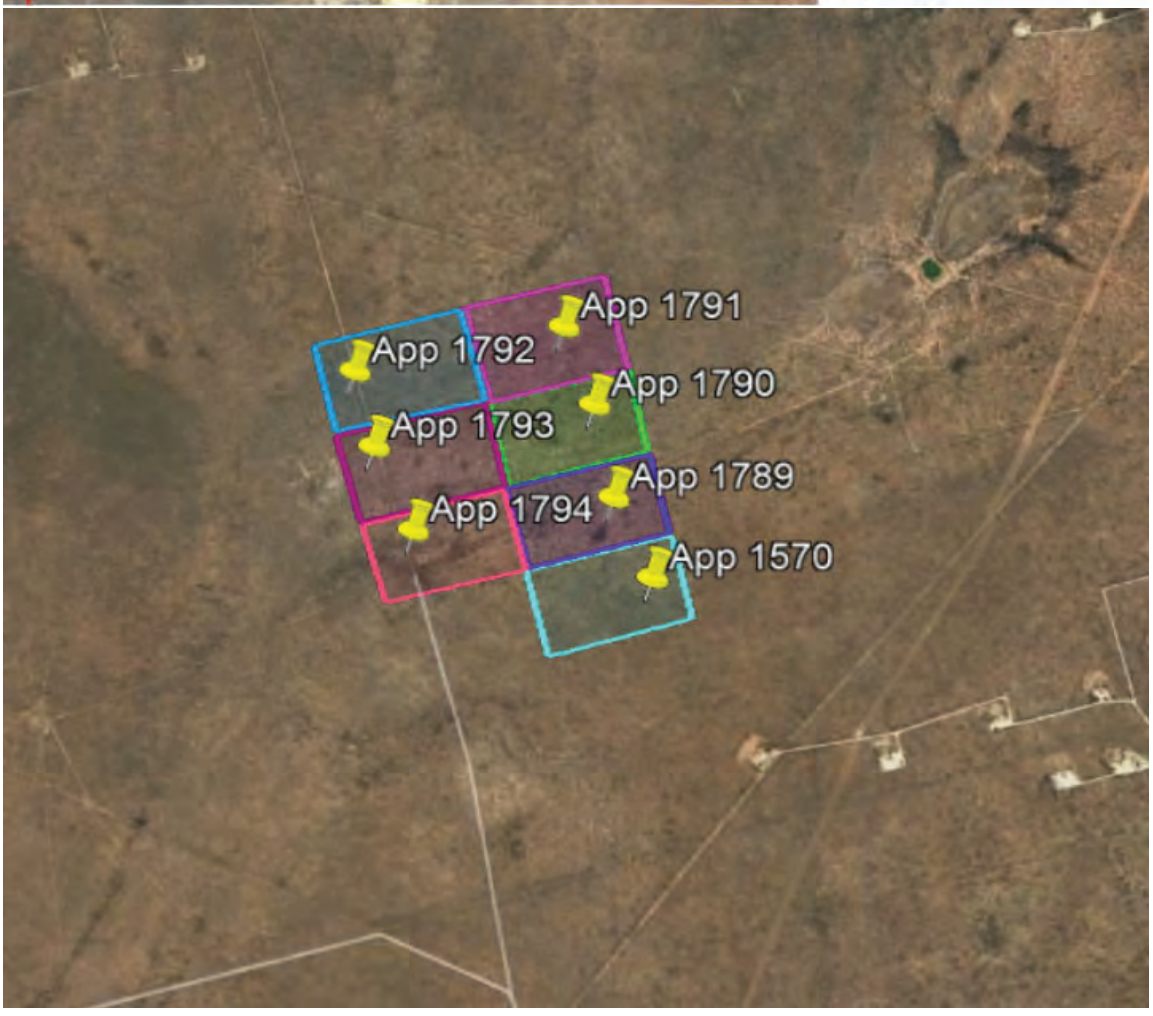
The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO_2 was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO_2 emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Proximity Map for 1PointFive P1, LLC



Speaker: Rob Peterson

[SLIDE 39] — 1PointFive Capital Plan and Priorities

Thank you, Richard.

As discussed on the most recent earnings call, we plan to deploy between $100 and $300MM of capital, through LCV this year to advance our Net-Zero Pathway. The capital we intend to allocate to 1PointFive, follows our 2022 cash flow priorities, and is included in our capital budget of $3.9 to $4.3 B.

The capital allocated to 1PointFive, will fund the construction commencement of DAC1 in the Permian Basin, beginning in the second half of 2022, once FEED is complete. The total capital cost of this first industrial-scale DAC plant, is expected to be approximately $800MM to 1 Bn. The FEED study is being conducted for a plant initially sized, at 500,000 metric tons of atmospheric capture from a single train, with an option to add a second train, which would enlarge the plant to its full capacity, of 1 million metric tons of atmospheric capture per annum. The scaling factor to double the capacity of DAC1 is estimated to be 1.6.

The 2022 capital range for 1PointFive, is largely dependent upon the timing of FID for DAC1, and our progress in developing the sequestration hubs Richard discussed. This includes allocating up to $100 MM of capital, for pre-construction spending and securing the acreage necessary, to bring hubs online by 2025. The sequestration hubs, which will be located in the U.S., will support our DAC and point-source capture development, by serving as accessible locations for the safe and economical storage of CO_2 in saline formations.

As we have discussed, the market response we have received coupled with the current policy environment, is supportive of evaluating additional DAC investments. We are considering locations outside of the Permian for the second plant, such as co-locating with a sequestration hub.

Allocating capital to de-risk these opportunities early on preserves value for our shareholders, while retaining future optionality to fund these and subsequent projects with other capital sources, which we'll discuss on the next slide.

Tuesday, June 7, 2022 8:30 AM ET

1PointFive and Carbon Engineering Announce Direct Air Capture Deployment Approach to Enable Global Build-Out of Plants

- *This approach is designed to facilitate the delivery of Direct Air Capture (DAC) plant rollout and financing, and supports a development scenario of 70 DAC plants online by 2035 to capture millions of tonnes of carbon dioxide from the atmosphere*

HOUSTON, Texas and SQUAMISH, British Columbia (June 7, 2022) — 1PointFive, a subsidiary of Occidental's (NYSE: OXY) Low Carbon Ventures business, and Carbon Engineering Ltd. (CE), a climate solutions company, announced a Direct Air Capture (DAC) plant deployment approach to help execute large numbers of DAC projects around the world.

The deployment approach standardizes the design of plants to help deliver complete, operationally ready DAC facilities to local partners. Through this process, plant components and equipment will be modularized, mass manufactured and then assembled on-site using an established supply chain of vendors.

This approach combines the partners' DAC technology, large-scale carbon dioxide management, project experience and extensive storage infrastructure. CE will provide the DAC technology, while 1PointFive will build and deploy the DAC plants, leveraging Oxy's strong project engineering and delivery expertise. Local partners will complete the team, bringing complementary experience and regional expertise.

From CE's dedicated DAC development and innovation centre in British Columbia, Canada, CE and 1PointFive are continuing to optimi DAC technology in real-world operations and reduce the cost of ca

Back to Top ↑

App. 1789 FOF 063

1PointFive has announced a scenario of deploying 70 DAC facilities by 2035, each with an expected capacity of up to 1 million tonnes per year, under current policy and voluntary and compliance market scenarios. The company estimates that up to 135 DAC facilities could be deployed with an increase in global policy initiatives and demand in the voluntary market.

1PointFive's first DAC facility is progressing through front-end engineering and design (FEED) and is expected to be operational in late 2024 in Texas. Advance product sales for this facility, including agreements with Airbus, Shopify and ThermoFisher, and offtake frameworks, like the agreement with SK Trading International, signal the increasing demand from the voluntary market for large-scale, DAC-enabled climate solutions.

QUOTES:

Michael Avery, President, 1PointFive said: "We are committed to delivering large-scale DAC solutions to remove carbon dioxide from the atmosphere and help achieve the goals of the Paris Agreement. We believe this deployment approach and our partnership with CE will support rapid, global deployment of DAC facilities to meet the urgency of the climate challenge and growing customer demand for DAC-enabled net-zero solutions."

CE CEO, Daniel Friedmann, said: "The most recent IPCC report reiterated again that, alongside emission reductions, we need to remove vast amounts of carbon dioxide from the atmosphere to achieve net-zero targets by 2050. To address this critical need, we're working with 1PointFive to offer DAC facilities as a ready-to-operate, turnkey solution. We see this new, franchise-like model as the most feasible, affordable and financeable path forward for CE's DAC technology to make a meaningful impact on the huge climate challenge."

More information on Occidental's low-carbon strategy can be found in OLCV's recent investor update.

ut 1PointFive

Back to Top ↑

App. 1789 FOF 064

Direct Air Capture (DAC) and AIR-TO-FUELS™ technologies alongside geologic sequestration hubs. More at 1PointFive.com.

About Carbon Engineering

Carbon Engineering (CE) is a climate solutions company. CE is focused on the global deployment of large-scale Direct Air Capture (DAC) technology that captures carbon dioxide (CO2) out of the atmosphere so it can be permanently stored deep underground or used to produce clean, affordable transportation fuels. With its partners, CE is working to deploy large-scale, commercial DAC facilities in multiple markets around the globe. More at carbonengineering.com .

Forward Looking Statement

This news release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including those relating to Occidental's deployment and use of DAC technology as part of its net-zero strategy, which are based on Occidental's current expectations, beliefs, plans, estimates and forecasts. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. Words such as "will," "may, "expect," "plan" or similar expressions that convey the prospective nature of events or outcomes are generally indicative of forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, Occidental does not undertake any obligation to update, modify or withdraw any forward-looking statements as a result of new information, future events or otherwise.

These statements are not guarantees of future performance as they involve assumptions that may prove to be incorrect and risks and uncertainties, including those that are beyond Occidental's control. Factors that may cause ual results to differ materially from forward-looking staten cidental's ability to access necessary technology, to develop and employ

Back to Top ↑

App. 1789 FOF 065

scientific developments. Additional factors that may affect Occidental's ability to deploy DAC technology can be found in Occidental's public disclosure and its filings with the U.S. Securities and Exchange Commission (SEC), which may be accessed at Occidental's website at oxy.com or the SEC's website at sec.gov. Information included herein is not necessarily material to an investor in Occidental's securities.

View the full release here.

App. 1789 FOF 066

[https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/petrochemicals/092420-texas-could-be-poised-to-lead-in-carbon-capture-technology] Retrieved 07/08/2022]

NATURAL GAS | OIL | PETROCHEMICALS — 24 Sep 2020 | 19:10 UTC — Houston

Texas could be poised to lead in carbon capture technology

Author Jordan Blum
Editor Manish Parashar
Commodity Natural Gas, Oil, Petrochemicals
Topic Environment and Sustainability

HIGHLIGHTS

- Direct air capture facilities planned for Permian
- Texas Gulf Coast ripe for carbon storage hubs
- Oxy plans to build world's largest direct air capture plant

IN THIS LIST

NATURAL GAS | OIL | PETROCHEMICALS
Texas could be poised to lead in carbon capture technology

COMMODITIES | OIL | NATURAL GAS
War in Ukraine

ENERGY | LNG | NATURAL GAS | NGL
Platts LP Gaswire

ENERGY | OIL | ENERGY TRANSITION
APPEC 2022

ENERGY | ENERGY TRANSITION | NATURAL GAS | EMISSIONS | RENEWABLES
FERC OK of Tennessee Gas plan keeps hands-off approach on certified gas

ENERGY | OIL | REFINED PRODUCTS | GASOLINE
Fuel for Thought: Sorry Americans, but it's time to have the oil demand conversation

Houston — Texas must take the lead in carbon-capture technologies because the state serves as both a major leader in the oil and gas industry and the petrochemicals sector, panelists said Sept. 24 at the National Clean Energy Week and Climate Week NYC.

Not registered?

Receive daily email alerts, subscriber notes & personalize your experience.

Register Now

Texas leads the nation in oil and gas production in the Permian Basin where more CO2 can be utilized for enhanced oil recovery, while the petrochemicals and industrial hubs along the Texas Gulf Coast produce massive amounts of carbon and hydrogen that can be stored or turned into valuable commodities. And, as new renewable energy infrastructure is built up, carbon capture utilization and storage technologies are needed to help clean up existing industries, said Rich Powell, executive director of ClearPath, a conservative nonprofit focused on clean energy.

"Carbon capture is the one need-to-have technology of the energy transition," Powell said. "Texas is poised to become a leader in carbon capture and storage."

Ken Medlock, an energy and economics fellow at Rice University's Baker Institute for Public Policy in Houston, said more than a quarter of the US industrial sector's carbon emissions come from Texas, concentrated along the Texas Gulf Coast from the Sabine Pass to Corpus Christi, but especially within the Greater Houston region.

That is important because technology and storage hubs and clusters are needed to make carbon capture more economically feasible.

"If it's going to happen anywhere, it's going to happen in Texas," Medlock said.

"Politically, there's a strong motivation to ensure the industry becomes sustainable," Medlock said, because the energy sector is such a big part of the Texas economy. "There's just a massive opportunity in the state, and policy makers are open to the discussions right now. The companies involved in the space are also feeling pressure from the investment community and consumers."

The region also is rich in underground storage options because of the geographic salt domes and saline aquifers that can hold large volumes of CO2.

However, more government intervention is likely needed. A new report in the week started Sept. 20 from the Columbia University's Center on Global Energy estimated that North America's 5,000 miles of CO2 pipeline must be expanded by more than 20,000 miles with more storage hubs and clusters built.

And the ongoing coronavirus pandemic has cut into the demand for CO2 as a valuable commodity. The only commercially operational carbon capture project attached to a coal plant -- NRG Energy's Petra Nova Project near Houston -- suspended operations in May as it failed to turn a profit during the pandemic.

Permian focus

In West Texas, Occidental Petroleum is not only the top oil producer in the Permian, but Oxy also is the industry leader in enhanced oil recovery that uses CO2 to churn out more crude oil from mature wells.

William Swetra, a senior policy analyst for the Oxy Low Carbon Ventures subsidiary, said Oxy formed the new company, 1PointFive, this summer to help finance and deploy direct air capture technology developed by Oxy's partner, Carbon Engineering.

Direct air capture technology essentially sucks carbon emissions out of the air. They plan to build the world's largest direct air capture plant in the Permian Basin to provide Oxy and others with carbon for enhanced oil recovery. The front-end engineering work is slated for 2021 with construction beginning in 2022.

Oxy also is working with NET Power to develop emission-free power plants that convert natural gas and renewable gas into power.

However, Permian oil production fell to below 4 million b/d during the peak of the pandemic from nearly 5 million b/d early in the year, and is now back up to about 4.15 million b/d, according to the US Energy Information Administration. Total US crude production has fallen to less than 11 million b/d from almost 13 million b/d.

But Swetra sees enhanced oil recovery only as the initial market for carbon collected from direct air capture facilities.

"You're going to see a lot of other markets enter the space," he said, from developers of sequestration sites to the petrochemicals sector that will use the carbon for feedstock.

The other good thing is that direct air capture facilities can be deployed anywhere in the world, he said.

"We're really in an exciting time right now, and the future of energy is really being made today," Swetra said.

COMMODITIES, OIL, NATURAL GAS

War in Ukraine

Learn More >

© 2022 by S&P Global Inc. All rights reserved. Terms of Use Do Not Sell My Personal Information Privacy Policy & Cookie Notice Site Map Cookie Settings

Culwell Consulting

Chapter 313 Financial Impact Study

A financial analysis of the potential Chapter 313 Agreement between #1789 1PointFive P1 LLC and the Ector County Independent School District

Prepared June 24, 2022

Overview

On April 19, 2022, 1PointFive P1 LLC (Applicant) submitted an application for appraised value limitation on qualified property to the Ector County Independent School District (ECISD). The Applicant is seeking to construct a Direct Air Capture facility and is requesting ECISD agree to limit the maintenance and operations (M&O) taxable value of the project to $30,000,000 for a ten-year period. As put forth in the application, the first year of the value limitation period would be the 2029 tax year.

Culwell Consulting was engaged by ECISD to analyze the impact of the potential value limitation agreement upon the overall M&O revenue of ECISD. A value limitation agreement entered into by the parties provides ECISD protection against any loss in M&O revenue due to the granting of the $30 million value limitation. This report provides the programmatic details, pertinent aspects of the Texas school finance system, and in-depth analysis needed to understand the long-term impact of such an agreement upon the ECISD M&O general fund.

This analysis concludes a value limitation agreement would result in ECISD foregoing $19,616,389 in M&O revenue in the first year of the value limitation period, the 2029-2030 school year. Over the course of the ten-year value limitation period, it is estimated that ECISD will forego a total of $36,937,934 in M&O revenue. After payout of these losses, the Applicant's tax savings are estimated to be $231,917,789. This estimate of the Applicant's tax savings does not account for any supplemental payments made to ECISD. Any potential Ch. 313 agreement will not affect the Applicant's taxable value for Interest and Sinking (I&S) tax rate purposes.

Background

In 2001, the 77th Texas Legislature passed HB 1200 enacting the Texas Economic Development Act with the intent to attract qualified economic development to Texas by limiting the M&O taxes paid by the company. Established under Ch. 313 of the Texas Tax Code, the program has become more commonly referred to as Ch. 313.

The Ch. 313 program enables school districts to limit the M&O taxable value of qualified economic development projects for a ten-year period. The State of Texas Comptroller sets the value limitation amount for each school district. At the time the application was deemed complete by the Texas Comptroller, ECISD is permitted to grant a value limitation of $30 million.

Several types of projects are eligible to receive value limitations under Chapter 313 of the Tax Code. Behind Tab 4 of the Application, it states, "1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO2) for use and secure geologic sequestration." This type of manufacturing project qualifies under Texas Tax Code 313.024(b)(1).

1PointFive P1 LLC Application

The application from #1789 1PointFive P1 LLC (Applicant) was presented to and accepted by the ECISD School Board on April 19, 2022. In their application, the Applicant requested a $30 million value limitation be applied to their manufacturing project beginning in the 2029 tax year. Within the Application, Schedule B behind Tab 14 outlines the estimated taxable value schedule of the project for a 25-year period. In a Supplement Correction provided to the Comptroller on June 21, 2022, the Applicant updated their investment and taxable value schedules. The values below reflect those represented in the June 21 Supplement.

Texas Tax Code 313.027(f)(3) requires an agreement holder to maintain a viable presence within the school district for five years after the value limitation expires; therefore, this analysis concludes after the last year of this viable presence period, the 2043-2044 school year. Below is a modified version of Schedule B displaying the estimated taxable values of the project beginning with each year prior to limitation period and concluding five years after the value limitation expires.

1PointFive P1 LLC Taxable Values, Schedule B of Application

	Year	School Year (YYYY-YYYY)	Tax Year YYYY	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Qualifying Time Period	0	2026-2027	2026	$740,99,965	$74,099,965
Qualifying Time Period	1	2027-2028	2027	$927,111,190.00	$927,111,190
Qualifying Time Period	2	2028-2029	2028	$1,673,280,605	$1,673,280,605
Value Limitation Period	1	2029-2030	2029	$1,723,255,000	$30,000,000
	2	2030-2031	2030	$3,218,748,180	$30,000,000
	3	2031-2032	2031	$3,084,633,675	$30,000,000
	4	2032-2033	2032	$2,950,519,171	$30,000,000
	5	2033-2034	2033	$2,816,404,666	$30,000,000
	6	2034-2035	2034	$2,682,290,161	$30,000,000
	7	2035-2036	2035	$2,548,175,656	$30,000,000
	8	2036-2037	2036	$2,414,061,151	$30,000,000
	9	2037-2038	2037	$2,279,946,646	$30,000,000
	10	2038-2039	2038	$2,145,832,141	$30,000,000
Continue to maintain viable presence	11	2039-2040	2039	$2,011,717,636	$2,011,717,636
	12	2040-2041	2040	$1,877,603,131	$1,877,603,131
	13	2041-2042	2041	$1,743,488,626	$1,743,488,626
	14	2042-2043	2042	$1,609,374,121	$1,609,374,121
	15	2043-2044	2043	$1,475,259,616	$1,475,259,616

As a result of such limitation being granted, the project will receive two taxable values beginning in the 2029 tax year: one, a valuation of $30 million for M&O tax purposes, and the second, a full taxable valuation assessed by the local appraisal district for ECISD's I&S tax purposes. This duality will continue for the ten-year limitation period after which, starting with the 2039-2040 school year, the project

will receive a single taxable value for M&O and I&S tax purposes. Any taxable value of the project outside the ten-year limitation period is fully taxable for M&O tax purposes.

Calculation of Revenue Loss

The Ch. 313 Agreement (Agreement) prepared by the Underwood Law Firm P.C. ensures that ECISD is protected against any loss in revenue incurred by the district's M&O general fund. During each year of the limitation period, the Agreement calls for the annual calculation of loss in M&O revenue. If and when a revenue loss occurs, the Agreement requires the Applicant to hold the school district harmless and pay the school district this calculated amount.

To identify a loss in revenue, two school finance models are established and the outputs compared. One model serves as the control utilizing the full M&O taxable value of the project; the second model substitutes the limited value of $30 million for the full taxable value. Any revenue loss is accounted for by deducting the resulting M&O revenue of the control model from that of the limited value model.

Note on School Finance

To fund the maintenance and operation of Texas public schools, the state's school finance system relies on local tax collections and state aid. The method of determining state aid is a complex system that further breaks funding into two major components referred to as Tier I and Tier II. Tier I funding is based on the M&O taxes at the compressed rate, program allotments, and ADA and special student populations. Tier II is the enrichment tier based on the tax effort above the school district's compressed rate. State aid works to fill the gap between local revenue and the total funding the school district is entitled to through the state finance system.

In the Spring of 2019, the 86th Texas Legislature passed House Bill 3 which made significant changes to the school finance system in Texas. In passing HB 3, the Legislature sought to equalize funding across school districts, increase teacher compensation, improve learning outcomes, and reduce property taxes.

Of particular note to this analysis, HB 3 now requires the use of current-year local taxable values as opposed to prior-year taxable values when determining state aid. The 2019-20 school year, the first in which this method of calculating state aid was used, differs from the prior school finance system under which state aid was based on the prior year's Comptroller certified property values. However, in specifically addressing the Ch. 313 program, HB 3 states that calculations determining the school districts' revenue loss must continue to use the prior year local taxable values when determining the state aid allotted to the school district.

Due in part to this reliance on prior year values when determining state aid, the first year of the limitation period often results in a loss in revenue for the school district. Under the terms of the agreement, the Applicant is required to hold the district harmless from any such losses. Estimates of revenue losses are based on the current

school finance system and the taxable values provided by the Applicant. **Any future changes in the school finances system or in the project's taxable value as compared to those put forth in the application, may result in different levels of revenue loss than described in this report.**

Data

The project's taxable values are accessed from Schedule B, behind Tab 14 of the Application. School district level data was obtained from the Texas Education Agency in May of 2022 and includes the adopted 2021-2022 M&O tax rate of $1.0517. In developing the comparison scenarios, all variables and funding factors were held constant as of the 2021-2022 school year with the exception of the project's taxable value and the district's resulting tax collections.

Future calculations will utilize the concurrent statewide school funding system, school district data and tax rates, as well as the appraised value of the Applicant's project as determined by the Ector County Appraisal District.

Results

Table 1 displays ECISD total M&O revenue after including the full taxable value of the project. Table 2 shows the total M&O revenue after substituting the $30 million limitation value. The highlighted rows outline the ten-year value limitation period.

Table 1 – M&O Revenue at Full Project Taxable Value

	School Year	M&O Revenue from Local Taxes	M&O Revenue from State	Total Recapture	Total M&O General Fund
	2026-2027	$165,220,203	$129,806,015	$0	$295,026,219
Qualifying Time Period	2027-2028	$174,191,322	$121,647,159	$0	$295,838,482
Qualifying Time Period	2028-2029	$182,038,786	$112,438,166	$0	$294,476,952
	2029-2030	$182,564,367	$103,757,972	$0	$286,322,339
	2030-2031	$198,292,469	$104,777,766	$0	$303,070,235
	2031-2032	$196,881,986	$87,333,935	$0	$284,215,921
	2032-2033	$195,471,504	$88,743,074	$0	$284,214,578
	2033-2034	$194,061,022	$90,152,215	$0	$284,213,237
Value Limitation Period	2034-2035	$216,428,622	$93,638,969	$0	$310,067,591
	2035-2036	$213,803,812	$69,789,078	$0	$283,592,890
	2036-2037	$211,239,312	$72,265,888	$0	$283,505,200
	2037-2038	$208,732,115	$74,704,625	$0	$283,436,740
	2038-2039	$206,279,363	$77,070,692	$0	$283,350,055
	2039-2040	$204,868,881	$79,462,610	$0	$284,331,491
	2040-2041	$203,458,399	$80,774,791	$0	$284,233,190
Maintain Viable Presence	2041-2042	$202,047,917	$82,172,915	$0	$284,220,832
	2042-2043	$200,637,434	$83,582,056	$0	$284,219,490
	2043-2044	$199,226,952	$84,991,198	$0	$284,218,150

Table 2 – M&O Revenue at Limited Project Taxable Value

	School Year	M&O Revenue from Local Taxes	M&O Revenue from State	Total Recapture	Total M&O General Fund
	2026-2027	$165,220,203	$129,806,015	$0	$295,026,219
Qualifying Time Period	2027-2028	$174,191,322	$121,647,159	$0	$295,838,482
Qualifying Time Period	2028-2029	$182,038,786	$112,438,166	$0	$294,476,952
	2029-2030	$164,756,404	$101,949,546	$0	$266,705,950
	2030-2031	$164,756,404	$120,992,825	$0	$285,749,230
	2031-2032	$164,756,404	$120,992,825	$0	$285,749,230
	2032-2033	$164,756,404	$120,992,825	$0	$285,749,230
Value Limitation Period	2033-2034	$164,756,404	$120,992,825	$0	$285,749,230
	2034-2035	$188,534,486	$123,986,024	$0	$312,520,510
	2035-2036	$187,320,159	$97,103,633	$0	$284,423,792
	2036-2037	$186,166,141	$98,316,921	$0	$284,483,062
	2037-2038	$185,069,426	$99,471,711	$0	$284,541,137
	2038-2039	$184,027,157	$100,567,591	$0	$284,594,748
	2039-2040	$204,868,881	$103,801,145	$0	$308,670,026
	2040-2041	$203,458,399	$80,774,791	$0	$284,233,190
Maintain Viable Presence	2041-2042	$202,047,917	$82,172,915	$0	$284,220,832
	2042-2043	$200,637,434	$83,582,056	$0	$284,219,490
	2043-2044	$199,226,952	$84,991,198	$0	$284,218,150

Table 3 displays the outcome of comparing the M&O general fund totals within these two models. The column entitled, "School District Revenue Loss," displays instances in which the projected M&O revenue in Table 2 is less than in Table 1. In doing this, Table 3 captures each instance in which ECISD's M&O general fund is negatively impacted by ECISD having granted a value limitation agreement. As shown below, it is estimated that ECISD will forego $19,616,389 in M&O revenue during the 2029-2030 school year. Based on the estimated schedule of taxable values provided in the Application with in Schedule B, the taxable value of the project is shown to increase substantially between year 1 and year 2 of the value limitation period. As a result of this value growth, an additional loss of revenue is recognized in the second year, the 2030-2031 school year, in the amount of $17,321,005. At this time, no revenue loss is anticipated beyond the second year of the limitation period.

The project is estimated to reach a peak taxable value of $3.2 billion during the 2030-2031 school year, the second year of the limitation period, followed by steady deprecation in value. Any change in the project's taxable value schedule, school district data or tax rates, or legislative changes to the school finance system may result in additional revenue losses. Of note, it is typically the case that any appreciation of taxable value within the limitation period will result in additional revenue losses for the school district.

The final column, "Company Tax Savings," displays the tax savings in each year of the limitation with the Applicant's total savings over the ten-year period totaling $231,917,789.

Table 3 - Projected School District Revenue Loss & Company Tax Savings

School Year	Project Full Taxable Value (I&S Value)	Project Limited Tax Value (M&O Value)	M&O Tax Rate	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	School District Revenue Loss	Company Tax Savings Before Supplemental Payment
2026-2027	$0	$0	$1.0517	$0	$0	$0	$0	$0
2027-2028	$927,111,190	$927,111,190	$1.0517	$9,750,428	$9,750,428	$0	$0	$0
2028-2029	$1,673,280,605	$1,673,280,605	$1.0517	$17,597,892	$17,597,892	$0	$0	$0
2029-2030	$1,723,255,000	$30,000,000	$1.0517	$18,123,473	$315,510	$17,807,963	-$19,616,389	-$1,808,426
2030-2031	$3,218,748,180	$30,000,000	$1.0517	$33,851,575	$315,510	$33,536,065	-$17,321,005	$16,215,059
2031-2032	$3,084,633,675	$30,000,000	$1.0517	$32,441,092	$315,510	$32,125,582	$0	$32,125,582
2032-2033	$2,950,519,171	$30,000,000	$1.0517	$31,030,610	$315,510	$30,715,100	$0	$30,715,100
2033-2034	$2,816,404,666	$30,000,000	$1.0517	$29,620,128	$315,510	$29,304,618	$0	$29,304,618
2034-2035	$2,682,290,161	$30,000,000	$1.0517	$28,209,646	$315,510	$27,894,136	$0	$27,894,136
2035-2036	$2,548,175,656	$30,000,000	$1.0517	$26,799,163	$315,510	$26,483,653	$0	$26,483,653
2036-2037	$2,414,061,151	$30,000,000	$1.0517	$25,388,681	$315,510	$25,073,171	$0	$25,073,171
2037-2038	$2,279,946,646	$30,000,000	$1.0517	$23,978,199	$315,510	$23,662,689	$0	$23,662,689
2038-2039	$2,145,832,141	$30,000,000	$1.0517	$22,567,717	$315,510	$22,252,207	$0	$22,252,207
2039-2040	$2,011,717,636	$2,011,717,636	$1.0517	$21,157,234	$21,157,234	$0	$0	$0
2040-2041	$1,877,603,131	$1,877,603,131	$1.0517	$19,746,752	$19,746,752	$0	$0	$0
2041-2042	$1,743,488,626	$1,743,488,626	$1.0517	$18,336,270	$18,336,270	$0	$0	$0
2042-2043	$1,609,374,121	$1,609,374,121	$1.0517	$16,925,788	$16,925,788	$0	$0	$0
2043-2044	$1,475,259,616	$1,475,259,616	$1.0517	$15,515,305	$15,515,305	$0	$0	$0
			Totals	**$391,039,953**	**$122,184,770**	**$268,855,183**	**-$36,937,394**	**$231,917,789**

Supplemental Payment

The two parties are able to negotiate a supplemental payment, which allows for a partial sharing of the Applicant's tax savings with the school district. Under Texas Tax Code 313.027(i), these payments may not exceed $100 per average daily attendance (ADA) and may only occur from the first year of the qualifying time period through the third year after the value limitation expires.

Facilities Impact

The project remains fully taxable for I&S tax purposes over the course of the taxable life of the project and should have significant positive impact on ECISD's debt service. The Applicant intends to invest a total of $3.67 billion resulting in a peak taxable value of $3.2 billion in the 2030-2031 school year. If applied to ECISD's 2021 tax base, this taxable value would increase the district's I&S tax base by roughly 20%.

The project's taxable value is assumed to depreciate at a steady pace, with an average annual reduction in value of $134 million starting after the 2030 tax year. Despite this depreciation, the addition of long-term value combined with the overall increase to the tax base should provide ECISD the ability to service existing debt through a reduced I&S tax rate and offer a more diverse tax base for future debt issuances.

Conclusion

The total estimated ECISD revenue losses of $36,937,394 and Applicant tax savings of $231,917,789 are based on the assumptions used in this report. The terms of these calculations are set in the Ch. 313 Agreement and will require the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this report.

The Ch. 313 Agreement prepared by the Underwood Law Firm P.C. ensures that ECISD is protected against any loss in revenue and defines the supplemental payment allowing the district to share in the applicant's long-term tax savings. With the Ch. 313 Agreement in place, the proposed project is financially beneficial for both the Ector County Independent School District and the applicant 1PointFive P1 LLC.

Estimated Effects of the Ch. 313 Application from #1789 1PointFive P1 LLC upon the Finances of the Ector County Independent School District

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	School Year	Tax Year	Project Full Taxable Value (I&S Value)*	Project Limited Tax Value (M&O Value)	M&O Tax Rate#	M&O Taxes Paid Before Limitation	M&O Taxes Paid After Limitation	Tax Savings Before District Calculations	Estimate of Revenue Protection Payment	Net Tax Benefit	Supplemental Payment$	Total Company Tax Savings
	2026-2027	2026	$74,099,965	$74,099,965	$0.9984	$739,814	$739,814	$0	$0	$0	$0	$0
Qualifying Time Period	2027-2028	2027	$927,111,190	$927,111,190	$0.9984	$9,256,278	$9,256,278	$0	$0	$0	$0	$0
Qualifying Time Period	2028-2029	2028	$1,673,280,605	$1,673,280,605	$0.9984	$16,706,034	$16,706,034	$0	$0	$0	$0	$0
	2029-2030	2029	$1,723,255,000	$30,000,000	$0.9984	$17,204,978	$299,520	$16,905,458	-$16,905,458	$0	$0	$0
	2030-2031	2030	$3,218,748,180	$30,000,000	$0.9984	$32,135,982	$299,520	$31,836,462	-$17,429,829	$14,406,633	$11,460,000	$2,946,633
	2031-2032	2031	$3,084,633,675	$30,000,000	$0.9984	$30,796,983	$299,520	$30,497,463	$0	$30,497,463	$2,865,000	$27,632,463
	2032-2033	2032	$2,950,519,171	$30,000,000	$0.9984	$29,457,983	$299,520	$29,158,463	$0	$29,158,463	$2,865,000	$26,293,463
Value Limitation Period	2033-2034	2033	$2,816,404,666	$30,000,000	$0.9984	$28,118,984	$299,520	$27,819,464	$0	$27,819,464	$2,865,000	$24,954,464
	2034-2035	2034	$2,682,290,161	$30,000,000	$0.9984	$26,779,985	$299,520	$26,480,465	$0	$26,480,465	$2,865,000	$23,615,465
	2035-2036	2035	$2,548,175,656	$30,000,000	$0.9984	$25,440,986	$299,520	$25,141,466	$0	$25,141,466	$2,865,000	$22,276,466
	2036-2037	2036	$2,414,061,151	$30,000,000	$0.9984	$24,101,987	$299,520	$23,802,467	$0	$23,802,467	$2,865,000	$20,937,467
	2037-2038	2037	$2,279,946,646	$30,000,000	$0.9984	$22,762,987	$299,520	$22,463,467	$0	$22,463,467	$2,865,000	$19,598,467
	2038-2039	2038	$2,145,832,141	$30,000,000	$0.9984	$21,423,988	$299,520	$21,124,468	$0	$21,124,468	$2,865,000	$18,259,468
	2039-2040	2039	$2,011,717,636	$2,011,717,636	$0.9984	$20,084,989	$20,084,989	$0	$0	$0	$2,865,000	-$2,865,000
	2040-2041	2040	$1,877,603,131	$1,877,603,131	$0.9984	$18,745,990	$18,745,990	$0	$0	$0	$2,865,000	-$2,865,000
Maintain Viable Presence	2041-2042	2041	$1,743,488,626	$1,743,488,626	$0.9984	$17,406,990	$17,406,990	$0	$0	$0	$2,865,000	-$2,865,000
	2042-2043	2042	$1,609,374,121	$1,609,374,121	$0.9984	$16,067,991	$16,067,991	$0	$0	$0	$0	$0
	2043-2044	2043	$1,475,259,616	$1,475,259,616	$0.9984	$14,728,992	$14,728,992	$0	$0	$0	$0	$0
					Totals	**$371,961,921**	**$116,732,278**	**$255,229,643**	**-$34,335,287**	**$220,894,356**	**$42,975,000**	**$177,919,356**

Summary of Estimated Ch. 313 Payments to Ector County ISD

Total M&O Taxes	Total Revenue Protection Payment	Total Supplemental Payment
$116,732,278	$34,335,287	$42,975,000

NOTE: The terms of these calculations are set in the Ch. 313 Agreement; however, each year's calculation during the limitation period requires the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. These calculations are based upon the current school finance system as of the date of preparation below. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this document.

*The project taxable values utilized here are based on those provided in the application submitted by the Company. Calculations made for active agreements during the value limitation period will be based upon the assessed value as determined by the county central appraisal district.

#The M&O tax rate used is based on the district's assumed 2022-2023 M&O tax rate. All future calculations will use the corresponding year's adopted M&O tax rate.

$This is for display purposes only as these terms will be defined in Article VI of the Value Limitation Agreement. The annual limit utilizes the 2020-2021 Summary of Finances - Final average daily attendance of 28,650.

Culwell Consulting

8/12/22

Texas Education Agency
Commissioner Mike Morath
1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

June 10, 2022

Tammy Hawkins, President
Board of Trustees
Ector County Independent School District
P. O. Box 3912
Odessa, T 79760-3912

Dear President Hawkins:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed 1PointFive P1, LLC 1789 on the number and size of school facilities in Ector County Independent School District (ECISD). Based on an examination of ECISD enrollment and the number of potential new jobs, the TEA has determined that the 1PointFive P1, LLC project should not have a significant impact on the number or size of school facilities in ECISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland tea.texas.gov if you have any questions.

Sincerely,

Amy Copeland
Director of State Funding

Cc: Dr. Scott R. Muri, Superintendent

COMPTROLLER.TEXAS.GOV

Glenn Hegar
Texas Comptroller of Public Accounts

Taxes
Property Tax Assistance

2021 ISD Summary Worksheet

068-Ector /Ector County

068-901/Ector County ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned
A - SINGLE-FAMILY	7,571,720,861	N/A	7,571,720,861	7,571,720,861
B - MULTIFAMILY	635,333,947	N/A	635,333,947	635,333,947
C1 - VACANT LOTS	233,219,781	N/A	233,219,781	233,219,781
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	2,941,894	N/A	2,941,894	2,941,894
D2 - FARM & RANCH IMP	8,254,743	N/A	8,254,743	8,254,743
E - NON-AG LAND AND IMPROVEMENTS	57,329,323	N/A	57,329,323	57,329,323
F1 - COMMERCIAL REAL	2,510,012,371	N/A	2,510,012,371	2,510,012,371
F2 - INDUSTRIAL REAL	668,241,145	N/A	668,241,145	668,241,145
G - ALL MINERALS	1,068,754,788	N/A	1,068,754,788	1,068,754,788
J - ALL UTILITIES	644,360,857	N/A	644,360,857	644,360,857

L1 - COMMERCIAL PERSONAL	3,034,423,379	N/A	3,034,423,379	3,034,423,379
L2 - INDUSTRIAL PERSONAL	124,047,119	N/A	124,047,119	124,047,119
M1 - MOBILE HOMES	505,089,599	N/A	505,089,599	505,089,599
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	4,716,966	N/A	4,716,966	4,716,966
S - SPECIAL INVENTORY	86,378,105	N/A	86,378,105	86,378,105
Subtotal	17,154,824,878	0	17,154,824,878	17,154,824,878
Less Total Deductions	1,909,102,323	0	1,909,102,323	1,909,102,323
Total Taxable Value	15,245,722,555	0	15,245,722,555	15,245,722,555

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
15,518,021,171	15,245,722,555	14,986,962,124	14,714,663,508

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

272,298,616	531,059,047

T1 = School district taxable value for M & O purposes before the loss to the additional $10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
15,608,759,004	15,336,460,388	15,077,699,957	14,805,401,341

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

068-901-02/Ector County ISD

Category	Local Tax Roll Value	2021 WTD Mean Ratio	2021 PTAD Value Estimate	2021 Value Assigned

A - SINGLE-FAMILY	7,571,720,861	N/A	7,571,720,861	7,571,720,861
B - MULTIFAMILY	635,333,947	N/A	635,333,947	635,333,947
C1 - VACANT LOTS	233,219,781	N/A	233,219,781	233,219,781
C2 - COLONIA LOTS	0	N/A	0	0
D1 ACRES - QUALIFIED OPEN-SPACE LAND	2,941,894	N/A	2,941,894	2,941,894
D2 - FARM & RANCH IMP	8,254,743	N/A	8,254,743	8,254,743
E - NON-AG LAND AND IMPROVEMENTS	57,329,323	N/A	57,329,323	57,329,323
F1 - COMMERCIAL REAL	2,510,012,371	N/A	2,510,012,371	2,510,012,371
F2 - INDUSTRIAL REAL	668,241,145	N/A	668,241,145	668,241,145
G - ALL MINERALS	1,068,754,788	N/A	1,068,754,788	1,068,754,788
J - ALL UTILITIES	644,360,857	N/A	644,360,857	644,360,857
L1 - COMMERCIAL PERSONAL	3,034,423,379	N/A	3,034,423,379	3,034,423,379
L2 - INDUSTRIAL PERSONAL	124,047,119	N/A	124,047,119	124,047,119
M1 - MOBILE HOMES	505,089,599	N/A	505,089,599	505,089,599
N - INTANGIBLE PERSONAL PROPERTY	0	N/A	0	0
O - RESIDENTIAL INVENTORY	4,716,966	N/A	4,716,966	4,716,966
S - SPECIAL INVENTORY	86,378,105	N/A	86,378,105	86,378,105

Subtotal	17,154,824,878		17,154,824,878	17,154,824,878
Less Total Deductions	1,909,102,323		1,909,102,323	1,909,102,323
Total Taxable Value	15,245,722,555		15,245,722,555	15,245,722,555

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth.These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes.For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

T1	T2	T3	T4
15,518,021,171	15,245,722,555	14,986,962,124	14,714,663,508

Loss To the Additional $10,000 Homestead Exemption	50 % of the loss to the Local Optional Percentage Homestead Exemption
272,298,616	531,059,047

T1 = School district taxable value for M & O purposes before the loss to the additional $10, 000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional $10, 000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50 % of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50 % of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

T7	T8	T9	T10
15,608,759,004	15,336,460,388	15,077,699,957	14,805,401,341

T7 = School district taxable value for I & S purposes before the loss to the additional $10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional $10, 000 homestead exemption and the tax
ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

EE E I I I PP I E E
P PE I I
I E E PE I E

---

and et een

E I EPE E I I

and

P I I E P

(*Texas Taxpayer ID #32076631608)*

o troller lication 1789
(erie uild 1 o 6)

Dated

e te er 20, 2022

Draft

EE E I I I PP I E E P PE
I I I E E PE I E

STATE OF TEXAS §

COUNTY OF ECTOR §

T I T I IT TI I D TY DI T I T I T D TI T , ereina ter re erred to a t i ree ent, i e ecuted and deli ered and et een t e **E I EPE E I I** , ereina ter re erred to a t e Di trict, a la ull created inde endent c ool di trict it in t e tate o Te a o eratin under and u ect to t e T D TI D , and **P I I E P** Te a Ta a er Identi ication u er 32076631608 ereina ter re erred to a t e licant T e licant and t e Di trict are ereina ter o eti e re erred to indi iduall a a art and collecti el a t e artie

E I

WHEREAS, on ril 19, 2022, t e u erintendent o c ool o t e ctor ount Inde endent c ool Di trict, actin a a ent o t e oard o Tru tee o t e Di trict, recei ed ro t e licant an lication or rai ed alue i itation on uali ied ro ert , ur uant to a ter 313 o t e T T D

WHEREAS, on ril 19, 2022, t e oard o Tru tee a ac no led ed recei t o t e lication and alon it t e re ui ite a lication ee a e ta li ed ur uant to ection 313 025(a) o t e T T D and ocal Di trict olic ( ), and a reed to con ider t e lication

WHEREAS, t e lication a deli ered to t e Te a o troller ice or re ie ur uant to ection 313 025 o t e T T D

WHEREAS, t e Di trict and t e Te a o troller ice a e deter ined t at t e lication i co lete and une 2, 2022, i t e lication e ie tart Date a t at ter i de ined 34 T D I D ection 9 1051

WHEREAS, ur uant to 34 T D I D ection 9 1054, t e lication a deli ered to t e ctor ount rai al Di trict e ta li ed in ctor ount , Te a (t e rai al Di trict), ur uant to ection 6 01 o t e T T D

WHEREAS, t e Te a o troller ice re ie ed t e lication ur uant to ection 313 025 o t e T T D , conducted an econo ic i act e aluation ur uant to ection 313 026 o t e T T D , and on u u t 26, 2022, i ued a certi icate or li itation on

Draft

a rai ed alue o t e ro ert de cri ed in t e lication and ro ided t e certi icate to t e Di trict

WHEREAS, t e oard o Tru tee a re ie ed and care ull con idered t e econo ic i act e aluation and certi icate or li itation on a rai ed alue u itted t e Te a o troller ice ur uant to ection 313 025 o t e T T D

WHEREAS, on e te er 20, 2022, t e oard o Tru tee conducted a u lic earin on t e lication at ic it olicited in ut into it deli eration on t e lication ro all intere ted artie it in t e Di trict

WHEREAS, on e te er 20, 2022, t e oard o Tru tee ade actual indin ur uant to ection 313 025( ) o t e T T D , includin , ut not li ited to indin t at (i) t e in or ation in t e lication i true and correct (ii) t e licant i eli i le or t e li itation on a rai ed alue o t e licant uali ied ro ert (iii) t e ro ect ro o ed t e licant i rea ona l li el to enerate ta re enue in an a ount u icient to o et t e Di trict aintenance and o eration ad alore ta re enue lo t a a re ult o t e ree ent e ore t e 25t anni er ar o t e e innin o t e li itation eriod (i) t e li itation on a rai ed alue i a deter inin actor in t e licant deci ion to in e t ca ital and con truct t e ro ect in t i tate and ( ) t i ree ent i in t e e t intere t o t e Di trict and t e tate o Te a

WHEREAS on e te er , 2022, t e Te a o troller ice a ro ed t e or o t i ree ent or a i itation on rai ed alue o ro ert or c ool Di trict aintenance and eration Ta e

WHEREAS, on e te er 20, 2022, t e oard o Tru tee a ro ed t e or o t i ree ent or a i itation on rai ed alue o ro ert or c ool Di trict aintenance and eration Ta e , and aut ori ed t e oard re ident and ecretar to e ecute and deli er uc ree ent to t e licant and

NOW, THEREFORE or and in con ideration o t e re i e and t e utual co enant and a ree ent erein contained, t e artie a ree a ollo

I E I
E I I I

ect on E I I I ere er u ed in t i ree ent, t e ollo in ter all a e t e ollo in eanin , unle t e conte t in ic u ed clearl indicate anot er eanin ord or ter de ined in 34 T D I D ection 9 1051 and not de ined in t i ree ent all a e t e eanin ro ided 34 T D I D ection 9 1051

Act ean t e Te a cono ic De elo ent ct et ort in a ter 313 o t e T T D , a a ended

Draft

Agreement ean t i ree ent, a t e a e a e odi ied, a ended, re tated, a ended and re tated, or u le ented a a ro ed ur uant to ection 10 2 and 10 3

Applicant ean **P I I E P** , (Te a Ta a er ID 32076631608), t e entit li ted in t e rea le o t i ree ent and t at i li ted a t e licant on t e lication a o t e lication ro al Date T e ter licant all al o include t e licant a i n and ucce or -in-intere t a a ro ed accordin to ection 10 2 and 10 3 o t i ree ent

"Applicant's Qualified Investment" ean t e uali ied In e t ent o t e licant durin t e uali in Ti e eriod and a ore ull de cri ed in **E I I** o t i ree ent

Applicant's Qualified Property ean t e uali ied ro ert o t e licant to ic t e alue li itation identi ied in t e ree ent ill a l and a ore ull de cri ed in **E I I** o t i ree ent

Application ean t e lication or rai ed alue i itation on uali ied ro ert (a ter 313, u c a ter or o t e T T D) iled it t e Di trict t e licant on ril 19, 2022 T e ter include all or re uired t e o troller, t e c edule attac ed t ereto, and all ot er docu entation u itted t e licant or t e ur o e o o tainin an ree ent it t e Di trict T e ter al o include all a end ent and u le ent t ereto u itted t e licant

Application Approval Date ean t e date t at t e lication i a ro ed t e oard o Tru tee o t e Di trict and a urt er identi ied in ection 2 3 o t i ree ent

Application Review Start Date ean t e later date o eit er t e date on ic t e Di trict i ue it ritten notice t at t e licant a u itted a co leted lication or t e date on ic t e o troller i ue it ritten notice t at t e licant a u itted a co leted lication and a urt er identi ied in ection 2 3 o t i ree ent

Appraised Value all a e t e eanin a i ned to uc ter in ection 1 04(8) o t e T T D

Appraisal District ean t e ctor ount rai al Di trict

"Board of Trustees" ean t e oard o Tru tee o t e ctor ount Inde endent c ool Di trict

Commercial Operation ean t e date on ic t e ro ect de cri ed in t e lication eco e co erciall o erational and ca a le o ein laced into er ice, uc t at uc ro ect a een con tructed and i ca a le o roducin indu trial rade car on dio ide a (2)

Draft

"*Comptroller*" ean t e Te a o troller o u lic ccount , or t e de i nated re re entati e o t e Te a o troller o u lic ccount actin on e al o t e o troller

Comptroller's Rules ean t e a lica le rule and re ulation o t e o troller et ort in a ter 34 T D I D a ter 9, u c a ter , to et er it an court or ad ini trati e deci ion inter retin a e

"*County*" ean ctor ount , Te a

"*District*" *or* "*School District*" ean t e ctor ount Inde endent c ool Di trict, ein a dul aut ori ed and o eratin c ool di trict in t e tate, a in t e o er to le , a e , and collect ad alore ta e it in it oundarie and to ic u c a ter o t e ct a lie T e ter al o include an ucce or inde endent c ool di trict or ot er ucce or o ern ental aut orit a in t e o er to le and collect ad alore ta e or c ool ur o e on t e licant uali ied ro ert or t e licant uali ied In e t ent

"*Final Termination Date*" ean t e la t date o t e inal ear in ic t e licant i re uired to aintain ia le re ence and a urt er identi ied in ection 2 3 o t i ree ent

"*Force Majeure*" ean act o od, ar, ire , e lo ion , urricane , lood , ande ic , or ot er cau e t at are e ond t e rea ona le control o eit er art and t at e erci e o due ore i t uc art could not rea ona l a e een e ected to a oid, and ic , t e e erci e o all rea ona le due dili ence, uc art i una le to o erco e ac art u t in or t e ot er in ritin it roo o recei t it in 60 u ine da o t e e i tence o uc orce a eure or ot er i e ai e t i ri t a a de en e

Land" ean t e real ro ert de cri ed on **E I I** , ic i attac ed ereto and incor orated erein re erence or all ur o e

"*Maintain Viable Presence*" ean (i) t e o eration durin t e ter o t i ree ent o t e acilit or acilitie or ic t e ta li itation i ranted and (ii) t e licant aintenance o o and a e a re uired t e ct and a et ort in it lication

Market Value all a e t e eanin a i ned to uc ter in ection 1 04(7) o t e T T D

"*New Qualifying Jobs*" ean t e total nu er o o to e created t e licant a ter t e lication ro al Date in connection it t e ro ect t at i t e u ect o it lication t at eet t e criteria o uali in o a de ined in ection 313 021(3) o t e T T D and t e o troller ule

New Non-Qualifying Jobs ean t e nu er o on- uali in o , a de ined in 34 T D I D ection 9 1051(14), to e created t e licant a ter t e lication ro al Date in connection it t e ro ect ic i t e u ect o it lication

Draft

Qualified Investment a t e eanin et ort in ection 313 021(1) o t e T T D , a inter reted t e o troller ule

Qualified Property a t e eanin et ort in ection 313 021(2) o t e T T D and a inter reted t e o troller ule and t e Te a ttorne eneral, a t e e ro i ion e i ted on t e lication e ie tart Date

"Qualifying Time Period" ean t e eriod de ined in ection 2 3 , durin ic t e licant all a e in e t ent on t e and ere t e uali ied ro ert i located in t e a ount re uired t e ct, t e o troller ule , and t i ree ent

"State" ean t e tate o Te a

Supplemental Payment ean an a ent or tran er o t in o alue ade to t e Di trict or to an er on or er on in an or i uc a ent or tran er o t in o alue ein ro ided i in reco nition o , antici ation o , or con ideration or t e ree ent and t at i not aut ori ed ur uant to ection 313 027( )(1) or (2) o t e T T D , and eci icall include an a ent re uired ur uant to rticle I o t i ree ent

Tax Limitation Amount ean t e a i u a ount ic a e laced a t e rai ed alue on t e licant uali ied ro ert or aintenance and o eration ta a e ent in eac Ta Year o t e Ta i itation eriod o t i ree ent ur uant to ection 313 054 o t e T T D

Tax Limitation Period ean t e Ta Year or ic t e licant uali ied ro ert i u ect to t e Ta i itation ount and a urt er identi ied in ection 2 3 D o t i ree ent

Tax Year all a e t e eanin a i ned to uc ter in ection 1 04(13) o t e T T D (*i.e.*, t e calendar ear)

Taxable Value all a e t e eanin a i ned to uc ter in ection 1 04(10) o t e T T D

ect on E I E E I I I ere er u ed in rticle I , , and I, t e ollo in ter all a e t e ollo in eanin , unle t e conte t in ic u ed clearl indicate anot er eanin or ot er i e ro ided o e er, i t ere i a con lict et een a ter de ined in t i ection and a ter de ined in t e ct, t e o troller ule , or ection 1 1 o t i ree ent, t e con lict all e re ol ed re erence to ection 10 9

Additional Loss all a e t e a e eanin a a i ned to uc ter in ection 4 4 o t i ree ent

Draft

Aggregate Limit ean or an Ta Year durin t e ter o t i ree ent, t e cu ulati e total o t e nnual i it a ount or uc Ta Year and all re iou Ta Year durin t e ter o t i ree ent, le all a ount aid t e licant to or on e al o t e Di trict under rticle I or all Ta Year durin t e ter o t i ree ent t at are rior to uc Ta Year

Annual Limit ean t e a i u annual ene it ic can e aid directl to t e Di trict a a u le ental a ent under t e ro i ion o ection 313 027(i) o t e T T D or ur o e o t i ree ent, and a urt er ro ided in rticle I erein, t e a ount o t e nnual i it all e e ual to t e reater o $50,000 or an a ount calculated or eac calendar ear ulti l in t e Di trict era e Dail ttendance, a calculated ur uant to ection 48 005 o t e T D TI D a ed u on t e Di trict era e Dail ttendance or t e 2020-21 c ool ear certi ied t e Te a o troller (ic t e artie a ree i 28,560, rounded to t e neare t ole nu er), ti e $100 T e nnual i it all ir t e co uted or t e ir t Ta Year (includin an artial Ta Year) o t e uali in Ti e eriod, ic co ence under t i ree ent a ro ided in ection 2 3 i

Applicable School Finance Law ean a ter 48 and 49 o t e T D TI D , and ot er a lica le ro i ion o t e T D TI D , t e Te a cono ic De elo ent ct (a ter 313 o t e T T D) a ter 403, u c a ter , o t e T T D a lica le to t e Di trict and, t e on titution and eneral la o t e tate a lica le to t e c ool di trict o t e tate, includin eci icall , t e a lica le rule , re ulation and inter retation o t e a encie o t e tate a in uri diction o er an atter relatin to t e u lic c ool te and c ool di trict o t e tate and udicial deci ion con truin or inter retin an o t e a o e T e ter al o include an a end ent or ucce or tatute t at a e ado ted in t e uture ic i act or alter t e calculation o t e licant ad alore ta o li ation or t e ount in ection 4 2 o t i ree ent to t e Di trict, eit er it or it out t e li itation o ro ert alue ade ur uant to t i ree ent

Applicant's Stipulated Supplemental Payment Amount ean , or ur o e o rticle I, or an Ta Year durin t e ter o t i ree ent, an a ount e ual to t ent - i e ercent (25) o t e et Ta ene it, a uc ter i de ined in t i ection 1 2, or uc Ta Year

Cumulative Payments ean , or an Ta Year durin t e ter o t i ree ent, t e total o all a ent , calculated under rticle I , and I o t i ree ent, or uc Ta Year ic are o ed or aid t e licant to t e Di trict, lu all a ent , calculated under rticle I , and I o t i ree ent, o ed or aid t e licant or all re iou Ta Year durin t e ter o t i ree ent

Cumulative Unadjusted Tax Benefit ean , or an Ta Year durin t e ter o t i ree ent, t e nad u ted Ta ene it or uc Ta Year added to t e nad u ted Ta ene it or all re iou Ta Year durin t e ter o t i ree ent

Draft

M&O Amount" ean t e re enue rotection a ent re uired a art o t i ree ent a et out in T D TI D ection 48 256(d) and all a e t e eanin a i ned to uc ter in ection 4 2 o t e ree ent

Maintenance and Operations Revenue or *M&O Revenue* ean (i) t o e re enue ic t e Di trict recei e ro t e le o it annual ad alore aintenance and o eration ta ur uant to ection 45 002 o t e T D TI D , or ot er la ul aut orit , and rticle II 3 o t e T TIT TI , lu (ii) all tate re enue to ic t e Di trict i or a e entitled under t e a lica le ro i ion o t e T D TI D or an ot er tatutor ro i ion a ell a an a end ent or ucce or tatute to t e e ro i ion , a a lica le, le (iii) an a ount nece ar to rei ur e t e tate o Te a or anot er c ool di trict or t e education o additional tudent ur uant to a ter 49 o t e T D TI D or an ot er tatutor ro i ion a ell a an a end ent or ucce or tatute to t e e ro i ion , a a lica le

Net Tax Benefit ean , or ur o e o rticle I, or an Ta Year durin t e ter o t i ree ent, an a ount e ual to (ut not le t an ero) (i) t e a ount o aintenance and o eration ad alore ta e ic t e licant ould a e aid to t e Di trict or uc Ta Year i t i ree ent ad not een entered into t e artie inu (ii) an a ount e ual to t e u o ( ) all aintenance and o eration ad alore c ool ta e actuall due to t e Di trict or an ot er o ern ental entit , includin t e tate o Te a , or uc Ta Year , lu ( ) an a ent due to t e Di trict under rticle I and o t i ree ent or uc Ta Year

New M&O Revenue all a e t e a e eanin a a i ned to uc ter in ection 4 2 ii o t i ree ent

Original M&O Revenue all a e t e a e eanin a a i ned to uc ter in ection 4 2 i o t i ree ent

Third Party Consultant all a e t e a e eanin a a i ned to uc ter in ection 4 5 o t i ree ent

Unadjusted Tax Benefit ean , or an Ta Year durin t e ter o t i ree ent, t e total o all ro ta a in calculated or uc Ta Year ulti l in t e a ount e ual to (a) t e Ta a le alue o t e licant uali ied ro ert u ed or t e Di trict de t er ice (intere t and in in und) ro ert ta ur o e or uc Ta Year, inu ( ) t e Ta a le alue o t e licant uali ied ro ert u ed or t e Di trict aintenance and o eration ad alore ta ur o e or uc Ta Year, t e Di trict aintenance and o eration ta rate or uc Ta Year

I E II
I P P E I I I

ect on **I** T i ree ent i e ecuted t e Di trict a it ritten a ree ent it

Draft

t e licant ur uant to t e ro i ion and aut orit ranted to t e Di trict in ection 313 027 o t e T T D

ect on P P E In con ideration o t e e ecution and u e uent er or ance o t e ter and o li ation t e licant ur uant to t i ree ent, identi ied in ection 2 5 and 2 6 and a ore ull eci ied in t i ree ent, t e alue o t e licant uali ied ro ert li ted and a e ed t e ount rai er or t e Di trict aintenance and o eration ad alore ro ert ta all e t e Ta i itation ount a et ort in ection 2 4 o t i ree ent durin t e Ta i itation eriod

ect on E E EE E

T e lication e ie tart Date or t i ree ent i une 2, 2022, ic ill e u ed to deter ine t e eli i ilit o t e licant uali ied ro ert and all a lica le a e tandard

T e lication ro al Date or t i ree ent i e te er 20, 2022

T e uali in Ti e eriod or t i ree ent

i tart on anuar 1, 2027, a date not later t an anuar 1 o t e ourt Ta Year ollo in t e lication ro al Date or de erral , a aut ori ed 313 027( ) o t e T T D and

ii nd on Dece er 31, 2028, t e la t da o t e econd co lete Ta Year ollo in t e uali in Ti e eriod tart date

D T e Ta i itation eriod or t i ree ent

i tart on anuar 1, 2029, t e ir t co lete Ta Year t at e in a ter t e date o co ence ent o o ercial eration and,

ii nd on Dece er 31, 2038

iii T e li itation eriod or t e ro ect i de erred to 2029 t an ti e rior to t e co ence ent o t e li itation eriod, t e o troller a re uire t e licant to ro ide additional in or ation nece ar to rea e t e econo ic i act or t e ro ect I , a ter co letin a rea e ent o t e econo ic i act anal i t e o troller deter ine t e ro ect doe not eet t e re uire ent under ection 313 026(c), Ta ode, t e o troller a it dra it certi icate or t e li itation a ed on t e re i ed econo ic i act anal i , and t e Di trict all ter inate t i ree ent u on t e it dra al o t e certi icate In t e e ent o uc ter ination, t e licant all a to t e Di trict li uidated da a e a calculated in ection 9 4 o t e a ree ent T i ro i ion inure to t e ene it o t e o troller and a e en orced t e o troller and

T e inal Ter ination Date or t i ree ent i Dece er 31, 2043

Draft

T i ree ent, and t e o li ation and re on i ilitie created t i ree ent, all e and eco e e ecti e on t e lication ro al Date identi ied in ection 2 3 T i ree ent, and t e o li ation and re on i ilitie created t i ree ent, ter inate on t e inal Ter ination Date identi ied in ection 2 3 , unle e tended t e e re ter o t i ree ent

ect on I I I o lon a t e licant a e t e uali ied In e t ent a re uired ection 2 5, durin t e uali in Ti e eriod, and unle t i ree ent a een ter inated a ro ided erein e ore uc Ta Year, on anuar 1 o eac Ta Year o t e Ta i itation eriod, t e rai ed alue o t e licant uali ied ro ert or t e Di trict aintenance and o eration ad alore ta ur o e all not e ceed t e le er o

t e ar et alue o t e licant uali ied ro ert or

T irt illion Dollar ($30,000,000)

T i Ta i itation ount i a ed on t e li itation a ount or t e cate or t at a lie to t e Di trict on t e lication ro al Date, a et out ection 313 052 o t e T T D

ect on I I I E I I I I In order to e eli i le and entitled to recei e t e alue li itation identi ied in ection 2 4 or t e uali ied ro ert identi ied in rticle III, t e licant all

a e co leted t e licant uali ied In e t ent in t e a ount o $30,000,000 durin t e uali in Ti e eriod

a e created and aintained, u ect to t e ro i ion o ection 313 0276 o t e T T D , e uali in o a re uired t e ct and

a an a era e ee l a e o at lea t $1,185 50 or all e on- uali in o created t e licant

ect on I I I I I In order to recei e and aintain t e li itation aut ori ed ection 2 4, licant all

ro ide a ent to Di trict u icient to rotect uture Di trict re enue t rou a ent o re enue o et and ot er ec ani a ore ull de cri ed in rticle I

ro ide a ent to t e Di trict t at rotect t e Di trict ro t e a ent o e traordinar education related e en e related to t e ro ect, a ore ull eci ied in rticle

ro ide uc u le ental a ent a ore ull eci ied in rticle I

D create and aintain ia le re ence on or it t e uali ied ro ert and er or

Draft

additional o li ation a ore ull eci ied in rticle III o t i ree ent and

no additional condition are identi ied in t e certi icate or a li itation on a rai ed alue t e o troller or t i ro ect

I E III
I IE P PE

ect on I I I E E P I E EI E E E t t e ti e o t e lication ro al Date, t e and i it in an area de i nated eit er a an enter ri e one, ur uant to a ter 2303 o t e T T D , or a rein e t ent one, ur uant to a ter 311 or 312 o t e T T D T e le al de cri tion, and in or ation concernin t e de i nation, o uc one i attac ed to t i ree ent a **E I I** and i incor orated erein re erence or all ur o e

ect on I I IE P PE I E E T e and on ic t e uali ied ro ert all e located and on ic t e uali ied In e t ent all e ade i de cri ed in **E I I** , ic i attac ed ereto and incor orated erein re erence or all ur o e T e artie e re l a ree t at t e oundarie o t e and a not e ateriall c an ed ro it con i uration de cri ed in **E I I** unle a ended ur uant to t e ro i ion o ection 10 2 o t i ree ent

ect on E IP I I IE P PE T e uali ied ro ert t at i u ect to t e Ta i itation ount i de cri ed in **E I I** , ic i attac ed ereto and incor orated erein re erence or all ur o e ro ert ic i not eci icall de cri ed in **E I I** all not e con idered t e Di trict or t e rai al Di trict to e art o t e licant uali ied ro ert or ur o e o t i ree ent, unle o icial action t e oard o Tru tee ro ide t at uc ot er ro ert i a art o t e licant uali ied ro ert or ur o e o t i ree ent in co liance it ection 313 027(e) o t e T T D , t e o troller ule , and ection 10 2 o t i ree ent

ect on E I E I IE P PE In addition to t e re uire ent o ection 10 2 o t i ree ent, i t ere i a aterial c an e in t e uali ied ro ert de cri ed in **E I I** , t en it in 60 da ro t e date o ercial eration e in , t e licant all ro ide to t e Di trict, t e o troller, t e rai al Di trict or t e tate uditor ice a eci ic and detailed de cri tion o t e tan i le er onal ro ert , uildin , and or er anent, nonre o a le uildin co onent (includin an a i ed to or incor orated into real ro ert) on t e and to ic t e alue li itation a lie includin a or ur e o u icient detail and de cri tion to locate all uc de cri ed ro ert on t e and

ect on I I E T e licant uali ied ro ert de cri ed in ection 3 3 uali ie or a ta li itation a ree ent under ection 313 024( )(1) o t e T T D a a anu acturin acilit

Draft

I E I

P E I I E I I E E E

ect on I E E P IE u ect to t e li itation contained in t i ree ent (includin ection 4 11 and 6 7), it i t e intent o t e artie t at t e Di trict all, in accordance it t e ro i ion o ection 313 027( )(1) o t e T T D and ection 48 256(d) o t e T D TI D , e co en ated licant or an lo t at Di trict incur in it aintenance and eration e enue re ultin , at lea t in art, ecau e or on account o enterin into t i ree ent and a lication o t e Ta i itation et out in ection 2 4 to licant uali ied ro ert a ent or uc lo all e inde endent o , and in addition to uc ot er a ent a et ort in rticle and I in t i ree ent u ect to t e li itation contained in t i ree ent, IT I T I T T T TI T T T I Y TI I I T DI T I T I I T D I I T T I T T I T I Y Y I T D T Y DI T I T licant reco ni e and ac no led e t e calculation relatin to t e Di trict lo o aintenance and eration e enue under t i ree ent ill e a ected c an e to t e ti in o con truction o t e ro ect and an c an e to t e uali ied ro ert uc , licant ac no led e t at it ill ear an and all lo e o aintenance and eration e enue u ered t e Di trict a a re ult o t i ree ent, includin it out li itation an increa e in t e ount calculated under ection 4 2 to e aid to t e Di trict or lo e in aintenance and eration e enue re ultin ro an c an e in t e ti in o con truction and or an c an e to t e uali ied ro ert

T e artie e re l under tand and a ree t at or all Ta Year to ic t e Ta i itation a ount et out in ection 2 4 i a lied to licant uali ied ro ert t at i t e u ect o t i ree ent, t e calculation o ne ati e inancial con e uence ill e de ined or eac a lica le Ta Year in accordance it t e lica le c ool inance a , a de ined in ection 1 2 a o e, and t at uc de inition eci icall conte late t at calculation ade under t i ree ent a eriodicall c an e in accordance it c an e in lica le c ool inance a T e artie urt er a ree t at rintout and ro ection roduced durin t e ne otiation and a ro al o t i ree ent are (i) or illu trati e ur o e onl , are not intended to e relied u on, and a e not een relied u on t e artie a a rediction o uture con e uence to eit er art (ii) a ed u on current lica le c ool inance a ic i u ect to c an e tatute, ad ini trati e re ulation (or inter retation t ereo), or udicial deci ion at an ti e and (iii) a c an e in uture ear to re lect c an e in lica le c ool inance a

ect on I E E E E I I u ect to t e ro i ion o ection 4 11 and 6 7, t e a ount to e aid licant to co en ate Di trict or lo o aintenance and eration e enue re ultin ro , or on account o , t i ree ent or eac ear tartin in t e ear o t e lication ro al Date and endin on t e inal Ter ination Date (a et out in **E I I**), t e ount, all e deter ined in co liance it lica le c ool inance a in e ect or uc ear and accordin to t e ollo in or ula

Draft

T e ount o ed licant to Di trict (al o no n a t e re enue rotection a ent a et out in T D TI D ection 48 256(d)) ean t e ri inal e enue *minus* t e e e enue a ed on t e ollo in de inition

i ri inal e enue ean t e total tate and local aintenance and eration e enue t at t e Di trict ould a e recei ed or uc c ool ear, calculated in accordance it T D TI D ection 48 256(d), ad t i ree ent not een entered into t e artie and t e licant uali ied ro ert ad een u ect to t e Di trict ad alore aintenance and o eration ta it out an li itation on alue at t e rate a lica le or uc Ta Year or ur o e o t i calculation, t e T ird art on ultant (a de ined in ection 4 5) ill a e it calculation u on (1) t e total Ta a le alue or eac a lica le Ta Year a certi ied t e rai al Di trict or all ta a le account in t e Di trict or t e Di trict aintenance and o eration ad alore ta ur o e , a e and e ce t or t e licant uali ied ro ert u ect to t i ree ent, lu (2) t e total Ta a le alue or uc a lica le Ta Year a certi ied t e rai al Di trict or t e licant uali ied ro ert u ect to t i ree ent or t e Di trict de t er ice (intere t and in in und) ad alore ta ur o e (ic total Ta a le alue or t e licant uali ied ro ert u ect to t i ree ent all e u ed in lieu o t e total Ta a le alue or uc a lica le Ta Year a certi ied t e rai al Di trict or t e licant uali ied ro ert u ect to t i ree ent or t e Di trict aintenance and o eration ad alore ta ur o e)

ii e e enue ean t e total tate and local aintenance and eration e enue t at t e Di trict ould a e recei ed or uc c ool ear, calculated in accordance it T D TI D ection 48 256(d), it t e i itation ount eci ied in ection 2 4 a lied to licant uali ied ro ert

In a in t e calculation or t e ount re uired t i ection 4 2 o t i ree ent

i T e Ta a le alue o ro ert or eac c ool ear ill e deter ined under lica le c ool inance a

ii or ur o e o t i calculation, t e ta collection rate on t e licant uali ied ro ert ill e re u ed to e one undred ercent (100)

iii I , or an ear o t i ree ent, t e di erence et een t e ri inal e enue and t e e e enue a calculated under t i ection 4 2 re ult in a ne ati e nu er, t e ne ati e nu er ill e con idered to e ero

i or all calculation ade or an ear durin t e Ta i itation eriod under t i ection 4 2, t e e e enue ill re lect t e Ta i itation ount tated in ection 2 4 or uc ear

a lica le, t e et odolo or t e calculation ade under t i ection 4 2 all include t e li ited alue a et ort in ot er e i tin li itation a ree ent , i an

Draft

ect on **E E I** **E E E** ot it tandin an ot er ro i ion in t i ree ent, ut u ect to t e li itation contained in ection 4 11 and 6 7 o t i ree ent, in t e e ent t at, irtue o tatutor c an e to t e lica le c ool inance a , ad ini trati e inter retation o troller, o i ioner o ducation, or t e Te a ducation enc , or or an ot er rea on attri uta le to tatutor c an e, t e Di trict ill recei e le aintenance and eration e enue, or, i a lica le, ill e re uired to increa e it a ent o und to t e tate or anot er c ool di trict, ur uant to a ter 49 o t e T D TI D or an ot er tatutor ro i ion a ell a an a end ent or ucce or tatute to t e e ro i ion , a a lica le, ecau e o t e Di trict artici ation in t i ree ent, licant all a e a ent to Di trict, u to t e ount li it et ort in t i ree ent t at are nece ar to o et an ne ati e i act on t e Di trict a a re ult o it artici ation in t i ree ent

ect on **PE I** **E E E E** To t e e tent not included in t e a ount calculated ur uant to ection 4 2 a o e, licant all al o a to or on e al o t e Di trict on an annual a i all e enue lo e , and ot er co t a t e are incurred t e Di trict t at ari e ro enterin t i ree ent (t e dditional o), includin it out li itation to (a) an lo incurred t e Di trict re ultin ro a udicial c allen e to t i ree ent ( ) an rea ona le attorne ee or ot er co t incurred t e Di trict due to an a end ent, audit, le al de en e or en orce ent o t i ree ent rou t or a ain t eit er art or er on or entit , irre ecti e o et er or not t i ree ent or an inter retation t ereo t e Di trict i ulti atel deter ined to e alid and (c) an non-rei ur ed rea ona le co t or ee incurred t e Di trict and rea ona l nece ar to ad ini ter or aintain t i ree ent, eit er directl or indirectl , includin co t aid to t e rai al Di trict a ed on t e alue o t e uali ied ro ert u ed or t e Di trict de t er ice (intere t and in in und) t at e ceed t e Ta i itation ount ro ided in ection 2 4 erein ot it tandin an t in to t e contrar in ection 4 8, a ent or uc dditional o all e ade licant no later t an 30 da ollo in ritten notice t at uc dditional o i due and o in , to et er it u ortin calculation t e T ird art on ultant and co ie o in oice (redacted a needed) or an uc non-rei ur ed co t and ee aid

ect on **I E E I P** ll calculation under t i ree ent all e ade annuall an inde endent t ird art con ultant (t e T ird art on ultant) elected and a ointed eac ear t e Di trict

ect on **I** T e calculation or a ent under t i ree ent all e initiall a ed u on t e aluation laced u on all ta a le ro ert in t e Di trict, includin t e licant uali ied ro ert t e ctor ount rai al Di trict in it annual certi ied a rai al roll u itted to t e Di trict ur uant to T T D 26 01 on or a out ul 25 o eac ear o t i ree ent I ediatel u on recei t o t e aluation in or ation t e Di trict, t e Di trict all u it t e aluation in or ation to t e T ird art on ultant elected under ection 4 5 T e certi ied a rai al roll data all or t e a i o t e calculation o an and all a ount due under t i ree ent ll ot er data utili ed t e T ird art on ultant to a e t e calculation conte lated t i ree ent all e a ed u on t e e t

Draft

a aila le current e ti ate T e data utili ed t e T ird art on ultant all e ad u ted ro ti e-to-ti e t e T ird art on ultant to re lect actual a ount , u e uent ad u t ent t e ctor ount rai al Di trict to t e Di trict certi ied a rai al roll, or an ot er c an e in tudent count , ta collection , or ot er a lica le data

ect on E I E I n or e ore o e er 1 o eac ear or ic t i ree ent i e ecti e, t e T ird art on ultant a ointed ur uant to ection 4 5 all or ard to t e artie a certi ication containin t e calculation re uired under rticle I , and I o t i ree ent in u icient detail to allo t e artie to under tand t e anner in ic t e calculation ere ade T e T ird art on ultant all i ultaneou l u it i , er or it in oice or ee or er ice rendered to t e artie , i an ee are ein clai ed on rea ona le rior notice, t e e lo ee and a ent o t e licant all a e acce , at all rea ona le ti e , to t e T ird art on ultant o ice , er onnel, oo , record , and corre ondence ertainin to t e calculation and ee or t e ur o e o eri ication T e T ird art on ultant all aintain u ortin data con i tent it enerall acce ted accountin ractice , and t e e lo ee and a ent o t e licant all a e t e ri t to re roduce and retain or ur o e o audit, an o t e e docu ent T e T ird art on ultant all re er e all docu ent ertainin to t e calculation and ee or a eriod o our (4) ear a ter a ent T e licant all not e lia le or an o T ird art on ultant co t re ultin ro a re ie or audit o t e T ird art on ultant oo , record , corre ondence, or or a er ertainin to t e calculation conte lated t i ree ent or t e ee aid t e licant to t e T ird art on ultant ur uant to ection 4 8, i uc ee i ti el aid

ect on P E PP I T e licant all a an a ount deter ined t e T ird art on ultant to e due and o in to t e Di trict under t i ree ent on or e ore t e anuar 31 ne t ollo in t e ta le or eac ear or ic t i ree ent i e ecti e uc date, t e licant all al o a an a ount illed t e T ird art on ultant or all calculation under t i ree ent under ection 4 7, a o e, lu an un aid a ount due and o in under ection 4 4, or incurred t e Di trict to it attorne , auditor or inancial con ultant or t e re aration and ilin o an inancial re ort , di clo ure , or ta credit or ot er rei ur e ent a lication iled it or ent to t e tate o Te a ic are, or a e, re uired under t e ter or ecau e o t e e ecution o t i ree ent ot it tandin t e ore oin , or no Ta Year durin t e ter o t i ree ent all t e licant e re on i le or t e a ent o an a re ate a ount o ee and e en e to t e T ird art on ultant under t i ection 4 8 and ection 4 7, a o e, in e ce o i teen T ou and Dollar ($15,000 00) a ent or all a ount due and o in not ade on or e ore t e anuar 31 or an a ount in oiced or on e al o t e Di trict and not aid it in 30 da ro t e due date all e con idered delin uent or delin uent a ent , t e licant all e u ect to enalt and intere t in accordance it t e et odolo et ort in a ter 33 o t e T T D enaltie on aid a ount all e calculated in accordance it ection 33 01(a) o t e Te a Ta ode, or it ucce or tatute Intere t on aid a ount all e calculated in accordance it t e et odolo et ort in ection 33 01(c) o t e Te a Ta ode, or it ucce or tatute

ect on E I I P E ould t e licant di a ree it t e certi ication

Draft

containin t e calculation re ared and deli ered ur uant to ection 4 7, t e licant a a eal t e certi ication, in ritin , to t e T ird art on ultant it in t ent (20) Di trict u ine da ollo in t e recei t o t e certi ication, e ce t t at, i it in t ent (20) Di trict u ine da ollo in t e recei t o t e certi ication licant re ue t acce to t e oo , record , and ot er in or ation in accordance it ection 4 7 or ur o e o auditin or re ie in t e in or ation in connection it t e certi ication, t en licant deadline to a eal t e certi ication to t e T ird art on ultant all auto aticall e e tended to t e date t at i i teen (15) Di trict u ine da ollo in t e date t at licant i ranted acce to uc oo , record and ot er in or ation it in ten (10) Di trict u ine da o recei t o t e licant a eal, t e T ird art on ultant ill i ue, in ritin , a inal deter ination o t e certi ication containin t e calculation T erea ter, t e licant a a eal t e inal deter ination o t e certi ication containin t e calculation to t e Di trict oard o Tru tee n uc a eal t e licant o t e inal deter ination o t e T ird art on ultant a e ade, in ritin , to t e Di trict oard o Tru tee it in i teen (15) Di trict u ine da o t e licant recei t o t e T ird art on ultant inal deter ination o t e certi ication containin t e calculation in accordance it Di trict olic ( ) licant all ti el a e all a ent a re uired t i ree ent licant o li ation under ection 4 8 to a e an a ent to t e Di trict ur uant to on ultant inal deter ination all not a ate durin an a eal o on ultant inal deter ination under t i ection 4 9

ect on E E P PE E PPE E E I att e ti e t e T ird art on ultant elected and a ointed under ection 4 5 a e it calculation under t i ree ent, t e licant a a ealed an atter relatin to t e aluation laced t e rai al Di trict on t e licant uali ied ro ert , and uc a eal re ain unre ol ed, t e T ird art on ultant all a e it calculation u on t e alue laced u on t e licant uali ied ro ert t e rai al Di trict I a a re ult o an a eal or or an ot er rea on t e Ta a le alue o t e licant uali ied ro ert i c an ed, once t e deter ination o t e ne Ta a le alue eco e inal, t e artie all i ediatel noti t e T ird art on ultant o all i ediatel i ue ne calculation re uired t i ree ent or t e a lica le ear or ear u in t e ne Ta a le alue on co letion o t e ne calculation , t e T ird art on ultant all tran it t e ne calculation to t e artie In t e e ent t e ne calculation re ult in a c an e o an a ount aid or a a le t e licant under t i ree ent, t e art o in und to t e ot er art all a an a ount o ed it in t irt (30) da o recei t o t e ne calculation ro t e T ird art on ultant

ect on I E P E I I I ot it tandin an t in contained in t i ree ent to t e contrar , in no e ent all t e u ulati e a ent calculated or a Ta Year o t i ree ent durin t e eriod ro t e ir t Ta Year o t e Ta i itation eriod and endin it and includin t e ir t Ta Year ollo in t e end o t e Ta i itation eriod, e ceed an a ount e ual to ne undred ercent (100) o t e licant u ulati e nad u ted Ta ene it or uc Ta Year or eac Ta Year o t i ree ent, a ount ot er i e due and o in t e licant to t e Di trict ic , irtue o t e a lication o t e a ent li itation et ort in t i ection 4 11, are not a a le to t e Di trict or uc Ta Year, all e carried or ard ro ear-to- ear into u e uent Ta Year durin t e ter o t i

Draft

ree ent, ut all e u ect, in eac u e uent Ta Year, to t e li it et ort in t i ection 4 11 n o t e u ulati e a ent ic cannot e aid to t e Di trict rior to t e end o t e t ird Ta Year ollo in t e end o t e Ta i itation eriod ecau e uc a ent ould e ceed t e licant u ulati e nad u ted Ta ene it under t i ree ent ill e dee ed to a e een cancelled o eration o la , and t e licant all a e no urt er o li ation it re ect t ereto

I E
P E E I E I E E E PE E

ect on E I E PE E In addition to t e a ount deter ined ur uant to rticle I or rticle I o t i ree ent, licant on an annual a i all al o inde ni and rei ur e Di trict or t e ollo in

ll non-rei ur ed co t , certi ied Di trict e ternal auditor to a e een incurred Di trict or e traordinar education-related e en e related to t e ro ect ro o ed t e licant t at are not directl unded in tate aid or ula , includin , it out li itation, e en e or t e urc a e or lea e o orta le cla roo and t e irin o additional er onnel to acco odate a te orar increa e in tudent enroll ent attri uta le to t e ro ect

ect on P E a ent o a ount due under t i rticle all e ade a et ort in ection 4 8 a o e

I E I
PP E E P E

ect on PP E E P E licant all a e u le ental a ent to t e Di trict, a et out in t i rticle I T e u le ental a ent ade to t e Di trict are in addition to an a ent t e Di trict i entitled to recei e under rticle I and T e u le ental a ent to t e Di trict all not e ceed t e u le ental a ent i itation et out in ection 6 6 elo , tartin it t e ir t co lete or artial ear o t e uali in Ti e eriod, and continuin t rou t e 3rd ear ollo in t e end o t e Ta i itation eriod

ect on I PP I IP E PP E E P E E E E I I or an Ta Year durin t e ter o t i ree ent, t e Di trict all e entitled to recei e u le ental a ent t at do not e ceed t e le er o

t e licant ti ulated u le ental a ent ount, a uc ter i de ined in ection 1 2 or uc Ta Year or,

t e re ate i it, a uc ter i de ined in ection 1 2, or uc Ta Year

Draft

ect on I PP I IP E PP E E P E

T e artie a ree t at or eac Ta Year o t i ree ent, e innin it t e ir t co lete or artial ear o t e uali in Ti e eriod, ic co ence under t i ree ent a ro ided in ection 2 3 i, t e licant ti ulated u le ental a ent ount, de cri ed in ection 6 2, ill annuall e calculated a ed u on t e t en o t current e ti ate o ta a in to t e licant, ic ill e ade, a ed u on a u tion o tudent count , ta collection , and ot er a lica le data, in accordance it t e ollo in or ula

Ta a le alue o t e licant uali ied ro ert or uc Ta Year ad t i ree ent not een entered into t e artie (i e , t e Ta a le alue o t e licant uali ied ro ert - u ed or t e Di trict intere t and in in und ta ur o e or uc Ta Year, or c ool ta e due to an ot er o ern ental entit , includin t e tate o Te a , or uc Ta Year)

Minus

T e Ta a le alue o t e licant uali ied ro ert or uc Ta Year a ter i in e ect to t i ree ent (i e , t e Ta a le alue o t e licant uali ied ro ert u ed or t e Di trict aintenance and o eration ta ur o e or uc Ta Year, or c ool ta e due to an ot er o ern ental entit , includin t e tate o Te a , or uc Ta Year)

Multiplied by

T e Di trict aintenance and o eration ta rate or uc Ta Year, or t e a lica le c ool ta rate o an ot er o ern ental entit , includin t e tate o Te a , or uc Ta Year

Minus

n a ount re iou l aid to t e Di trict under rticle I and it re ect to uc Ta Year

Multiplied by

T e nu er 0 25

Minus

n a ount re iou l aid to t e Di trict under t i rticle I it re ect to uc Ta Year

In t e e ent t at t ere are c an e in t e data u on ic t e calculation et ort erein are ade, t e T ird- art on ultant de cri ed in ection 4 5, a o e all ad u t t e licant ti ulated u le ental a ent ount calculation to re lect uc c an e in t e data

Draft

ect on I PP E E P E E I I

PP I I E E I I or eac Ta Year o t i ree ent e innin it t e ir t co lete or artial ear o t e Ta Year t at include t e date on ic t e uali in Ti e eriod co ence under t i ree ent a ro ided in ection 2 3 i, and endin on Dece er 31 t o t e t ird Ta Year ollo in t e end o t e Ta i itation eriod, t e Di trict all not e entitled to recei e u le ental a ent , co uted under ection 6 1 and 6 6, t at e ceed t e re ate i it

I , or an Ta Year durin t e ter o t i ree ent, t e a ount o t e licant ti ulated u le ental a ent ount, calculated under ection 6 1 and 6 6 or uc Ta Year e ceed t e re ate i it or uc Ta Year, t e di erence et een t e licant ti ulated u le ental a ent ount o calculated and t e re ate i it or uc Ta Year all e carried or ard ro ear-to- ear into u e uent Ta Year durin t e ter o t i ree ent, and to t e e tent not li ited t e re ate i it in an u e uent Ta Year durin t e ter o t i ree ent, all e aid to t e Di trict I t ere are c an e in a ter 313 o t e Te a Ta ode t at increa e or decrea e t e li it on t e a ount o t e u le ental a ent t at a e ade to or on e al o t e Di trict t e licant under t i rticle I, an i er or lo er a ount o u le ental a ent t at ir t eca e due ereunder rior to t e e ecti e date o an uc tatutor c an e ill not e ad u ted

n o t e licant ti ulated u le ental a ent ount ic cannot e aid to t e Di trict rior to t e end o t e t ird Ta Year ollo in t e end o t e Ta i itation eriod ecau e uc a ent ould e ceed t e re ate i it, ill e dee ed to a e een cancelled o eration o la , and t e licant all a e no urt er o li ation it re ect t ereto

ect on I PP E E P E E I I

ll calculation re uired t i rticle I, includin ut not li ited to (i) t e calculation o t e licant ti ulated u le ental a ent ount (ii) t e deter ination o ot t e nnual i it and t e re ate i it (iii) t e e ect, i an , o t e re ate i it u on t e actual a ount o u le ental a ent eli i le to e aid to t e Di trict t e licant, and (i) t e carr or ard and accu ulation o an o t e licant ti ulated u le ental a ent ount un aid t e licant due to t e re ate i it in re iou ear , all e calculated t e T ird art on ultant elected and a ointed ur uant to ection 4 5

T e calculation ade t e T ird- art on ultant all e ade at t e a e ti e and on t e a e c edule a t e calculation ade ur uant to ection 4 7

T e a ent o all a ount due under t i rticle I all e ade a et ort in ection 4 8

ect on PP E E P E I I I ot it tandin t e ore oin

T e total o t e u le ental a ent ade ur uant to t i rticle all not e ceed

Draft

or an calendar ear o t i ree ent an a ount e ual to t e reater o ne undred Dollar ($100 00) er tudent er ear in era e Dail ttendance, a de ined ection 48 005 o t e T D TI D , or i t T ou and Dollar ($50,000 00) er ear ti e t e nu er o ear e innin it t e ir t co lete or artial ear o t e uali in Ti e eriod identi ied in ection 2 3 i and endin it t e ear or ic t e u le ental a ent i ein calculated inu all u le ental a ent re iou l ade t e licant

u le ental a ent a onl e ade durin t e eriod tartin it t e ir t ear o t e uali in Ti e eriod and endin Dece er 31 o t e t ird ear ollo in t e end o t e Ta i itation eriod

T e li itation in ection 6 6 doe not a l to a ount de cri ed ection 313 027( )(1) (2) o t e T T D a i le ented in rticle I and o t i ree ent

D or ur o e o t i ree ent, t e calculation o t e li it o t e annual u le ental a ent all e t e reater o (i) $50,000 or (ii) $100 ulti lied t e Di trict era e Dail ttendance a calculated ur uant to ection 48 005 o t e T D TI D , a ed u on t e Di trict 2020-21 era e Dail ttendance o 28,560, rounded to t e ole nu er

ect on I I I ot it tandin an t in contained in t i ree ent to t e contrar , and it re ect to eac Ta Year o t e Ta i itation eriod e innin it t e ir t Ta Year o t e Ta i itation eriod, in no e ent all (i) t e u o t e aintenance and o eration ad alore ta e aid t e licant to t e Di trict or uc Ta Year, lu t e u o all a ent ot er i e due ro t e licant to t e Di trict under rticle I , , and I o t i ree ent it re ect to uc Ta Year, e ceed (ii) t e a ount o t e aintenance and o eration ad alore ta e t at t e licant ould a e aid to t e Di trict or uc Ta Year (deter ined u in t e Di trict actual aintenance and o eration ta rate or uc Ta Year) i t e artie ad not entered into t i ree ent T e calculation and co ari on o t e a ount de cri ed in clau e (i) and (ii) o t e recedin entence all e included in all calculation ade ur uant to rticle I o t i ree ent, and in t e e ent t e u o t e a ount de cri ed in aid clau e (i) e ceed t e a ount de cri ed in aid clau e (ii), t en uc e ce a ount o a ent ot er i e due ro t e licant to t e Di trict under rticle I , , and I all e de erred and carried or ard ro ear to ear, and to t e e tent not li ited ection 4 11 and 6 7 in an u e uent Ta Year durin t e ter o t i ree ent, all e aid to t e Di trict u ect to t e re uire ent o ection 7 1, an uc de erred and carried or ard e ce ic cannot e aid to t e Di trict on or e ore t e inal Ter ination Date o t i ree ent ill e dee ed to a e een cancelled o eration o la , and t e licant all a e no urt er o li ation it re ect t ereto

ect on P I E I E EE E In t e e ent an a ent ot er i e due ro t e licant to t e Di trict under rticle I , rticle , or rticle I o t i ree ent it re ect to a Ta Year i u ect to a de erral in accordance it t e ro i ion o ection 6 7, t en t e licant all a e t e o tion to ter inate t i ree ent T e licant a e erci e uc o tion to ter inate t i ree ent noti in t e Di trict o it election in ritin not later t an

Draft

t e ul 31 o t e ear ollo in t e Ta Year it re ect to ic a de erral under ection 6 7 i a lica le n ter ination o t i ree ent under t e ore oin ro i ion o t i ection 6 8 all e e ecti e i ediatel rior to t e econd Ta Year ne t ollo in t e Ta Year in ic t e de erral i in ri e to t e o tion occurred dditionall , in t e e ent t at rior to t e e innin o t e Ta i itation eriod, t e licant deter ine t at it ill not co ence or co lete con truction o t e licant uali ied In e t ent, t e licant all a e t e o tion, rior to t e e innin o t e Ta i itation eriod, to ter inate t i ree ent noti in t e Di trict in ritin o it e erci e o uc o tion n ter ination o t i ree ent under t e i ediatel recedin entence all e e ecti e i ediatel u on i in uc ritten notice to t e Di trict

I E II
I I I P E PP I

ect on E E P I E I I on t e e erci e o t e o tion to ter inate, ur uant to ection 6 7 re ardin t e annual li itation o a ent and ection 6 8 re ardin t e o tion to ter inate, t i ree ent all ter inate and e o no urt er orce or e ect ro ided, o e er, t at

t e artie re ecti e ri t and o li ation under t i ree ent it re ect to t e Ta Year or Ta Year (a t e ca e a e) t rou and includin t e Ta Year durin ic uc noti ication i deli ered to t e Di trict, all not e i aired or odi ied a a re ult o uc ter ination and all ur i e uc ter ination unle and until ati ied and di c ar ed and

t e ro i ion o t i ree ent re ardin a ent (includin li uidated da a e and ta a ent), record and di ute re olution all ur i e t e ter ination or e iration o t i ree ent

I E III
I I I I PP I

ect on PP I I I I I E P E E E In order to recei e and aintain t e li itation aut ori ed ection 2 4 in addition to t e ot er o li ation re uired t i ree ent, t e licant all aintain ia le re ence in t e Di trict co encin at t e tart o t e Ta i itation eriod t rou t e inal Ter ination Date o t i ree ent ot it tandin an t in contained in t i ree ent to t e contrar , t e licant all not e in reac o , and all not e u ect to an lia ilit or ailure to aintain ia le re ence to t e e tent uc ailure i cau ed orce a eure, ro ided t e licant a e co erciall rea ona le e ort to re ed t e cau e o uc orce a eure

ect on EP In order to recei e and aintain t e li itation aut ori ed ection 2 4 in addition to t e ot er o li ation re uired t i ree ent, t e licant all u it all re ort re uired ro ti e to ti e t e o troller, li ted in 34 T D I D ection 9 1052 and a currentl located on t e o troller e ite, includin all data ele ent re uired

Draft

uc or to t e ati action o t e o troller on t e date indicated on t e or or t e o troller e ite and tartin on t e ir t uc due date a ter t e lication ro al Date

ect on P E EP P E EE E Durin t e ter o t i ree ent, ot artie all ro ide t e o troller it all in or ation rea ona l nece ar or t e o troller to a e er or ance under t i ree ent or t e ur o e o i uin t e o troller re ort, a re uired ection 313 032 o t e T T D

ect on E E on t e ritten re ue t o t e Di trict, t e tate uditor ice, t e rai al Di trict, or t e o troller durin t e ter o t i ree ent, t e licant, t e Di trict or an ot er entit on e al o t e Di trict all ro ide t e re ue tin art it all in or ation rea ona l nece ar or t e re ue tin art to deter ine et er t e licant i in co liance it it ri t , o li ation , or re on i ilitie , includin , ut not li ited to, an e lo ent o li ation ic a ari e under t i ree ent

ect on I E I I E E IE T e licant all allo aut ori ed e lo ee o t e Di trict, t e o troller, t e rai al Di trict, and t e tate uditor ice to a e rea ona le acce to t e licant uali ied ro ert and u ine record ro t e lication e ie tart Date t rou t e inal Ter ination Date, in order to in ect t e ro ect to deter ine co liance it t e ter ereo or a nece ar to ro erl a rai e t e Ta a le alue o t e licant uali ied ro ert

ll in ection ill e ade at a utuall a reea le ti e a ter t e i in o not le t an ninet - i (96) our rior ritten notice, and ill e conducted in uc a anner o a not to unrea ona l inter ere it eit er t e con truction or o eration o t e licant uali ied ro ert

ll in ection a e acco anied one or ore re re entati e o t e licant, and all e conducted in accordance it t e licant a et , ecurit , and o erational tandard ot it tandin t e ore oin , not in contained in t i ree ent all re uire t e licant to ro ide t e Di trict, t e o troller, or t e rai al Di trict it an tec nical or u ine in or ation t at i ro rietar , a trade ecret, or i u ect to a con identialit a ree ent it an t ird art

ect on I I PP I E I E I e ecutin t i ree ent, i le entin t e aut orit o , and acce tin t e ene it ro ided a ter 313 o t e T T D , t e artie a ree t at t i ree ent and t eir er or ance ur uant to it ter are u ect to re ie and audit t e tate uditor a i t e are artie to a tate contract and u ect to t e ro i ion o ection 2262 154 o t e T T D and ection 313 010(a) o t e T T D T e artie urt er a ree to co l it t e ollo in re uire ent

T e Di trict and t e licant all aintain and retain u ortin docu ent ade uate to en ure t at clai or t e Ta i itation ount are in accordance it a lica le o troller

Draft

and tate o Te a re uire ent T e licant and t e Di trict all aintain all uc docu ent and ot er record relatin to t i ree ent and t e tate ro ert or a eriod o our (4) ear a ter t e late t occurrin date o

i date o u i ion o t e inal a ent
ii inal Ter ination Date or
iii date o re olution o all di ute or a ent

Durin t e ti e eriod de ined under ection 8 6 , t e Di trict and t e licant all a e a aila le at rea ona le ti e and u on rea ona le notice, and or rea ona le eriod , all in or ation related to t i ree ent t e licant lication and t e licant uali ied ro ert , uali ied In e t ent, e uali in o , and a e aid or e on- uali in o uc a or a er , re ort , oo , data, ile , o t are, record , calculation , read eet and ot er u ortin docu ent ertainin to t i ree ent, or ur o e o in ection , onitorin , auditin , or e aluatin t e o troller, tate uditor ice, tate o Te a or t eir aut ori ed re re entati e T e licant and t e Di trict all coo erate it auditor and ot er aut ori ed o troller and tate o Te a re re entati e and all ro ide t e it ro t acce to all o uc ro ert a re ue ted t e o troller or t e tate o Te a e a le and not a an e clu ion to ot er reac e or ailure , t e licant or t e Di trict ailure to co l it t i ection all con titute a aterial reac o t i ree ent

In addition to and it out li itation on t e ot er audit ro i ion o t i ree ent, t e acce tance o ta ene it or und t e licant or t e Di trict or an ot er entit or er on directl under t i ree ent act a acce tance o t e aut orit o t e tate uditor, under t e direction o t e le i lati e audit co ittee, to conduct an audit or in e ti ation in connection it t o e und nder t e direction o t e le i lati e audit co ittee, t e licant or t e Di trict or ot er entit t at i t e u ect o an audit or in e ti ation t e tate uditor u t ro ide t e tate uditor it acce to an in or ation t e tate uditor con ider rele ant to t e in e ti ation or audit T e artie a ree t at t i ree ent all or it duration e u ect to all rule and rocedure o t e tate uditor actin under t e direction o t e le i lati e audit co ittee

D T e licant all include t e re uire ent o t i ection 8 6 in it u contract it an entit o e e lo ee or u contractor are u ect to a e re uire ent under t e ct, t e o troller ule , or t i ree ent, or an entit o e e lo ee or u contractor are included in t e licant co liance it o creation or a e tandard re uire ent o t e ct, t e o troller ule , or t i ree ent

ect on E E E EP E E I T e artie ac no led e t at t i ree ent a een ne otiated, and i ein e ecuted, in reliance u on t e in or ation contained in t e lication, and an u le ent or a end ent t ereto, it out ic t e o troller ould not a e a ro ed t i ree ent and t e Di trict ould not a e e ecuted t i ree ent i nature to t i ree ent, t e licant

re re ent and arrant t at all in or ation, act , and re re entation contained in t e

Draft

lication are true and correct to t e e t o it no led e

a ree and ac no led e t at t e lication and all related attac ent and c edule are included re erence in t i ree ent a i ull et ort erein and

ac no led e t at i t e licant u itted it lication it a al e tate ent, i n t i ree ent it a al e tate ent, or u it a re ort it a al e tate ent, or it i u e uentl deter ined t at t e licant a iolated an o t e re re entation , arrantie , uarantee , certi ication , or a ir ation included in t e lication or t i ree ent, t e licant all a e ateriall reac ed t i ree ent and t e ree ent all e in alid and oid e ce t or t e en orce ent o t e ro i ion re uired ection 9 2 o t i ree ent

I E I
E I E E E I I

ect on E E I I E I E EE E T e licant all e in aterial reac o t i ree ent i it co it one or ore o t e ollo in act or o i ion (eac a aterial reac)

T e lication, an lication u le ent, or an lication end ent on ic t i ree ent i a ro ed i deter ined to e inaccurate a to an aterial re re entation, in or ation, or act or i not co lete a to an aterial act or re re entation or uc a lication

T e licant ailed to co lete uali ied In e t ent a re uired ection 2 5 o t i ree ent durin t e uali in Ti e eriod

T e licant ailed to create and aintain t e nu er o e uali in o re uired t e ct

D T e licant ailed to create and aintain t e nu er o e uali in o eci ied in c edule o t e lication

T e licant ailed to a at lea t t e a era e ee l a e o all o in t e count in ic t e o are located or all e on- uali in o created t e licant

T e licant ailed to ro ide a ent to t e Di trict u icient to rotect uture Di trict re enue t rou a ent o re enue o et and ot er ec ani a ore ull de cri ed in rticle I o t i ree ent

T e licant ailed to ro ide t e a ent to t e Di trict t at rotect t e Di trict ro t e a ent o e traordinar education-related e en e related to t e ro ect to t e e tent and in t e a ount t at t e licant a reed to ro ide uc a ent in rticle o t i ree ent

Draft

T e licant ailed to ro ide t e u le ental a ent to t e e tent and in t e a ount t at t e licant a reed to ro ide uc u le ental a ent in rticle I o t i ree ent

I T e licant ailed to create and aintain ia le re ence on or it t e uali ied ro ert a ore ull eci ied in rticle III o t i ree ent

T e licant ailed to u it t e re ort re uired to e u itted ection 8 2 to t e ati action o t e o troller

T e licant ailed to ro ide t e Di trict or t e o troller it all in or ation rea ona l nece ar or t e Di trict or t e o troller to deter ine et er t e licant i in co liance it it o li ation , includin , ut not li ited to, an e lo ent o li ation ic a ari e under t i ree ent

T e licant ailed to allo aut ori ed e lo ee o t e Di trict, t e o troller, t e rai al Di trict, or t e tate uditor ice to a e acce to t e licant uali ied ro ert or u ine record in order to in ect t e ro ect to deter ine co liance it t e ter ereo or a nece ar to ro erl a rai e t e Ta a le alue o t e licant uali ied ro ert under ection 8 5 and 8 6

T e licant ailed to co l it a re ue t t e tate uditor o ice to re ie and audit t e licant co liance it t i ree ent

T e licant a ade an a ent to t e Di trict or to an ot er er on or er on in an or or t e a ent or tran er o one or an ot er t in o alue in reco nition o , antici ation o , or con ideration or t i ree ent or li itation on rai ed alue ade ur uant to a ter 313 o t e T T D , in e ce o t e a ount et ort in rticle I , and I o t i ree ent

T e licant ailed to co l it t e condition included in t e certi icate or li itation i ued t e o troller

ect on E E I I E E I I EE E

rior to a in a deter ination t at t e licant a ailed to co l in an aterial re ect it t e ter o t i ree ent or to eet an aterial o li ation under t i ree ent, t e Di trict all ro ide t e licant it a ritten notice o t e act ic it elie e a e cau ed t e reac o t i ree ent, and i cure i o i le, t e cure ro o ed t e Di trict ter recei t o t e notice, t e licant all e i en ninet (90) da to re ent an act or ar u ent to t e oard o Tru tee o in t at it i not in reac o it o li ation under t i ree ent, or t at it a cured or underta en to cure an uc reac

I t e oard o Tru tee i not ati ied it uc re on e or t at uc reac a een

Draft

cured, t en t e oard o Tru tee all, a ter rea ona le notice to t e licant, conduct a earin called and eld or t e ur o e o deter inin et er uc reac a occurred and, i o, et er uc reac a een cured t an uc earin , t e licant all a e t e o ortunit , to et er it t eir coun el, to e eard e ore t e oard o Tru tee t t e earin , t e oard o Tru tee all a e indin a to

i et er or not a reac o t i ree ent a occurred
ii et er or not uc reac i a aterial reac
iii t e date uc reac occurred, i an
i et er or not an uc reac a een cured and,

In t e e ent t at t e oard o Tru tee deter ine t at uc a reac a occurred and a not een cured, it all at t at ti e deter ine

i t e a ount o reca ture ta e under ection 9 4 (net o all credit under ection 9 4)
ii t e a ount o an enalt or intere t under ection 9 4 t at are o ed to t e Di trict and
iii in t e e ent o a indin o a aterial reac , et er to ter inate t i ree ent

D ter a in it deter ination re ardin an alle ed reac , t e oard o Tru tee all cau e t e licant to e noti ied in ritin o it deter ination (a Deter ination o reac and otice o ontract Ter ination) and ro ide a co to t e o troller

ect on I P E E I

ter recei t o notice o t e oard o Tru tee Deter ination o reac and otice o ontract Ter ination under ection 9 2, t e licant all a e t irt (30) da in ic eit er to tender a ent or e idence o it e ort to cure, or to initiate ediation o t e di ute ritten notice to t e Di trict, in ic ca e t e Di trict and t e licant all e re uired to a e a ood ait e ort to re ol e, it out re ort to liti ation and it in t irt (30) da a ter t e licant initiate ediation, uc di ute t rou ediation it a utuall a reea le ediator and at a utuall con enient ti e and lace or t e ediation I t e artie are una le to a ree on a ediator, a ediator all e elected t e enior tate di trict court ud e t en re idin in ctor ount , Te a T e artie a ree to i n a docu ent t at ro ide t e ediator and t e ediation ill e o erned t e ro i ion o a ter 154 o t e T I I TI D DI D and uc ot er rule a t e ediator all re cri e it re ect to uc ediation, (i) t e Di trict all ear one- al o uc ediator ee and e en e and t e licant all ear one- al o uc ediator ee and e en e , and (ii) ot er i e eac art all ear all o it co t and e en e (includin attorne ee) incurred in connection it uc ediation

In t e e ent t at an ediation i not ucce ul in re ol in t e di ute or t at a ent i not recei ed it in t e ti e eriod de cri ed or ediation in ection 9 3 , eit er t e Di trict or t e licant a ee a udicial declaration o t eir re ecti e ri t and dutie under t i ree ent or ot er i e, in a udicial roceedin in a tate di trict court in ctor ount , a ert

Draft

an ri t or de en e , or ee an re ed in la or in e uit , a ain t t e ot er art it re ect to an clai relatin to an reac , de ault, or non er or ance o an contract, a ree ent or underta in ade a art ur uant to t i ree ent

I a ent eco e due under t i ree ent and are not recei ed e ore t e e iration o t e t irt (30) da ro ided or uc a ent in ection 9 3 , and i t e licant a not conte ted uc a ent calculation under t e rocedure et ort erein, includin udicial roceedin , t e Di trict all a e t e re edie or t e collection o t e a ount deter ined under ection 9 4 a are et ort in a ter 33, u c a ter and , o t e T T D or t e collection o delin uent ta e In t e e ent t at t e Di trict ucce ull ro ecute le al roceedin under t i ection, t e licant all al o e re on i le or t e a ent o attorne ee to t e attorne re re entin t e Di trict ur uant to ection 6 30 o t e T T D and a ta lien all attac to t e licant uali ied ro ert and t e licant uali ied In e t ent ur uant to ection 33 07 o t e T T D to ecure a ent o uc ee

ect on E E E E E I I E E PP I

In t e e ent t at t e licant ter inate t i ree ent it out t e con ent o t e Di trict, e ce t a ro ided in ection 6 8 and 7 1 o t i ree ent, t e licant all a to t e Di trict li uidated da a e or uc ailure it in t irt (30) da a ter recei t o t e notice o reac

In t e e ent t at t e Di trict deter ine t at t e licant a ailed to co l in an aterial re ect it t e ter o t i ree ent or to eet an aterial o li ation under t i ree ent, t e licant all a to t e Di trict li uidated da a e , a calculated ection 9 4 , rior to, and t e Di trict a ter inate t e ree ent e ecti e on t e later o (i) t e e iration o t e t irt (30) da ro ided or in ection 9 3 , and (ii) t irt (30) da a ter an ediation and udicial roceedin initiated ur uant to ection 9 3 and 9 3 are re ol ed in a or o t e Di trict

T e u o li uidated da a e due and a a le all e t e u total o t e Di trict ad alore ta e or all o t e Ta Year or ic a ta li itation a ranted ur uant to t i ree ent rior to t e ear in ic t e de ault occur t at ot er i e ould a e een due and a a le t e licant to t e Di trict it out t e ene it o t i ree ent, includin enalt and intere t, a calculated in accordance it ection 9 4 or ur o e o t i li uidated da a e calculation, t e licant all e entitled to a credit or all a ent ade to t e Di trict ur uant to rticle I , , and I on a ent o uc li uidated da a e , t e licant o li ation under t i ree ent all e dee ed ull ati ied, and uc a ent all con titute t e Di trict ole re ed

D In t e e ent t at t e Di trict deter ine t at t e licant a co itted a aterial reac identi ied in ection 9 1, a ter t e notice and ediation eriod ro ided ection 9 2 and 9 3, t en t e Di trict a , in addition to t e a ent o li uidated da a e re uired ur uant

Draft

to ection 9 4 , ter inate t i ree ent

In deter inin t e a ount o enalt or intere t, or ot , due in t e e ent o a reac o t i ree ent, t e Di trict all ir t deter ine t e a e a ount o reca tured ta e le all credit under ection 9 4 o ed or eac Ta Year durin t e Ta i itation eriod T e Di trict all calculate enalt or intere t or eac Ta Year durin t e Ta i itation eriod in accordance it t e et odolo et ort in a ter 33 o t e T T D , a i t e a e a ount calculated or uc Ta Year le all credit under ection 9 4 ad eco e due and a a le on e ruar 1 o t e calendar ear ollo in uc Ta Year enaltie on aid a ount all e calculated in accordance it t e et odolo et ort in ection 33 01(a) o t e T T D , or it ucce or tatute Intere t on aid a ount all e calculated in accordance it t e et odolo et ort in ection 33 01(c) o t e T T D , or it ucce or tatute

ect on I I I E E ot it tandin an t in contained in t i ree ent to t e contrar , in t e e ent o de ault or reac o t i ree ent t e licant, t e Di trict da a e or uc a de ault all under no circu tance e ceed t e a ount calculated under ection 9 4 In addition, t e Di trict ole ri t o e uita le relie under t i ree ent all e it ri t to ter inate t i ree ent T e artie urt er a ree t at t e li itation o da a e and re edie et ort in t i ection 9 5 all e t e ole and e clu i e re edie a aila le to t e Di trict, et er at la or under rinci le o e uit

ect on PE I E E I IE I E E ur uant to ection 313 0275 o t e T T D , in t e e ent t at t e licant ail to a e $30,000,000 o uali ied In e t ent, in ole or in art, durin t e uali in Ti e eriod, t e licant i lia le to t e tate or a enalt T e a ount o t e enalt i t e a ount deter ined (i) ulti l in t e aintenance and o eration ta rate o t e c ool di trict or t at ta ear t at t e enalt i due (ii) t e a ount o tained a ter u tractin (a) t e Ta i itation ount identi ied in ection 2 4 ro ( ) t e ar et alue o t e ro ert identi ied on t e rai al Di trict record or t e Ta Year t e enalt i due T i enalt all e aid on or e ore e ruar 1 o t e ear ollo in t e e iration o t e uali in Ti e eriod and i u ect to t e delin uent enalt ro i ion o ection 33 01 o t e T T D T e o troller a rant a ai er o t i enalt in t e e ent o orce a eure ic re ent co liance it t i ro i ion

ect on E E I E E E I I E I E E I I ur uant to ection 313 0276 o t e T T D , or an ull Ta Year t at co ence a ter t e ro ect a eco e o erational, in t e e ent t at it a een deter ined t at t e licant a ailed to eet t e o creation or retention re uire ent de ined in ection 9 1 , t e licant all not e dee ed to e in aterial reac o t i ree ent until uc ti e a t e o troller a ade a deter ination to re cind t i ree ent under ection 313 0276 o T T D , and t at deter ination i inal

Draft

ect on E E I E E E I I I E E I I

In t e e ent t at t e licant ail to create and aintain t e nu er o e uali in o eci ied in c edule o t e lication, an e ent con titutin a aterial reac a de ined in ection 9 1 D, t e licant and t e Di trict a elect to re ed t e aterial reac t rou a enalt a ent

ollo in t e notice and ediation eriod ro ided ection 9 2 and 9 3, t e Di trict a re ue t t e licant to a e a a ent to t e tate in an a ount e ual to (i) ulti l in t e aintenance and o eration ta rate o t e c ool di trict or t at Ta Year t at t e aterial reac occur (ii) t e a ount o tained a ter u tractin (a) t e Ta i itation ount identi ied in ection 2 4 ro ( ) t e ar et alue o t e ro ert identi ied on t e rai al Di trict record or eac ta ear t e aterial reac occur

In t e e ent t at t ere i no ta li itation in lace or t e ta ear t at t e aterial reac occur , t e a ent to t e tate all e in an a ount e ual to (i) ulti l in t e aintenance and o eration ta rate o t e c ool Di trict or eac ta ear t at t e aterial reac occur (ii) t e a ount o tained a ter u tractin (a) t e Ta i itation ount identi ied in ection 2 4 ro ( ) t e ar et alue o t e ro ert identi ied on t e rai al Di trict record or t e la t Ta Year or ic t e licant recei ed a ta li itation

D T e enalt all e aid no later t an 30 da a ter t e notice o reac and i u ect to t e delin uent enalt ro i ion o ection 33 01 o t e T T D

I E
I E E P I I

ect on I I I E

nle ot er i e e re l ro ided in t i ree ent, all notice re uired or er itted ereunder all e in ritin and dee ed u icientl i en or all ur o e ereo i (i) deli ered in er on, courier (*e.g.*, ederal re) or re i tered or certi ied nited tate ail to t e art to e noti ied, it recei t o tained, or (ii) ent ac i ile or e ail tran i ion, it notice o recei t o tained, in eac ca e to t e a ro riate addre or nu er a et ort elo ac notice all e dee ed e ecti e on recei t t e addre ee a a ore aid ro ided t at, notice recei ed ac i ile or e ail tran i ion a ter 5 00 at t e location o t e addre ee o uc notice all e dee ed recei ed on t e ir t u ine da ollo in t e date o uc electronic recei t

otice to t e Di trict all e addre ed to t e Di trict ut ori ed e re entati e a ollo

Draft

o t e str ct
ctor ount Inde endent c ool Di trict
ttn Dr cott uri, u erintendent
(or t e ucce or u erintendent)
802 a ou ton
de a, T 79760
one (432) 456-9879
a (432) 456-9878
ail cott uri ectorcount i d or

t a copy to
nder ood a ir ,
ttn red tor er
500 out Ta lor, 233, uite 1200
arillo, T 79101
one (806) 379-0306
a (806) 379-0316
ail red tor er u la co

n
ul ell on ultin ,
ttn ri ra er
1303 Darter ane
u tin, Te a 78746
one (512) 914-1328
ail c ri cul ellcon ultin co

otice to t e licant all e addre ed to it ut ori ed e re entati e a ollo

o ppl cant
Dere illi , ice re ident and ecretar
1 oint i e 1,
5 reen a la a, uite 110
ou ton, T 77046
one (713) 497-2556
ail dere illi o co

t a copy to
o ar in, u ine De elo ent ana er
1 oint i e 1,
5 reen a la a, uite 110
ou ton, T 77046
one (713) 840-3007
ail o ar in o co

or at uc ot er addre or to uc ot er ac i ile tran i ion nu er and to t e attention o uc ot er er on a a art a de i nate ritten notice to t e ot er

D co o an notice deli ered to t e licant all al o e deli ered to an lender or ic t e licant a ro ided t e Di trict notice o collateral a i n ent in or ation ur uant to ection 10 3 , elo

ect on E E PP I I EE E I E

T i ree ent a not e odi ied or a ended e ce t an in tru ent or in tru ent in ritin i ned all o t e artie and a ter co letin t e re uire ent o ection 10 2 ai er o an ter , condition, or ro i ion o t i ree ent an art all onl e e ecti e i in ritin and all not e con trued a a ai er o an u e uent reac o , or ailure

Draft

to co l it , t e a e ter , condition, or ro i ion, or a ai er o an ot er ter , condition, or ro i ion o t i ree ent

o icial action o t e Di trict oard o Tru tee , t e lication and t i ree ent a onl e a ended accordin to t e ollo in

i T e licant all u it to t e Di trict and t e o troller

a a ritten re ue t to a end t e lication and t i ree ent, ic all eci t e c an e t e licant re ue t

an c an e to t e in or ation t at a ro ided in t e lication t at a a ro ed t e Di trict and con idered t e o troller

c and an additional in or ation re ue ted t e Di trict or t e o troller nece ar to e aluate t e a end ent or odi ication

ii T e o troller all re ie t e re ue t and an additional in or ation or co liance it t e ct and t e o troller ule and ro ide a re i ed o troller certi icate or a li itation it in 90 da o recei in t e re i ed lication and, i t e re ue t to a end t e lication a not een a ro ed t e o troller t e end o t e 90-da eriod, t e re ue t i denied and

iii I t e o troller a not denied t e re ue t, t e Di trict oard o Tru tee all a ro e or di a ro e t e re ue t e ore t e e iration o 150 da a ter t e re ue t i iled

n a end ent o t e lication and t i ree ent addin additional or re lace ent uali ied ro ert ur uant to t i ection 10 2 o t i ree ent all

i re uire t at all ro ert added a end ent e eli i le ro ert a de ined ection 313 024 o t e T T D

ii clearl identi t e ro ert , in e t ent, and e lo ent in or ation added a end ent ro t e ro ert , in e t ent, and e lo ent in or ation in t e ori inal ree ent and

D T e lication and t i ree ent a not e a ended to e tend t e alue li itation ti e eriod e ond it ten- ear tatutor ter

T e o troller deter ination ade under ection 313 026(c)(2) o t e T T D in t e ori inal certi icate or a li itation ati ie t e re uire ent o t e o troller to a e t e a e deter ination or an a end ent o t e lication and t i ree ent, ro ided t at t e act u on ic t e ori inal deter ination a ade a e not c an ed

T e licant all a end t e lication and t i ree ent to identi t e c an e in t e in or ation t at a ro ided in t e lication and a a ro ed t e Di trict and a con idered t e o troller no earlier t an 180 da and no later t an 90 da rior to t e tart o t e uali in Ti e eriod a identi ied in ection 2 3 i o t i ree ent

i T e licant all co l it ritten re ue t ro t e Di trict or t e o troller to ro ide additional in or ation nece ar to re are a o troller certi icate or a li itation or t e condition rior to t e tart o t e uali in Ti e eriod and

Draft

ii I t e o troller ro ide it certi icate or a li itation it condition di erent ro t e e i tin a ree ent, t e Di trict all old a eetin and deter ine et er to a end t i ree ent to include t e condition re uired t e o troller or ter inate t i ree ent or

iii I t e o troller it dra it certi icate or a li itation a ed on t e re i ed lication, t e Di trict all ter inate t i ree ent

ect on I E

n a i n ent o an ri t , ene it , o li ation , or intere t o t e artie in t i ree ent, ot er t an a collateral a i n ent urel or t e ene it o creditor o t e ro ect, i con idered an a end ent to t e ree ent and uc art a onl a i n uc ri t , ene it , o li ation , or intere t o t i ree ent a ter co l in it t e ro i ion o ection 10 2 re ardin a end ent to t e ree ent t er t an a collateral a i n ent to a creditor, t i ree ent a onl e a i ned to an entit t at i eli i le to a l or and e ecute an a ree ent or li itation on a rai ed alue ur uant to t e ro i ion o a ter 313 o t e T T D and t e o troller ule

In t e e ent o a er er or con olidation o t e Di trict it anot er c ool di trict or ot er o ern ental aut orit , t i ree ent all e indin on t e ucce or c ool di trict or ot er o ern ental aut orit

In t e e ent o an a i n ent to a creditor, t e licant u t noti t e Di trict and t e o troller in ritin no later t an 30 da a ter t e a i n ent T i ree ent all e indin on t e a i nee

ect on E E T i ree ent contain all o t e ter and condition o t e under tandin o t e artie relatin to t e u ect atter ereo ll rior ne otiation , di cu ion , corre ondence, and reli inar under tandin et een t e artie and ot er relatin ereto are u er eded t i ree ent

ect on E I T i ree ent and t e tran action conte lated ere all e o erned and inter reted in accordance it t e la o t e tate o Te a it out i in e ect to rinci le t ereo relatin to con lict o la or rule t at ould direct t e a lication o t e la o anot er uri diction. enue in an le al roceedin all e in a tate di trict court in ctor ount , Te a

ect on I E E E EE E ac o t e artie re re ent and arrant t at it under i ned re re entati e a een e re l aut ori ed to e ecute t i ree ent or and on e al o uc art

ect on E E I I I an ter , ro i ion or condition o t i ree ent, or an a lication t ereo , i eld in alid, ille al, or unen orcea le in an re ect under an a (a ereina ter de ined), t i ree ent all e re or ed to t e e tent nece ar to con or , in eac

Draft

ca e con i tent it t e intention o t e artie , to uc a , and to t e e tent uc ter , ro i ion, or condition cannot e o re or ed, t en uc ter , ro i ion, or condition (or uc in alid, ille al or unen orcea le a lication t ereo) all e dee ed deleted ro (or ro i ited under) t i ree ent, a t e ca e a e, and t e alidit , le alit , and en orcea ilit o t e re ainin ter , ro i ion , and condition contained erein (and an ot er a lication uc ter , ro i ion, or condition) all not in an a e a ected or i aired t ere on uc deter ination t at an ter or ot er ro i ion i in alid, ille al, or inca a le o ein en orced, t e artie ereto all ne otiate in ood ait to odi t i ree ent in an acce ta le anner o a to e ect t e ori inal intent o t e artie a clo el a o i le o t at t e tran action conte lated ere are ul illed to t e e tent o i le u ed in t i ection 10 7, t e ter a all ean an a lica le tatute, la (includin co on la), ordinance, re ulation, rule, rulin , order, rit, in unction, decree, or ot er o icial act o or an ederal, tate or local o ern ent, o ern ental de art ent, co i ion, oard, ureau, a enc , re ulator aut orit , in tru entalit , or udicial or ad ini trati e od a in uri diction o er t e atter or atter in ue tion

ect on P E E PE E ce t a ot er i e e re l ro ided in t i ree ent, or a co ered t e a lication ee, eac o t e artie all a it o n co t and e en e relatin to t i ree ent, includin , ut not li ited to, it co t and e en e o t e ne otiation leadin u to t i ree ent, and o it er or ance and co liance it t i ree ent

ect on I E P E I

en a re erence i ade in t i ree ent to a ection, rticle, or i it, uc re erence all e to a ection or rticle o , or i it to, t i ree ent unle ot er i e indicated T e eadin contained in t i ree ent are or re erence ur o e onl and all not a ect in an a t e eanin or inter retation o t i ree ent

T e ord include, include , and includin en u ed in t i ree ent all e dee ed in uc ca e to e ollo ed t e ra e , ut not li ited to, ord u ed in t i ree ent, re ardle o t e nu er or ender eci icall u ed, all e dee ed and con trued to include an ot er nu er, in ular or lural, and an ot er ender, a culine, e inine or neuter, a t e conte t all re uire

T e ro i ion o t e ct and t e o troller ule are incor orated re erence a i ull et ort in t i ree ent In t e e ent o a con lict, t e con lict ill e re ol ed re erence to t e ollo in order o recedence

i T e ct
ii T e o troller ule a t e e i tatt eti e t e ree ent i e ecuted, e ce t a allo ed in t e de inition o uali ied ro ert in ection 1 1 and
iii T i ree ent and it ttac ent includin t e lication a incor orated re erence

ect on E E I E P T i ree ent a e e ecuted in ulti le

Draft

counter art , eac o ic all e dee ed an ori inal, and all o ic , ta en to et er, all con titute ut one and t e a e in tru ent, ic a e u icientl e idenced one counter art

ect on P I I E T e artie ac no led e t at t e Di trict i re uired to u li t e lication and it re uired c edule , or an a end ent t ereto all econo ic anal e o t e ro o ed ro ect u itted to t e Di trict and t e a ro ed and e ecuted co o t i ree ent or an a end ent t ereto, a ollo

it in e en (7) da o recei t o uc docu ent, t e Di trict all u it a co to t e o troller or u lication on t e o troller Internet e ite

T e Di trict all ro ide on it e ite a lin to t e location o t o e docu ent o ted on t e o troller e ite

T i ection doe not re uire t e u lication o in or ation t at i con idential under ection 313 028 o t e T T D

ect on E IP E P EE I T e licant all i ediatel noti t e Di trict and t e o troller o ice in ritin o an actual or antici ated c an e in t e control or o ner i o t e licant and o an le al or ad ini trati e in e ti ation or roceedin initiated a ain t t e licant related to t e ro ect re ardle o t e uri diction ro ic uc roceedin ori inate

ect on I E I circu tance c an e or additional in or ation i o tained re ardin an o t e re re entation and arrantie ade t e licant in t e lication or t i ree ent, or an ot er di clo ure re uire ent , u e uent to t e date o t i ree ent, t e licant dut to di clo e continue t rou out t e ter o t i ree ent

ect on I I E E

T e Di trict re re ent t at, a ter dili ent in uir , eac local u lic o icial or local o ern ent o icer, a t o e ter are de ined in a ter 171 and 176 o t e T T D , a di clo ed an con lict o intere t in o tainin or er or in t i ree ent and related acti itie , a ro riatel recu ed ro an deci ion relatin to t i ree ent en a di clo ure a een ade, and t e er or ance o t i ree ent ill not create an a earance o i ro riet T e Di trict re re ent t at it, t e Di trict local u lic o icial or local o ern ent o icer, a t o e ter are de ined in a ter 171 and 176 o t e T T D , a e not i en, nor intend to i e, at an ti e erea ter, an uture e lo ent, i t, loan, ratuit , ecial di count, tri , a or, or er ice to a u lic er ant, e lo ee, or re re entati e o t e ot er art or t e tate o Te a in connection it t i ree ent

Draft

T e licant re re ent t at, a ter dili ent in uir , eac o it a ent , a de ined in a ter 176 o t e T T D , in ol ed in t e re re entation o t e licant it t e Di trict a co lied it t e ro i ion o a ter 176 o t e T T D T e licant re re ent t at it and it a ent , a de ined in a ter 176 o t e T T D , a e not i en, nor intend to i e, at an ti e erea ter, an uture e lo ent, i t, loan, ratuit , ecial di count, tri , a or, or er ice to a u lic er ant, e lo ee, or re re entati e o t e ot er art or t e tate o Te a in connection it t i ree ent

T e Di trict and t e licant eac e aratel a ree to noti t e ot er art and t e o troller i ediatel u on learnin o an con lict o intere t

ect on P I I I I E PI I E I I ot it tandin t e e iration or ter ination (a ree ent, reac , or o eration o ti e) o t i ree ent, t e ro i ion o t i ree ent re ardin a ent (includin li uidated da a e and ta a ent), re ort , record , and di ute re olution o t e ree ent all ur i e t e ter ination or e iration date o t i ree ent until t e ollo in occur

all a ent , includin li uidated da a e and ta a ent , a e een ade

all re ort a e een u itted

all record a e een aintained in accordance it ection 8 6 and

D all di ute in contro er a e een re ol ed

ect on I I E E E I E I E

T i ree ent a e dul e ecuted and deli ered in er on, ail, or ac i ile or ot er electronic or at (includin orta le docu ent or at (d) tran itted e- ail) T e e ecutin art u t ro tl deli er a co lete, e ecuted ori inal or counter art o t i ree ent to t e ot er e ecutin artie T i ree ent all e indin on and en orcea le a ain t t e e ecutin art et er or not it deli er uc ori inal or counter art

Deli er i dee ed co lete a ollo

i en deli ered i deli ered er onall or ent e re courier er ice

ii T ree (3) u ine da a ter t e date o ailin i ent re i tered or certi ied ail, o ta e re aid, it return recei t re ue ted

iii en tran itted i ent ac i ile, ro ided a con ir ation o tran i ion i roduced t e endin ac ine or

i en t e reci ient, an e- ail ent to t e e- ail addre or t e e ecutin artie ac no led e a in recei ed t at e- ail (an auto atic read recei t doe not con titute ac no led ent o an e- ail or deli er ur o e)

Draft

IN WITNESS WHEREOF, t i ree ent a een e ecuted t e artie in ulti le ori inal on t i da o , 2022

P I I E P **E I EPE E**
I I

Y _____ Y _____

TIT TIT

E

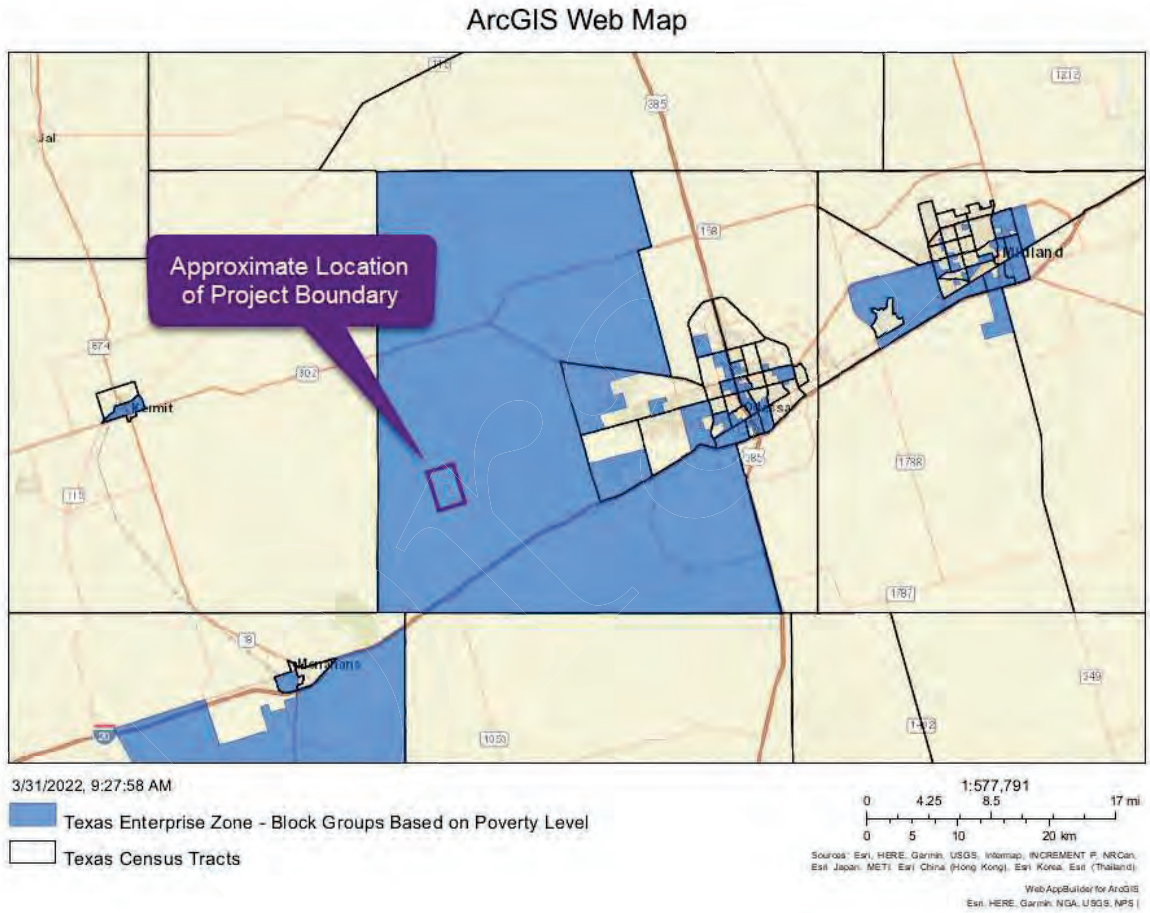
Y _____

TIT

Draft

E IP I I E EPI E EI E E E

ctor ount i a de i nated enter ri e one, a de ined t e o ernor ice ecau e it i in a loc rou it in t e tate o Te a t at a a o ert rate o 20 ercent or ore ee lin to nter ri e one inder on t i a e tt o te a o u ine a e te a -enter ri e- one- ro ra and a elo



reement or m tat on on ppra se al e
et een ctor ount I D and 1 oint i e 1, (o 1789 uild 1), e te er 20, 2022 i it 1

E I I

E IP I I

ll uali ied ro ert o ned t e licant i located it in t e oundarie o t e ro ect area, ctor ount Inde endent c ool Di trict, ctor ount and t e nter ri e one, a de icted in **E I I** and

Draft

E I I

PP I I IE I E E

T e ro ect ould e con tructed on a ro i atel 1,600 acre at a ite no n a t e oe ar anc in ctor ount and ould e located entirel it in t e oundarie o ctor ount Inde endent c ool Di trict

T ere are our a or roce co onent a ociated it t e ro ect

- ir ontactor
- ellet eactor
- ellet alciner
- la er drator

li i le ancillar and nece ar e ui ent ould include t e ollo in

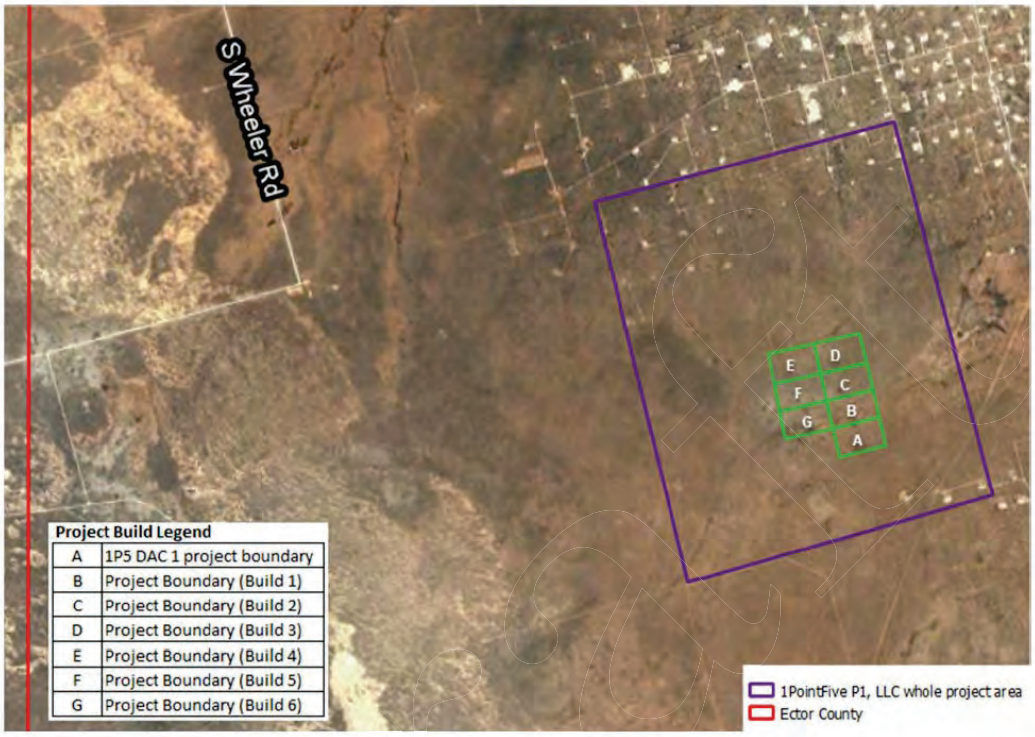
- ellet e arator and a in
- ellet Dr er
- 2 uri ier and o re or
- oolin te
- o re or
- a orator
- u
- lectrical and In tru entation ontrol
- e i in
- ater Treat ent acilitie
- eration , aintenance, ea ure ent, and onitorin uildin

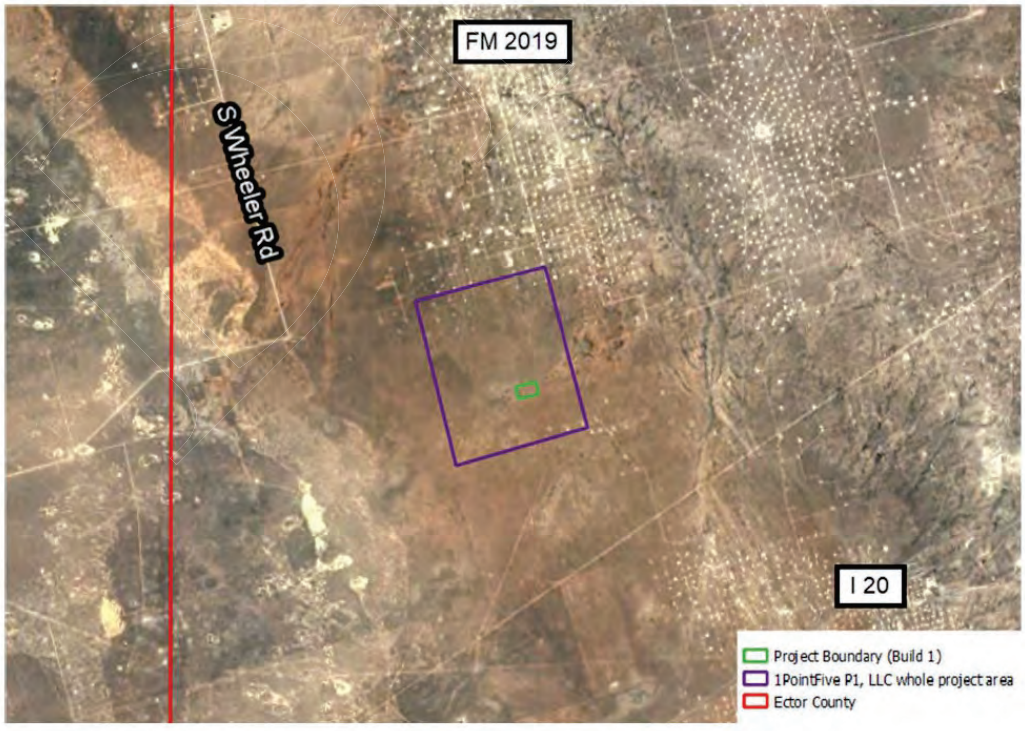
dditional e ui ent and co onent ould e de ined durin detail de i n and rocured t e contractor

T e con truction o t e lant ould include ite re aration and eart or , in tallation o oundation and u ort , a rication o a or e ui ent and tran ortation to ite, inte ration o odule and interconnectin or (i e i in , electrical, control), erection o uildin and u ort in ra tructure, utilit interconnection , co i ionin and tart-u , roduction ra -u , and ando er to o eration

T i ree ent co er all uali ied in e t ent and uali ied ro ert nece ar or t e co ercial o eration o t e ro ect, all o ic ould e located it in t e ro ect oundar , nter ri e one, ctor I D and ctor ount , Te a

Draft





reement or m tat on on ppra se al e
et een ctor ount I D and 1 oint i e 1,
(o 1789 uild 1), e te er 20, 2022
i it 3

E I I

E IP I I IE P PE

T e ro ect ould e con tructed on a ro i atel 1,600 acre at a ite no n a t e oe ar anc in ctor ount and ould e located entirel it in t e oundarie o ctor ount Inde endent c ool Di trict

T ere are our a or roce co onent a ociated it t e ro ect

- ir ontactor
- ellet eactor
- ellet alciner
- la er drator

li i le ancillar and nece ar e ui ent ould include t e ollo in

- ellet e arator and a in
- ellet Dr er
- 2 uri ier and o re or
- oolin te
- o re or
- a orator
- u
- lectrical and In tru entation ontrol
- e i in
- ater Treat ent acilitie
- eration , aintenance, ea ure ent, and onitorin uildin

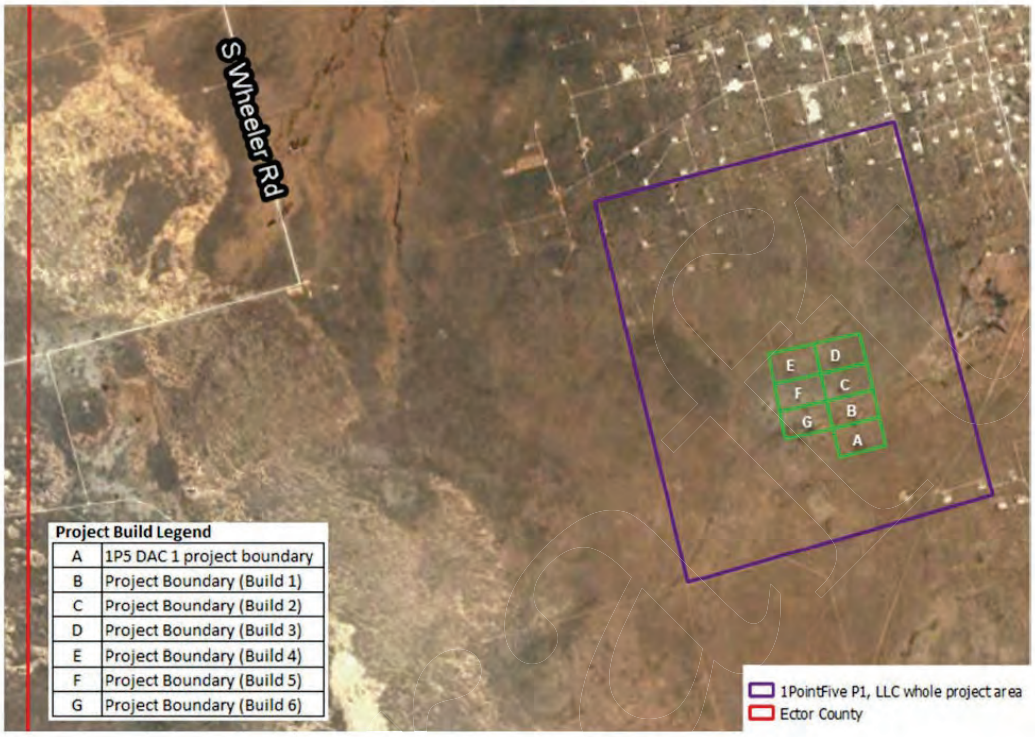
dditional e ui ent and co onent ould e de ined durin detail de i n and rocured t e contractor

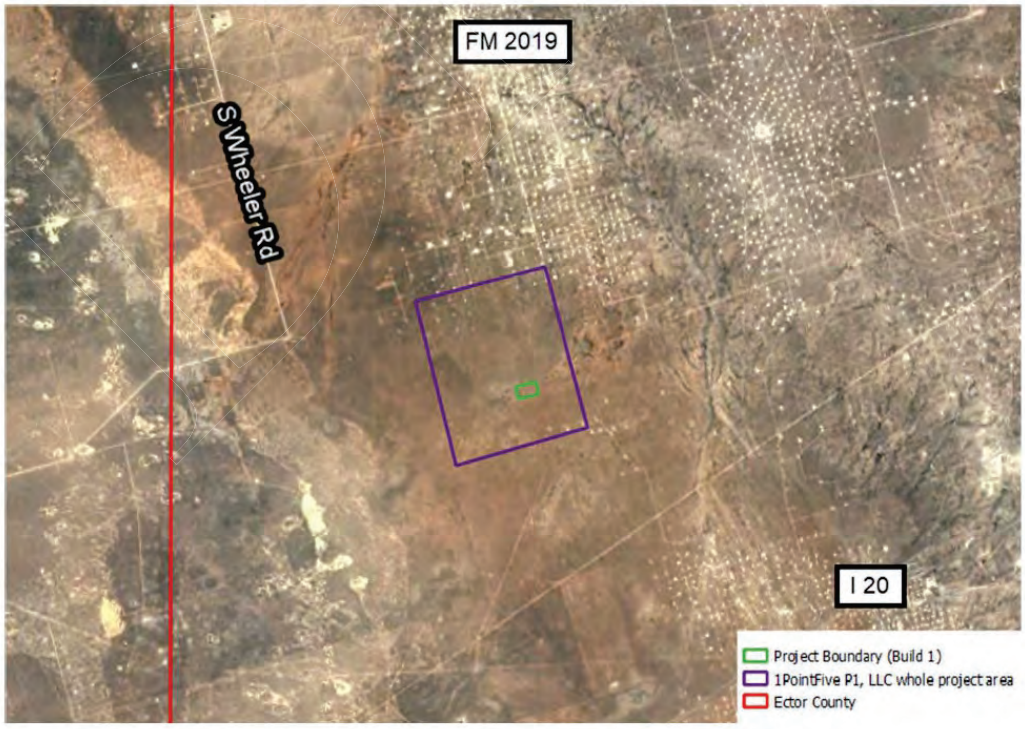
T e con truction o t e lant ould include ite re aration and eart or , in tallation o oundation and u ort , a rication o a or e ui ent and tran ortation to ite, inte ration o odule and interconnectin or (i e i in , electrical, control), erection o uildin and u ort in ra tructure, utilit interconnection , co i ionin and tart-u , roduction ra -u , and ando er to o eration

T i ree ent co er all uali ied in e t ent and uali ied ro ert nece ar or t e co ercial o eration o t e ro ect, all o ic ould e located it in t e ro ect oundar , nter ri e one, ctor I D and ctor ount , Te a

Draft

P I IE P PE





reement or m tat on on ppra se al e
et een ctor ount I D and 1 oint i e 1,
(o 1789 uild 1), e te er 20, 2022
i it 4

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

E I I

	Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description
Limitation Pre-Years	0	January 1, 2022 – January 1, 2026	2022-27	2022-26	QTP Pre-Years
	QTP 1	January 1, 2027	2027-28	2027	QTP year 1, begins January 1, 2027
	QTP 2	January 1, 2028	2028-29	2028	QTP year 2, ends December 31, 2028
Limitation Period (10 Years)	1	January 1, 2029	2029-30	2029	$30 million appraisal limitation
	2	January 1, 2030	2030-31	2030	$30 million appraisal limitation
	3	January 1, 2031	2031-32	2031	$30 million appraisal limitation
	4	January 1, 2032	2032-33	2032	$30 million appraisal limitation
	5	January 1, 2033	2033-34	2033	$30 million appraisal limitation
	6	January 1, 2034	2034-35	2034	$30 million appraisal limitation
	7	January 1, 2035	2035-36	2035	$30 million appraisal limitation
	8	January 1, 2036	2036-37	2036	$30 million appraisal limitation
	9	January 1, 2037	2037-38	2037	$30 million appraisal limitation
	10	January 1, 2038	2038-39	2038	$30 million appraisal limitation
Maintain a Viable Presence (5 Years)	11	January 1, 2039	2039-40	2039	No appraisal limitation; must maintain a viable presence
	12	January 1, 2040	2040-41	2040	No appraisal limitation; must maintain a viable presence
	13	January 1, 2041	2041-42	2041	No appraisal limitation; must maintain a viable presence
	14	January 1, 2042	2042-43	2042	No appraisal limitation; must maintain a viable presence
	15	January 1, 2043	2043-44	2043	No appraisal limitation; must maintain a viable presence

DocuSign Envelope ID: 2DBB24FE-884B-4C5E-8E4E-1F04FA34F9A1

GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 14, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
P.O. Box 3912
Odessa, TX 79760

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and 1Pointfive P1, LLC, Application 1789

Dear Superintendent Muri:

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 Ector County Independent School District and 1Pointfive P1, LLC (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: Fred Stormer, Underwood Law Firm, P.C.
Derek Wills, 1Pointfive P1, LLC
Josh Barvin, Oxy Low Carbon Ventrues, LLC
Michael Lateur, Kroll, LLC